



# भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय)

## National Highways Authority of India

(Ministry of Road Transport and Highways)

जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली-110075

G-5 & 6, Sector-10, Dwarka, New Delhi-110075

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No.11041/217/2007-Admn.

20.03.2014

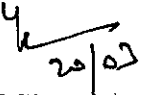
**POLICY MATTER- ADMN/FINANCE (137/2014)**  
(Decision taken on File No. NHAI/11035/01/2009-HR.1)

**Sub: Delegation of powers to GM level officers posted as Regional Officers in Regional Offices-reg.**

In partial modification of Office Order No.11041/262/2009-Admn dated 09.09.2009 (Annex-A) and Circular No. NHAI/13/LA/Policy/2006 dated 06.09.2010 (Annex-B), it has been decided that the powers delegated to CGMs of Regional Offices under the above mentioned Office Order and Circular shall also be exercised by those GM level officers who are posted as Regional Officers in Regional Offices.

2. This issues with the approval of Chairman.

Encl: As above.

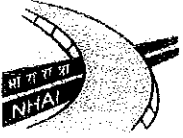


(V.K.Sharma)

Chief General Manager (LA & Coord.)

To,

All officers and employees of HQ/ROs/PIUs/CMUs/Site Offices



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
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9<sup>th</sup> September '09

**OFFICE ORDER**

**Sub: Duties/ Responsibilities of Regional Officers.**

For decentralizing and strengthening the field level operations in NHAI it has been decided to set up Regional Offices, each headed by a Chief General Manager (Tech). Accordingly, with the approval of the Competent Authority, it has been decided that the Regional Officers/CGMs will have the following duties and responsibilities.

1. The Regional Officer (CGM) may submit a proposal for approval to Member (P)/ Member (Fin.)/ Member (Admn), HQ on distribution of duties/ responsibilities to various officers in the Regional Office.
2. The provisions in respective Contracts/Concession Agreements shall govern in case any of the duties/ responsibilities given below are contradicting with such provisions.
3. **General Issues:**
  - 3.1 Preparation of the Budget (Original/ Revised) for each Financial Year.
  - 3.2 Propose the projects/ works to be taken up in the region in order of priority based on the broad criteria set by the HQ.
  - 3.3 CGM will be the Nodal Officer of NHAI to coordinate and expedite the pre-construction activities with various Departments of State/ Central Government like land acquisition, shifting of utilities, tree cutting, removal of encroachments, environment clearance, state support agreement/ MoU, approval from Railways, etc. CGM shall convene the meetings regularly with the State Nodal Officers.
  - 3.4 Review various reports of PDs on status of pre-construction activities, progress of projects, replies to Parliament Questions and information under RTI matters, etc. and forward to HQ.
  - 3.5 Salary, establishment and office expenditure – follow the guidelines of HQ and disburse the payments.
  - 3.6 Examine and approve the submissions of NHAI before DRB/ Arbitration/ Court on the disputes.

- 3.7 Review the observations of Internal Auditor/ Statutory Auditor (CAG)/ Vigilance/ Safety Auditor and take follow up actions.
  - 3.8 Examine the cases for permission of access to retail outlets/ private properties, laying of pipelines (underground)/ cables/ overhead poles/ lines, etc. and grant permissions following the guidelines of the Ministry.
  - 3.9 Empanel a list of legal experts for use in Regional/ PIU/ CMU Offices as per fee structure/ guidelines of HQ.
  - 3.10 Examine the proposals for release of securities (bid security/ performance security/ retention money) and approve the same if these are within the powers of Regional Officer and recommend to HQ if it is beyond the powers of Regional Officer.
  - 3.11 Examine and approve the proposals of advertisements including the drafts, ad agency, newspapers/ editions. Economy should be observed while deciding the content of ad and number of newspapers/editions.
  - 3.12 Maintain a data base on the performance appraisal of the Contractors/ Consultants. The attention paid by the Contractors/ Consultants for safety during design, construction and maintenance may be given special emphasis in performance appraisal.
  - 3.13 Economy should be observed while allowing the tours of officers in RO/ PIU/ CMU and while conducting the review meetings.
  - 3.14 Develop a record keeping system in Regional Office and a tracking system for various BGs, cases/ files & grievances.
  - 3.15 Engage on job contract basis, the Site Engineers, Support Staff (Stenography, Accounts, Office Maintenance), Consultants/ Advisors required for Regional/ PIU/ CMU Offices duly following the guidelines of HQ and without creating any liability on NHAI.
- 4. Project Preparation:**
- 4.1 Based on the standard formats, finalize the ToR/ RFQ/ RFP of each project for Feasibility Study/PPR/DPR and forward to HQ for further action;
  - 4.2 Inspect the site and hold site meetings with the Consultants on monthly basis so as to decide the major issues under Feasibility Study/PPR/DPR;
  - 4.3 Examine and approve the Feasibility Study/PPR/DPR after presentation to the State Authorities and inviting their comments. If the project qualifies for peer review/ proof checking of designs the same may be undertaken before approval;

