

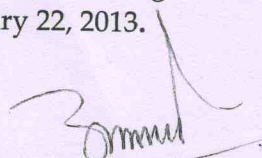
2A/2/2012-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

New Delhi, the March 8, 2013

OFFICE MEMORANDUM

Subject: 57th Meeting of the Public Private Partnership Appraisal Committee (PPPAC).

The undersigned is directed to enclose the Record of Discussion of the 57th meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on February 22, 2013.



(Aparna Bhatia)
Director (PPP)

To

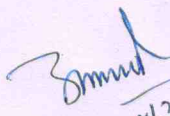
1. Finance Secretary & Secretary, Department of Expenditure, North Block, New Delhi
2. Secretary, Planning Commission, Yojna Bhawan, New Delhi
3. Secretary, RT&H, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi
4. Secretary, Shipping, Ministry of Shipping, Transport Bhawan, New Delhi
5. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi
6. Secretary, Ministry of Environment and Forest, Paryavaran Bhawan, CGO Complex, New Delhi

Copy to:

- a. PSO to Secretary, Economic Affairs
- b. PPS to Additional Secretary, Economic Affairs
- c. PS to Joint Secretary (Infra and Energy)


(Aparna Bhatia)
Director (PPP)

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**Government of India
Ministry of Finance
Department of Economic Affairs**

Public Private Partnership Appraisal Committee

57th Meeting on February 22, 2013

Record Note of Discussion

The 57th meeting of the Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on February 22, 2013. The list of participants is annexed.

2. The Chairman welcomed the participants and noted that the PPPAC would consider three proposals from Ministry of Road Transport & Highways (MoRTH) and two proposals from Ministry of Shipping (MoS) for grant of approval.

Agenda Item I: Proposal from Ministry of Road Transport & Highways for grant of final approval: Four-laning with paved side shoulders (PSS) for a section inbetween Ghoshpukur and Falakata-Salsalabari of NH 31 D from km 0.000 (Km 551.198 of NH-31) to Km 154.854(km 228 of NH 31C) in the State of West Bengal on BOT (Toll) basis under NHDP-II.

Total length: 154.854 km; Total Project Cost: Rs. 2212.0 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 907.60 crore; Concession Period: 22 years including 2.5 years of construction period;

Total Land required: 1072 ha.; Land available: 446 ha (42%); Land to be acquired: 625 ha (58%).

3A Notification completed for 541 ha. (51% of land area), 3D Notification completed for 298.7 Ha. (28%), accordingly, about 745 ha. (70%) of total land indicated as available.

Major development works/ structures: Major Bridge: 38; Minor bridges: 68; Bypass: Nil; Flyover: 1; ROBs: 10; Major road junctions: 24; Service roads: 37.585 km; Minor road junctions: 75; Toll plazas: 3 (km 33.4, km 77.83 & km 127); FOB: Nil; Vehicular underpasses: 5; Pedestrian/cattle underpasses: 13; Culverts: 301; Truck laybys: 2; Bus-bays: 64; Truck Parking: 3; Rest area: 3; Realignment: 32 of 54.594 km

3. Director, Department of Economic Affairs (DEA) indicated that project proposal had been considered and granted approval by the PPPAC in its 34th meeting held on March 15, 2010 on BoT (Annuity) mode, subject to MoRTH reducing the total project cost (TPC) to Rs. 10 crore per km. Bids were invited in May 2010; however, the State Government sought changes in the alignment due to their inability to provide land in Bagdogara area between km 562 and km 566 of NH-31, and for erection of 27 high tension towers between Gossainpur to Fulbari of NH-31D. Accordingly, the bid process was cancelled. A fresh proposal has now been posed to the PPPAC on BoT (Toll) mode. It was informed that the project cost has been considered and approved by the Standing Cost Committee. Responses with respect to the appraisal notes of DEA and Planning Commission were received vide email on the morning of the meeting and were being examined.

4. Director, DEA stated that the Planning Commission has conveyed the following main issues in respect of the project:

4.1. **Non-adherence to the Manual for Standards and Specification (MSS):** It has been observed that five vehicular underpasses have been proposed. The highway is proposed to be above-grade at these intersections, while the underpasses remains at-grade. As per the MSS, the main carriage has to be kept at-grade and crossroads maybe constructed either as under-passes or over-passes. Planning Commission has quantified unjustified expenditure on account of provisions for underpasses (vehicular and pedestrian) amounting to Rs. 81.5 crore that could have be saved if the MSS had been followed. Member (Technical), NHAI responded that provisions relating to underpasses have been provided based on the Indian Road Congress (IRC) guidelines. No unjustified expenditure is being incurred over the same, and response to these concerns of the Planning Commission has been circulated to members of PPPAC. It was informed that the issue of cross roads above or below the national highway was discussed in IRC in October 2011. IRC had not agreed to elevate cross roads above the national highways. The representatives of Planning Commission had attended this meeting and were aware of the decision. Hence, based on local conditions, cross roads are proposed to be developed at-grade.

4.2. **Change in provisions of the Draft Concession Agreement (DCA):** Planning Commission, in their appraisal note have sought changes in many of the provisions of the DCA. Member (Technical), NHAI responded that the project DCA have been prepared in line with MCA and incorporates the recommendations of the B.K. Chaturvedi Committee, which have been approved by the Cabinet. Hence, no changes may be effected in these provisions.

