

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
(सड़क परिवहन और राजमार्ग मंत्रालय)
National Highways Authority of India
(Ministry of Road Transport & Highways)
G-5 & 6, Sector-10, Dwarka, New Delhi-110075

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NHA/F&A/Policy Matter/2003/210

August 07, 2004

POLICY MATTERS-ADMINISTRATION/FINANCE. (88/2004)
[Decision taken on Finance Division File No. NHA/F&A/Policy Matter/2003/210]

Sub: Payment in respect of Price Escalation

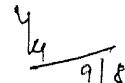
Kindly refer to policy circular (85/2004) of even no. dated May 20, 2004 vide which the procedure was prescribed for recovery of payments released in respect of price escalation under those contracts (in particular, contracts in respect of projects falling under Kolkata-Chennai section of GQ) where the provisions had been worded differently in respect of payment of price escalation on all components of works except variations evaluated at present day rate.

In this regard, para 3 of the aforesaid policy circular is substituted as under: -

“3. In view of the above, it has been decided that-

- (i) No further payment on account of price escalation may be made under these contracts where it is not found in the express language.
- (ii) As regards recovery of payments on account of price escalation released in the case of the projects that have already been completed, the recovery may be made immediately along with interest at SBI PLR as stipulated in the policy circular (49/2003).
- (iii) Payments already released on account of price escalation, which are not secured against Bank Guarantees, may be recovered immediately along with interest at SBI PLR as stipulated in policy circular (49/2003). However, in case the contractors request NHA to allow them to secure such payments against Bank Guarantees, such requests may be acceded to by the Project Directors.
- (iv) The entire payments made on account of price escalation, including the payments released earlier which were not secured against Bank Guarantees but have now been secured against Bank Guarantees [refer para (iii) above], may be recovered in suitable installments along with interest at SBI PLR as stipulated in the policy circular (49/2003), subject to the conditions that the entire recovery is made before 90% of the final contract value has been paid for.”

This issues with the approval of the Chairman.

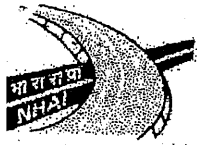

[V.K. Sharma]
General Manager|Admn.]

To

All Members
All CGMs/GMs
All DGMs/Managers
All PIUs/CMUs/SPVs

Copy for information to-

PS to Chairman
Director (Audit), RAP, NHA
Library/Hindi Officer



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

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No: I1041/21/2002/Admn-III

May 20, 2004

POLICY MATTERS - ADMINISTRATION/FINANCE (85/2004)

[Decision taken on CK Division File No.NHAI/12013/16/2000/Tech/GM-(E)-I]

Sub: Payment in respect of Price Escalation

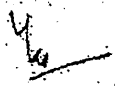
Kindly refer to Policy Circulars (49/2003) and (57/2003) of even number dated June 26, 2003 and September 25, 2003 vide which the procedure was prescribed for payment in respect of price escalation under those contracts (in particular, contracts in respect of projects falling under Kolkata-Chennai section of GO) where the provisions had been worded differently in respect of payment of price escalation on all components of works except variations evaluated at present day rate.

2. The opinion of the Law Ministry has since been received vide MoRT&H letter no. RW/NH-37011/59/2003-PIC dated April 22, 2004. The Law Ministry has advised that price variation is not available in those agreements where it is not found in the express language.

3. In view of the above, it has been decided that-

- (i) No further payment on account of price escalation may be made under these contracts.
- (ii) As regards the projects where payments in excess of 75% of the contract value have already been released, it was decided to immediately recover the payments already released on account of price escalation, which are not secured against the Bank Guarantees, along with interest at SBI PLR as stipulated in the policy circular (49/2003).
- (iii) As regards recovery of payments on account of price escalation released in case of the projects that have been completed, it was decided that the recovery may be made immediately along with interest at SBI PLR as stipulated in the policy circular (49/2003).

This issues with the approval of the Chairman.


[VK Sharma]
General Manager [Admn.]

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