- 4.4 Based on the standard formats, finalize the PPPAC Proposals/ Technical Schedules/ RFQ/ RFP in case of BOT Projects and Bidding Documents in case of EPC Projects and forward to HQ for further action;
- 4.5 Examine the proposals for replacements, variations, extensions of time, penalties and termination in case of the Consultant and approve the same if these are within the powers of Regional Officer and recommend to HQ if it is beyond the powers of Regional Officer.
- 4.6 Release the payments to the Consultants in the absence of PIU.
5. **Pre-construction Activities:**
  - 5.1 In case of land acquisition, propose the staffing of LA Cells/ Competent Authorities / Arbitrators, forward the notifications (3a, 3A & 3D) and the estimates for establishment charges of LA Cells, compensation and R&R to HQ for further action.
  - 5.2 Examine the proposals for acquisition of land by direct negotiation/ consent basis duly following the guidelines of HQ and forward the proposals to HQ with recommendations.
  - 5.3 Review periodically the status of updating the land records in each PIU/CMU.
  - 5.4 Examine the estimates for shifting of utilities, compensatory afforestation/ NPV for tree cutting, Railway charges for ROB/RUBs either approve if these are within the powers of the Regional Officer or forward to HQ for approval. Release the payments to the concerned in the absence of PIU.
6. **EPC Projects :**
  - 6.1 Review the handing over of site free from encumbrances to the Contractor, identify critical locations, fix the targets and take follow-up actions.
  - 6.2 Carry out site inspections on quarterly basis, convene meetings with the top management of the Contractor and the Engineer, review the progress/ updated programme and identify measures for improving the rate of progress and issue minutes/ instructions without incurring any expenditure/ liability on NHAI.
  - 6.3 Inspect the sites and recommend to HQ for issuing Substantial Completion Certificates/ Taking Over Certificates/ Defect Liability Certificates.
  - 6.4 Examine the proposals for payment of advances to the Contractors and the Consultants, approve if these are as per the provisions in the contract or forward to HQ with recommendations in case of deviations to provisions of contract.
  - 6.5 Examine the proposals of sub-contracting, variations, EOT, penalties & termination, approve if these are within the powers of Regional Officer or forward to HQ with recommendations.

- 6.6 Examine the cases of customs duty/ excise duty exemption, subsequent legislation and forward to HQ with recommendations.
- 6.7 Ensure submission of revised estimates for the projects on reaching 25%, 50%, 75% progress and on completion.
- 7. BOT Projects:**
- 7.1 General :**
- 7.1.1 Obtain the monthly statements of Escrow Account/ User Fee collected, examine the same and send comments to the Concessionaire/ IE for further action.
- 7.1.2 Prescribe the formats for monthly reports from the Concessionaire/ IE, obtain the same on monthly basis, review the contents and forward to HQ with comments.
- 7.2 Construction Stage:**
- 7.2.1 Inspect the sites during the construction period on quarterly basis, convene meetings with the top management of the Concessionaire and the Independent Engineer, review the progress/ updated programme and identify measures for improving the rate of progress and issue minutes/ instructions without incurring any expenditure/ liability on NHAI .
- 7.2.2 Review the pending 'conditions precedent' prescribed in the Concession Agreements viz. RoW, Fee Notification, Approvals from Railways, Environment Clearance, etc. and take follow-up actions.
- 7.2.3 Obtain reports/ comments from Independent Engineer/ PD on the drawings submitted by the Concessionaire and review the same so as to ensure the construction of Project Highway/ Facilities as per Specifications & Standards prescribed in the Concession Agreements.
- 7.2.4 Obtain reports/ comments from Independent Engineer/ PD on the alternative Specifications & Standards, review and report to HQ with comments.
- 7.2.5 Review the Safety Reports and take follow-up actions including suspension of unsafe construction works.
- 7.2.6 Obtain reports from Independent Engineer/ PD on and review the status of maintenance of existing highway during construction period by the Concessionaire;
- 7.2.7 Examine and approve the proposals for release of grant (equity support).

