

(c) 9780 ha. of land is required to be acquired for various projects in Tamil Nadu. The status of the same with respect to action under various sections of National Highways Act, 1956 is given below :

Notification u/s 3A issued	:	6884 Ha.
Notification u/s 3D issued	:	4652 Ha.
Compensation u/s 3G determined	:	4542 Ha.
Possession of land taken	:	4296 Ha.

Construction of 20 kms-a-day-road scheme

3675. SHRI PENUMALLI MADHU: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether it is a fact that Government has transferred Rs. 10,000 crores from India infrastructure Finance Company to NHAI to achieve its target of constructing 20 kms-a-day-road scheme;

(b) whether it is also a fact that Government has given permission to NHAI to raise tax free bonds to finance its road development projects; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) No, Sir.

(b) and (c) No, Sir. However, NHAI is authorized to raise borrowings through Capital Gains Tax Exemption Bonds under Section 54EC of Income Tax Act.

Tightening of bidding norms by NHAI

3676. SHRI B.S. GNANADESIKAN: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the National Highways Authority of India has tightened bidding norms to keep the field open only to financially sound players;

(b) whether it is a fact that due to this new norms the developers would now be unable to bid for new projects if they have not achieved financial closure for three crore or more projects;

(c) if so, the details thereof and the reasons for this decision taken by Government;

(d) whether BK Chaturvedi Committee for financing and implementation of road projects has also submitted its recommendations in this regard; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) to (c) Yes, Sir. With a view to accelerate implementation of projects, amendments have been carried out in RFQ/RFP documents by the Ministry of Road Transport and Highways, *vide* O.M. No. NH.37015/I/2009-Highways, dated 09.04.2010, based on the recommendations of the NHAI Board in their 77th meeting held on 19th March 2010, with details given in the enclosed Statement-I (*See below*). The norms have been amended to curb name-lending and for ensuring that the benefits accruing to a consortium are aligned with the equity structure to keep the non-performers/ black-listed entities out; curb intentional or accidental accumulation of the projects by bidders, who may overstretch themselves with resultant difficulty in securing financing.

(d) and (e) The Committee headed by Shri BK Chaturvedi had submitted its report on financing and implementation of road projects in September 2009, which was subsequently approved by the Government with the proviso that the financing plan for 2010-11 onwards shall be considered by the Empowered Group of Ministers including such changes to the Work Plans, as may become necessary. The summarized details of the summarized recommendations made by Shri B.K. Chaturvedi Committee are given in the enclosed Statement-II.

Statement-I

Copy of the office memorandum of Ministry of Road Transport and Highways

THE Ministry of Road Transport & Highways' O.M. No. NH.37015/I/2009-Highways, dated 09.04.2010 is reproduced below.

1 (a) The following will be added at the end of the clause 2.2.2 (B) of RFQ.

"In the immediately preceding financial year, the Applicant or the Applicant Consortium as the case may be, shall demonstrate,

- For Projects with TPC value of less than Rs.2000 Crore- a [combined] minimum Net-worth requirement of 25% of the TPC value.
- For Projects with TPC value of Rs.2000 Cr or more but less than Rs.3000 Cr - a [combined] minimum Net-worth requirement of Rs. 500 Crores plus 50% of the amount by which the TPC value exceeds Rs.2000 Cr.
- For Projects with TPC value of Rs.3000 Cr or more- a [combined] minimum Net-worth requirement of, Rs. 1000 Crores plus 100 % of the amount by which the TPC value exceeds Rs.3000 Cr."

[As footnote: " In case an Applicant has issued any fresh Equity Capital during the current financial year, the same shall be permitted to be added to the Applicants assessed Net-Worth subject to the Statutory Auditor of the Applicant certifying to this effect"]

1(b) The following will be added at the end of the clause 2.2.2 (B) of RFQ following the amendment in (a) above.

"Provided further that the each member of Consortium shall have a minimum Net-worth of 12.5% of TPC in the immediately preceding financial year".

[footnote: " In case an Applicant has issued any fresh Equity Capital during the current financial year, the same shall be permitted to be added to the Applicants assessed Net-Worth subject to the Statutory Auditor of the Applicant certifying to this effect"]

2(a) The following will be added as clause 2.25 of RFQ.

"Applicant/ Consortium would provide an undertaking to NHAI that the EPC works of the project would be executed only by such EPC contractors who have completed at least a single package of more than 20% of the TPC or Rs. 500 cr. whichever is less."

2(b) "The following will be added in Appendix I "Letter comprising the Bid" of RFP.

The EPC contractor/s who would be executing the EPC works of the Project are _____, _____, _____ and it is confirmed that these contractors meet the minimum criterion set out in our RFQ for this project.

It is irrevocably agreed that the value of any contract for EPC works awarded shall not be less than 20% of the TPC or Rs. 500 cr. whichever is less.

It is also agreed that any change in the name(s) of EPC contractor(s) would be with prior consent of NHAI. We agree that NHAI shall grant such permission only and only if the substitute proposed is of the required technical capability as applicable."

