

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2498
ANSWERED ON:18.12.2003
DABHOL PROJECT
VINAY KUMAR SORAKE

Will the Minister of POWER be pleased to state:

- (a) whether the off-shore lenders to Dabhol Project have initiated a claim for Rs.722 crores from the Centre;
- (b) if so, whether earlier, Bechtel Enterprises Holding Inc and GE Finances have already filed an international arbitration claim of \$1.26 billion against the Government on Dabhol account;
- (c) if so, whether the Government is bound to honour these claims under bilateral investment treaties it has signed with the countries of lenders' origin; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Yes, Sir.

(c) & (d) : As per information made available by the Ministry of Finance, no liability has so far arisen which requires the Government, either as a result of mutual settlement or an arbitration award, to honour such claims.