- 7.2.8 Examine the drafts of the Project Agreements and forward the same with comments to HQ. Also examine the Financial Package/ Model/ Documents at the time of occurrence of financial close and forward comments to HQ.
- 7.2.9 Review periodically the status of ownership (equity holdings) of the Concessionaire, examine the proposals for change in ownerships and forward to HQ.
- 7.2.10 Provide support/ assistance on various matters to the Concessionaire as envisaged in the Concession Agreements
- 7.2.11 Inspect the site and recommend to HQ that the Project Highway is fit and safe for commercial service at the time of COD along with the list of incomplete/ defective works to be included in the punch list.
- 7.2.12 Inspect the site at the time of completion certificate, examine the status of completion of punch list items and recommend to HQ on project completion.
- 7.2.13 Examine the proposals for change of scope, approve if the same are within the powers of Regional Officer or forward to HQ with recommendations;
- 7.2.14 Examine the proposals on change in law and recommend to HQ.
- 7.2.15 Examine the Maintenance Manual and Maintenance Programme of the Concessionaire and send comments to the Independent Engineer/ Concessionaire.
- 7.2.16 Examine the cases of default of Concessionaire, force majeure, termination & breach of agreement and forward to HQ with recommendations.

### **8.3 O&M Stage :**

- 8.3.1 Examine the proposals for variations in traffic growth/ modifications in the concession period.
- 8.3.2 Undertake traffic sampling at a frequency as deemed appropriate independent of the Concessionaire for determining the actual traffic on the Project Highway.
- 8.3.3 Examine and approve the proposals for grant (O&M support)/ premium (additional concession fee).
- 8.3.4 Examine lane closure/decommissioning proposals and approve the same.
- 8.3.5 Examine the proposals for annual revision of fee and send comments on the same.

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- 8.3.6 Examine the proposals on revenue shortfall loan and recommend to HQ.
- 8.3.7 Examine the proposals on change in law and recommend to HQ.
- 8.3.8 Examine the cases of default of Concessionaire, force majeure, termination & breach of agreement and forward to HQ with recommendations.
- 8.3.9 Inspect the sites during O&M period on quarterly basis to examine the site activities of the Concessionaire vis-à-vis the requirements as per Maintenance Manual/ Programme.
- 9 O&M works by NHAI (PIU/CMU) or through State PWDs for the reaches entrusted to NHAI:**
- 9.1 Obtain the estimates from PD for O&M related works and toll arrangements; examine in the light of guidelines of HQ and approve if these are within the powers of Regional Officer and recommend to HQ if it is beyond the powers of Regional Officer.
- 9.2 Obtain the estimates from State PWDs for OR/PR/SR/FDR as per norms of Ministry/ NHAI, examine the same and approve if these are within the powers of Regional Officer and recommend to HQ if it is beyond the powers of Regional Officer.
- 9.3 Carryout procurement of Contractor/ Supervisor/ Toll Collection Agency for O&M works as per Standard Documents/ Guidelines of HQ.
- 9.4 Examine the proposals for payment of advances to the Contractors and the Consultants, approve if these are as per the provisions in the contract or forward to HQ with recommendations in case of deviations to provisions of contract.
- 9.5 Examine the proposals of sub-contracting, variations, EOT, penalties & termination, approve if these are within the powers of Regional Officer or forward to HQ with recommendations.
- 9.6 Review of toll collection reports on quarterly basis, identify the measures to improve toll revenue and take follow-up actions.
- 10. Supervision Consultancy/ Independent Engineer / O&M Supervisor Contracts :**
- 10.1 Examine the proposals for replacements, variations, extensions of time, penalties and termination and approve the same if these are within the powers of Regional Officer and recommend to HQ if it is beyond the powers of Regional Officer.