3. The following will be added at the end of the clause 1.1.8 of RFP. "A Bidder shall not be eligible for bidding if,

(a) For projects with TPC less than Rs.3000 crore, as on Bid Due Date, the Bidder, its Member or any Associate, either by itself or as member of a Consortium has been declared by the Authority as the Selected Bidder for undertaking 3 (three) such projects and the bidder is yet to achieve Financial Closure.

(b) For projects with TPC in excess or equal to Rs.3000 crore, a bidder shall not be eligible for bidding if, as on Bid Due Date, the Bidder, its Member or any Associate, either by itself or as member of a Consortium has been declared by the Authority as the Selected Bidder for undertaking 2 (two) such projects and the bidder is yet to achieve Financial Closure.

Subject, however, to the provision that total number projects under (a) & (b) above for which the bidder is yet to achieve financial closure shall not exceed 3 (three).

A Bidder shall be considered as a Selected Bidder for the projects of NHAI, where the Letter of Awards (LOA) has been issued."

4. The following will be added at the end of the clause 3.2.9 of RFQ.

"a. The Experience Score of the Applicant shall be computed as a weighted average of the Experience Score of a member and his proposed equity stake (%) in the Consortium.

b. Similarly, the Financial Score of the Applicant shall be computed as a weighted average of the Financial Score of a member and his proposed equity stake (%) in the Consortium.

Provided that the financial strength or the experience score taken into assessment will be only of those who contribute a minimum 26% share to the Consortium.

Illustration:

For illustration and avoidance of any doubts, the following method is placed in clarification:

If Company A (Net-worth: Rs.1000 Crores) & Company B (Net-worth: Rs.500 Crores) in a Consortium with shareholding of A as 60% and B as 40% then the Weighted Financial score of the Consortium shall be:

For Weighted Financial Score

$$1000 \times 60\% + 500 \times 40\% = 800 \text{ Crores}$$

For Weighted Experience Score

If Company A has been assessed to have an Experience Score of 1000 and & Company B has been assessed to have an Experience Score of 5000, in a Consortium with shareholding of A as 60% and B as 40% then the Weighted Experience Score of the Consortium shall be :

$$1000 \times 60\% + 500 \times 40\% = 800"$$

5. The following will be added at the end of the clause 2.19.3 of RFQ.

"(a) Any entity (the Bidder, its Member or Associate was, either by itself or as member of a consortium) which has been barred by the Central Government, or any entity controlled by it, from participating in any project (BOT or otherwise), and the bar subsists as on the date of Application, or has been declared by the Authority as non-performer / blacklisted would not be eligible to submit an Application, either individually or as member of a Consortium."

6. The following will be added as clause 3.4.4 of RFQ.

"(a) In case of foreign companies, a certificate from a qualified external auditor who audits the book of accounts of the Applicant or the Consortium Member in the formats provided in the country where the project has been executed shall be accepted, provided it contains all the information as required in the prescribed format of the RFQ."

Statement-II

*Summarized details of the summarized recommendations made
by Shri B.K. Chaturvedi Committee*

Subject: Statement indicating summarized details of the main recommendations of the Committee headed by Shri B K Chaturvedi given in his report on -"Revised strategy for implementation of the National Highways Development Project (NHDP) - Framework and Financing" as approved by the Government.

(1) (I) Modifications to the existing MCA, RFQ, and RFP documents for the road sector, as per details given below:-

- a. Termination Provisions in Road Concession Agreements (Para 5.1.1).
- b. Exit Policy for (Developer) Concessionaire in MCA. (Para 5.1.2).
- c. Issue of Security to Lenders in MCA (Para 5.1.3).
- d. RFP Provisions - Forfeiture of bid security of bidders on account of non-responsiveness (Para 5.1.4).
- e. Eligibility of applicants/conflict of interest as per RFQ provisions-common shareholding levels (Para 5.1.5).
- f. Eligibility of applicants /conflict of interest as per RFQ provisions -Continuation of conflict of interest (Para 5.1.6).
- g. Associate - definition in RFQ thereof (Para 5.1.7).

- h. "Threshold technical capability" "Eligible projects" (TTC) in latest RFQ (Para 5.1.8).
 - i. Increase in Equity Grant (VGF) to 40% by merging 20% equity and 20% O&M Grant into Equity Grant (Para 5.1.9).
 - j. RFQ process - project wise pre-qualification be substituted with annual/periodic pre-qualification (Para 5.1.10).
 - k. Premium provisions under RFP /MCA (Para 5.1.11).
- (ii) Issuance of the RFQ and RFP for the road sector projects after incorporating the recommendations made by the Committee in the Model RFQ and RFP documents issued by the Ministry of Finance, as referred to at clause 1 (i) above.
 - (iii) Further amendments to RFQ and RFP provisions, where necessary, will be carried out by the Ministry of Road Transport and Highways (MoRTH) on the basis of recommendations of the NHAI Board.
 - (iv) Setting up of an Inter-Ministerial Group (IMG) under the Chairmanship of Secretary, MoRTH with representatives of DEA, Department of Expenditure, Planning Commission and Ministry of Law and Justice to consider issues relating to MCA. Where there is unanimity in the decision, the same will be then put up to the Minister, Road Transport & Highways for approval. Where there is no unanimity in the decision, the matter will be placed before the Empowered Group of Ministers (EGoM) comprising the Finance Minister, Minister of Road Transport & Highways and Deputy Chairman, Planning Commission. The EGoM will also consider and take decision on all issues where there is no unanimity in committees at the level of officers and which do not require approval of the Cabinet/CCI.
 - (v) Continuance of endeavour to award projects within the available overall budgetary ceilings, as per the detailed Work Plan for the current year (2009-10) for 12,652 Km presented by the NHAI to the Committee.
 - (vi) Recommendations made by the Committee as regards the 'Modes of Delivery' and the 'Financing Plan' approved with the proviso that the financing plan for 2010-11 onward would be considered by the Empowered Group of Ministers for further action, including such changes to the work plan as may become necessary.
 - (vii) Carrying out implementation of road projects on all the three modes of delivery viz. BOT (Toll), BOT (Annuity) and EPC (Item Rate Contract) concurrently rather than sequentially. Roads below a certain threshold in terms of traffic do not merit testing on BOT (Toll) as the process only

