

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण  
(सड़क परिवहन और राजमार्ग मंत्रालय)  
**National Highways Authority of India**  
(Ministry of Road Transport & Highways)  
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No. 11041/21/2002/Admn.-II

November 18, 2003

**POLICY MATTERS-ADMINISTRATION/FINANCE (65/2003)**

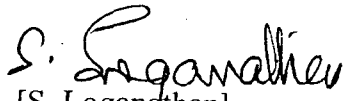
(Decision taken on Finance Division file no. NHAI/F&A/Policy Matters/2003/210)

**Sub: Payment of Mobilization Advance to the Contractors**

The matter regarding payment of mobilization and equipment advances under the contracts to be entered into in future has been reviewed. It has been decided to introduce the following provisions in the bid documents for entering into contracts in future, except for EAPs where the conditions as per their standard bidding documents may apply, for release of mobilization advances to the contractors-

- (i) Payment of an upfront interest free mobilization advance to the tune of 5% of the contract price.
- (ii) Payment of an additional interest free advance to the tune of 5% of the contract price after the contractor has achieved a financial progress of 10% of the contract price.
- (iii) Payment of interest free equipment advance to the tune of 5% of the contract price against the equipments purchased by the contractors on or after the date of issue of letter of acceptance (LoA), under its ownership, subject to production of proof of payment.
- (iv) No equipment advance shall, however, be admissible on any other equipment where no purchase of equipment is involved (i.e., equipments already owned by the contractor) or equipments purchased under hire purchase scheme/financing arrangement or on hired equipments, etc.

This issues with the approval of the Chairman.

  
[S. Loganathan]  
General Manager (Admn.)

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

Copy for information to-

PS to Chairman  
Resident Audit Party  
Librarian/Hindi Officer