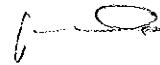
**11. Externally Aided Projects:**

Review the status of loan withdrawals, loan covenants, loan extensions and take follow-up actions.

**12. SPV Projects :**

12.1 As MD of SPV, exercise the powers delegated to MD by SPV Board.

12.2 Follow the provisions in the Company Act and take special attention in finalization of annual accounts and taxation matters in SPVs.



**(PRAKASH NEVATIA)**  
**DEPUTY GENERAL MANAGER (HR-II)**  
**9.09.09**





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**CIRCULAR**

NHAI/13/LA/Policy/2006

06 Sep 2010

**Subject: Guidelines for processing Arbitral Awards.**

1. The policy/procedures for processing Arbitral Awards for compensation for land have been reviewed, and, as a measure for streamlining processing of Arbitral Awards in respect of compensation for land, it has been decided that such Awards shall henceforth be processed as mentioned in following paragraphs:-

- (a) Upon declaration of an Arbitral Award for compensation for land, concerned PIU shall immediately obtain a copy of the Award and initiate a case for disposal of the same in accordance with relevant Policy/Guidelines, and also otherwise ensure that filing of appeal against the Arbitral Award by NHAI does not get time-barred. (As per Section 34 of the Arbitration and Conciliation Act 1996, appeal against an Arbitral Award can be preferred within 90 days of receipt of the same)
- (b) Concerned PIU is to implead NHAI as a party in all Arbitration proceedings (if the Arbitrator has not already issued notice to NHAI).
- (c) An Arbitral Award wherein the Arbitrator has enhanced compensation determined by CALA by Rs 01 lac is to be accepted at level of concerned Project Director irrespective of reasons adduced by the Arbitrator for enhancing compensation. However, while conveying acceptance of such Awards it is to be made amply clear to the Arbitrator that his Award is being accepted because amount by which he has enhanced compensation is too meager for protraction of legal proceedings, not because NHAI agrees with reasons adduced by him for enhancing compensation. This will ensure that reasons adduced by the Arbitrator for enhancing compensation in any one particular case are not cited as precedents for enhancing compensation in other similar cases.
- (d) Power to challenge Arbitral Awards in Court on basis of recommendations of concerned PIU and the RO's/PIU's legal counsel is delegated to ROs. Appropriate legal counsel may be engaged by RO's/PIU's for this purpose. [Delegation of the authority to ROs to challenge Arbitral Awards in Court would be subject to condition mentioned at para (c) above i.e. that Arbitral Awards wherein the Arbitrator has enhanced compensation by upto Rs 1.0 lac are to be accepted at level of concerned Project Director irrespective of reasons adduced by Arbitrator].
- (e) Decision to accept an Arbitral Award wherein the Arbitrator has enhanced compensation by upto Rs 5.0 Cr is to be taken at level of RO/CGM in charge of the State.
- (f) Decision to accept an Arbitral Award wherein the Arbitrator has enhanced compensation by an amount above Rs 5.0 Cr, upto Rs 10.0 Cr is to be taken at level of concerned M(T), with concurrence of M(A).
- (g) Chairman would remain Competent Authority for accepting Arbitral Awards beyond Rs 10 Cr.
- (h) The amount (in respect of which the authority to accept an Arbitral Award has been delegated) includes Interest on the enhancement awarded by the Arbitrator.

(j) Compensation determined by CALA is to be deposited with him prior to initiation of Arbitration proceedings only on conditions that (i) possession of land is transferred of to NHAI, and (ii) compensation shall be disbursed only subsequent to due approval by HQ.

(k) CALAs Awards which have been upheld by the Arbitrator are not to be pursued into Court, for the simple reason that successive endorsements of the Award by CALA/Arbitrator point to merit possessed by CALA's Award.

(l) Cases where Award declared by CALA has been challenged by landowners, whereupon the Arbitrator has enhanced compensation and his Arbitral Award has been upheld by a Court, also ought not to be pursued into a higher Court.

