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REL consortium plea may be ignored

Disqualification of bid for Rs 3,000-cr Shivri-Nava-Sheva sea link

The Maharashtra State Road Development Corporation (MSRDC) is unlikely to consider the plea of the Reliance Energy-led consortium for a review of its disqualification from the bid process for the Rs 3,000-crore Shivri-Nava-Sheva sea link or Mumbai Trans Harbour Link (MTHL) project.

The REL-led consortium said that even if one of the partners is not able to meet the net worth criteria, REL alone can meet it for the entire consortium.

MSRDC disqualified the bid on the ground that one of the partners – Hyundai – failed to meet the net worth criteria.

All the companies in the consortium have to meet the financial criteria of an average Rs 200 crore net profit for financial years between 2001-02 to 2003-04. However, Hyundai, which suffered heavy losses in its Iraq operations, failed to meet the criteria.

When contacted, a senior MSRDC official said, “the issue has been settled for once and for all, as bid condition clearly states that all individual companies in the consortium have to meet the financial criteria laid down in the bid document.

However, two board members of MSRDC, B G Borge and D G Marathe who were also secretaries in the state government’s public works department, expressed their dissent on the issue.

They argued that, “The financial strength of the lead member of the consortium is applicable to that of the consortium too and while making any decision on the bid, this aspect also must be taken into consideration.”

They also argued that the peer committee appointed by MSRDC to go into the bid documents, was also of the same opinion. The committee comprised representatives of the National Highway Authority of India (NHAI), IDBI, a professor from IIT Powai and a retired high court judge.

Borge and Marathe also alleged that Crisil, which was the consultant to MSRDC for the project, was also the consultant to one of the other bidders, Mukesh Ambani controlled Sea King Infrastructure Limited (SKIL). This, they said, is a clear conflict of interest”.

However, MSRDC officials said that Crisil itself had refused the charge.

The four consortia, which have pre-qualified for the bid, include the consortiums led by Sea King, IL&FS, L&T, Gamon and Indian Farmers Fertilizer Co-Operative Limited (IFFCO). They will be given the final bid document on October 18.