



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
(सड़क परिवहन और राजमार्ग मंत्रालय)

National Highways Authority of India  
(Ministry of Road Transport & Highways)

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No.1 1041/21/2202/Admn.-III

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September 1, 2003

**POLICY MATTERS-ADMINISTRATION/FINANCE (54/2003)**  
**(Decision taken on Finance Division file No. NHAI/F&A/ATN/2003)**

**Sub:- Irregular Payment of Royalty/Taxes**

In accordance with the clause 70.8 of the Civil Works Contract in respect of Gurgaon-Kotputli Project, reimbursement in respect of increase in royalty/taxes was made as per the recommendations of the 'Engineer'. Clause 70.8 of the contract reads as under-

"If, after the date 28 days prior to, the latest date for submission of bids for the contract there occur in the country in which the Works are being or are to be executed changes to any National or State Statute, ordinance, Decree or other Law or any regulation or by-law of any local or other duly constituted authority, or the introduction of any such State Statute, Ordinance, Decree, Law, regulation or by-law which causes additional or reduced cost to the Contractor, other than under the preceding Sub-Clauses of this Clause, in the execution of the Contract, such additional or reduced cost shall, after due consultation the Employer and the Contractor, be determined by the Engineer and shall be added to or deducted from the Contract Price and the Engineer shall notify the Contractor accordingly, with a copy to the Employer. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same shall already have taken into account in the indexing of any inputs to the Price Adjustment Formulae in accordance with the provisions of Sub-Clauses (1) to (7) of this Clause."

2. During the course of audit, the above reimbursement/payment made by NI-IAI was considered to be irregular by the Government Auditors on the ground that no such separate payment was required to be made under clause 70.8 if it was already covered under price adjustment formula. The Auditors have expressed that an excess payment was made to the contractor, which it was not entitled to.

3. In view of the above observations of the Auditors, it has been decided to recover Rs.4.47 crores reimbursed to the contractor in case of Gurgaon-Kotputli Project. Further, in case any similar payments have been released in other projects, the same may also be recovered.

4. All concerned are also being advised not to release any such payments in future as pointed out by the Government Auditors.

This issues with the approval of Chairman.

  
[S. Loganathan]  
General Manager (Admn.)

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

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PS to Chairman  
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Shri PK Monga, Director,  
Indian Audit & Accounts Dept.,  
RAP, NHAI