

Liquidity infusion, e-project award top RoadMin's agenda

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The Union road transport and highways ministry, in consultation with the National Highways Authority of India (NHAI), is drawing up a 10-point agenda to get the construction activity up and running once the national lockdown is lifted. Swift clearances of arbitration claims to infuse liquidity into construction companies tops the list.

The authority has also begun work to iron out payment issues faced by contractors, and design standard operating procedure that will lay down precautions and keep health risk factors in mind, before work on construction resumes.

The government will give thrust to the use of technology for speeding up project awards, so that the impact of time lapsed due to the Covid-19 crisis can be minimised.

According to an official, "We are trying to streamline decision-making with the use of digital technology. Perhaps, we need to bring in more processes under the ambit of latest technology to minimise paperwork and reliance on physical files."

This year, the NHAI began settling its arbitration claims through a reconciliation process, in an exercise to clean



REVIVAL PLAN

Reconciliation and solution of arbitration awards

To iron out the payment issues faced by contractors

Design Standard Operating Procedures

(SOPs) for labour keeping the precautions and risk factors in mind

Thrust to the use of technology for fast-tracking project award

up receivables on its balance sheet. It had around 182 projects in arbitration, with claims of about ₹70,000 crore. The process, which started with the settlement of an arbitration claim worth about ₹650 crore with the Infrastructure Leasing & Financial Services for nearly ₹200 crore, has hit a road-block due to the lockdown to contain the spread of Covid-19.

The NHAI had earlier decided to settle the claim for less than 70 per cent of the ₹800-crore demanded by the company through an arbitration process. The NHAI had, in

turn, asked for ₹150 crore from the company, which worked out to a net outgo of ₹650 crore.

The project commenced on January 12, 2011, with the scheduled completion date of January 10, 2014. Owing to various reasons, work was delayed and a final commercial operational date was issued on January 30, 2019. The NHAI raised claims of ₹145.33 crore, excluding interest, against the concessionaire on account of delays and other issues.

There are three committees on reconciliation set up by the NHAI to look into these claims. These comprise retired judges.



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