(m) For ready availability of necessary information, for processing Arbitral Awards timely, cases pertaining to such Awards are to be submitted as per Format at Annexure to this Circular.

(n) While submitting cases for consideration of RO/HQ, PIUs shall furnish their observations/recommendations in the matter.

(o) As per Explanation (ii) of Section 194LA of the Income Tax Act, 1961: '*For the purposes of this section, ... "immovable property" means any land (other than agricultural land) or any building or part of a building.*' Consequently; (i) Income Tax is not deductible from the enhancement awarded on compensation for agricultural land. (ii) Since the definition of '*immovable property*' in the Income Tax Act, 1961, includes buildings or parts thereof, Income Tax is deductible on the enhancement awarded on compensation for buildings standing on agricultural land. (iii) Since the definition of '*immovable property*' in the Income Tax Act, 1961 does not include trees/bore-wells/ponds etc; Income Tax shall not be deductible on the enhancement awarded on compensation for such trees/bore-wells/ponds etc.

(p) Income Tax is chargeable on the amount by which an Arbitrator has enhanced compensation, and interest thereon, subject to condition that aggregate amount of such payments; ie (i) compensation awarded by CALA, (ii) enhancement awarded by the Arbitrator and (iii) interest on the enhancement awarded by the Arbitrator, during the financial year, exceeds one hundred thousand rupees.

(q) Section 3H(6) of NH Act stipulates that '*Subject to the provisions of this Act, the provisions of the Arbitration and Conciliation Act, 1996 shall apply to every arbitration under this Act*'. Section 3H(5) of NH Act provides for payment of interest @ 09% per annum on the enhanced amount (from date of declaration taking possession under Section 3D to date of deposit of the enhanced amount). Accordingly, since applicability of provisions of the Arbitration and Conciliation Act have been made subject to provisions of the NH Act and since the NH Act contains its own specific provisions pertaining to payment of interest, it follows that the provisions of NH Act pertaining to payment of interest would preponderate/prevail over those of the Arbitration and Conciliation Act; Interest would therefore be payable @ 09% per annum on the enhanced amount from date of taking possession under Section 3D to date of deposit of the enhanced amount, as provided under the NH Act.

2. NHAI Circular No 11041/21/2002/Adrn-III dated 13 May 04 and Office Order No NHAI/LA/2009 dated 22 Oct 09 are amended accordingly. Circular of even No dated 03 Sep 2010 is cancelled.

3. This issues with approval of the Competent Authority.

(VK Sharma)  
CGM(LA)

To:

1. All ROs
2. All PIUs
3. All CGMs/GMs at HQ

Copy to:

1. PS to Chairman
2. PS to Members

**Format for submission of Arbitral Awards for compensation by PIUs to RO/HQ**

Name of PIU:

Name of Project:

SI No	Particulars of Arbitral Award	Details (to be furnished by PIU)
1.	Date of declaration of Arbitral Award.	
2.	Date of receipt of Arbitral Award by NHAI.	
3.	Date by which appeal against the Arbitral Award can be filed as per Section 34 of Arbitration and Conciliation Act, 1996.	
5.	Name of village/urban area.	
6.	Area of land involved in Arbitration.	
7.	Date of 3A Notification.	
8.	Date of 3D Notification.	
9.	Date of declaration of 3G Award.	
10.	Date of payment of compensation.	
11.	Circle-rate at time of publication of 3A Notification.	
	Compensation fixed by CALA (Rs per m <sup>2</sup> ).	
12.	Basis for fixation of rates by CALA	
13.	Sales-statistics. *	(i) Highest transaction rate.
14.		(ii) Lowest transaction rate.
15.	Rate awarded by Arbitrator (Rs per m <sup>2</sup> )	
16.	Reasons adduced by Arbitrator for enhancing compensation.	
17.	Financial implication of the Arbitral Award.	(i) Enhancement of compensation.
		(ii) Interest (@9% p.a)
		(iii) Total implication.
18.	Date upto which total financial implication has been calculated.	

\* Note:

(i) Column No 13 is required to be filed only if CALA has determined compensation on basis of sales-statistics.