leads to delays in implementation and award. Hence, a road not found prima facie suitable for BOT (Toll) can be implemented directly on BOT (Annuity) subject to the overall cap as envisaged in the Work Plan. The decision of shifting a project from BOT (Toll) to BOT (Annuity) would be taken by the IMG chaired by Secretary, MORTH and approved by Minister, Road Transport & Highways. (viii) Before implementing a project on EPC basis, it will be compulsorily tested for BOT (Annuity) and only if unacceptable bids are received then only the project will be awarded on EPC basis. Normally, an Annuity bid working out to an Equity IRR of up to 18% will be acceptable as per these norms. However, in the event of bids exceeding the Equity IRR of 18 %, the same will be bid out on EPC. In case of difficult areas having law & order problems, security, inhospitable terrain etc, a bid working out to an Equity IRR of up to 21% will be acceptable considering the risk premium of 3 %, on case to case basis. PPPAC will be empowered to give approval for projects to be moved from Annuity to EPC where acceptable bids have not been received.

(ix) In case of projects under NHDP Phase IV, if the traffic is less than 5,000 PCUs, the project will directly be taken up on EPC. For the specific EPC km lengths recommended in the Work Plan, specific EPC packages will be presented before the existing EFC in the MORTH for approval.

(x) Based on the feasibility report, the projects would be tried first on BOT (Toll) and in case of non-viability/poor response, the same would be shifted to BOT (Annuity) failing which on EPC. For the projects where NHAI is not able to get bids, the process of preparation of detailed project report may be initiated immediately to save time in case such projects are required to be taken up on EPC.

(xi) Empowering the Board of NHAI to accept single bids after examining the reasonableness of the same.

(xii) Raising of overall VGF cap of 5% to 10% for the entire six-laning programme, and consideration of individual projects in low traffic GQ stretches with VGF up to 20% within an overall cap of 500 Km out of the 5080 Km of the Phase-V programme yet to be awarded.

(xiii) Funding of the NHDP Projects under SARDP-NE and in Jammu & Kashmir with Additional Budgetary Support (ABS) over and above the cess that the Government provides to NHAI on a yearly basis.

(xiv) 'In Principle' approval of the Government Support to the NHAI for:-

- (a) Issuance of Tax exempted bonds
- (b) Guarantee cover to the Borrowing Plan of NHAI.

(c) Out of the borrowing approval of Rs.30,000 crores earlier provided to Indian Infrastructure Finance Company Limited (IIFCL), Rs. 10,000 crores under the fiscal stimulus package will be transferred to NHAI, as per the its borrowing requirement.

(d) Assistance in negotiating non-sovereign multilateral loans from World Bank, ADB, JBIC etc. by providing back to back support, if necessary.

(e) Providing a Letter of Comfort from Ministry of Finance confirming the availability of Cess at least till 2030-31.

Data regarding registration of vehicles

3677. SHRI NAND KUMAR SAI: Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Transport Research Wing of Government maintains the data of registration of vehicles in the country;

(b) if so, the number of vehicles registered in the country as on 31 March, 2010, State-wise;

(c) whether a committee constituted to look into the issue of streamlining of National Permit System in the country has recommended the collection of a lumpsum amount for vehicle to ply under National Permit;

(d) if so, whether the Union Government has received comments from the States for implementation of said recommendation; and

(e) if so, the details thereof and reaction of various States thereto?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI MAHADEO S. KHANDELA): (a) Yes, Sir.

(b) As per the latest data available with the Transport Research Wing of the Ministry as on 31 March, 2006, there were 8,96,18,000 registered vehicles in the country. Number of registered motor vehicles State/UT wise is enclosed as Statement (*See below*).

(c) Yes, Sir.

(d) and (e) The recommendations of the Empowered Committee of State Transport Ministers regarding collection of a lumpsum amount of Rs. 15000/- per annum per truck for National Permit was discussed in the 33rd (Special) meeting of the Transport Development Council held on 16.4.2010. The States have given their endorsement to the recommendations of the Committee.