5. Director, DEA informed that DEA, in their appraisal note, have drawn attention to the fact that the traffic volume survey is 7 years old and has been extrapolated from the year 2006 based on 5% average annual growth rate in traffic. Member (Technical), NHAI stated that the project road is currently in bad condition and assessing actual traffic may not reflect the potential traffic or increase in traffic. Fresh traffic survey was conducted at one Toll Plaza, i.e. at km 20.40, in the year 2010. The actual average traffic at this toll plaza had increased by around 5% per annum over the earlier traffic survey in the year 2006. Hence, traffic figures extrapolated at 5 percent growth per annum for the other two toll plazas may be accepted. This was agreed to.

6. All the members of PPPAC were in agreement to grant final approval to the project.

7. The PPPAC granted final approval to the project for four laning with PSS for a section in-between Ghoshpukur and Falakata-Salsalabari of NH 31D, from km 0.000 (km 551.198 of NH-31) to km 154.854(km 228 of NH 31C) in the State of West Bengal on BoT (Toll) basis under NHDP-II, for TPC of Rs. 2212.0 crore with maximum VGF of Rs. 884.80 crore (40 percent of TPC), subject to fulfilment of the following conditions:

- a. NHAI shall ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the MCA for National Highways.
- b. MoRTH shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- c. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- d. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- e. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

Agenda Item II: Proposal from Ministry of Road Transport & Highways for grant of final approval: Two/Four-lane with PSS a section, between Kerala Border to Kollegal section of NH-212 from Km 117.800 to Km 268.475 in the state of Karnataka on BOT (Toll) basis under NHDP-IV.

Total length: 150.041 km (4 lane-21.50 km, 2 lane-128.541); Total Project Cost: Rs. 523.49 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 65 crore; Concession Period: 14 years including 2 years of construction period; Total Land required: 501.23 ha.: Land available: 459.77ha (92%); Land to be acquired: 41.46 ha (8%).

Major development works/ structures: Major Bridge: 4; Minor bridges: 13; Bypass: Nil; Flyover: Nil; ROB/RUB: 1; Major road junctions: 6; Service roads: Nil; Minor road junctions: 184; Toll plazas: 3 (km 137.44, km 200.387 & km 224.485); FOB: Nil; Vehicular/ Pedestrian/cattle underpasses: Nil; Culverts: 235; Truck laybys: 3; Bus-bays: 22; Aqua duct: 2; Realignment: 3 of 2.82 km; Footpaths and lined drains: 12.824 km + 3.425 km

8. Director, DEA informed that the project, with the same parameters was earlier considered and cleared by the SFC in its meeting held on April 15, 2010 and July 7, 2010 and thereafter approved by the competent authority for a TPC of Rs. 406.71 crore. On updation of the project cost to current prices, the TPC has become greater than Rs. 500.0 crore; hence, the project has been posed to the PPPAC for grant of final approval.

9. Director, DEA pointed out that the project structure may be reviewed. Based on the existing traffic on the stretch, the project may be developed as a four-lane highway. Further, based on average total traffic, the project exceeds design capacity in the 11th year, thus, the concession period may need to be reduced from the proposed 14 years. The concession period of the project does not provide adequate tail for comfort to lenders. Hence, the project may experience difficulties in reaching financial closure. Short concession period, expectations of delays in financial closure and risk of early termination on account of higher traffic growth resulting in early breach of capacity are likely to make the project unattractive to bidders, which may result in poor bid response. Secretary, RTH responded that while the Planning Commission had proposed a concession period of 16 years, MoRTH proposes the concession period to be retained as 14 years. Reducing the concession period to less than 14 years may cause a poor bid response. Hence, concession period of 14 years may be allowed. All the members of PPPAC agreed to the same.

10. OSD, Department of Expenditure (DoE), stated that there were three road sections of the project stretch having varying traffic. Section 2 and 3 of the project are justified for four-laning. Thus, the entire road stretch may be considered for four-laning. Director, DEA added that the traffic in the year 2012 varies from 12,000 passenger car units (PCUs) to 30,000 PCUs. Secretary, MoRTH responded that the project was approved by the SFC and the then by Minister RTH and Finance

Minister. As the cost needed updation, due to time gap of around two years from the initial approval stage, it was being posed to the PPPAC for grant of approval. The scope of work remains the same as approved by the SFC. Further, only one section, i.e. section 2, required four laning where traffic exceeds 15000 PCU and for the other two sections, this benchmark traffic is likely to be reached upon Commercial Operation Date (COD). The design capacity of the project has been kept as 25,000 PCUs (LOS-C) since land acquisition is likely to be difficult. Thus, the project configuration has been proposed as two/four-lane with PSS and the same may be accepted. All the members agreed to the same.

11. All the members of PPPAC were in agreement to grant final approval to the project.

12. The PPPAC granted final approval to the project for two/four-lane with PSS a section, between Kerala Border to Kollegal section of NH-212 from Km 117.800 to Km 268.475 in the state of Karnataka on BOT (Toll) basis under NHDP-IV for TPC of Rs. 523.49 crore with maximum VGF of Rs. 209.39 crore (40 percent of TPC), subject to fulfilment of the following conditions:

- a. NHAI shall ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the MCA for National Highways.
- b. MoRTH shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- c. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- d. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- e. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

Agenda Item III: Proposal from Ministry of Road Transport & Highways for record of change in cost of pre-construction activity from Rs. 257.50 crore to Rs. 338.25 crore and change in the scope of work: Six laning of Chakeri-Allahabad section of NH-2 from km 483.687 to km 630.0 under NHDP Phase-V on BOT (Toll) basis.

Total length: 146.313 km; Total Project Cost: Rs. 1353.66 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 338.25 crore; Concession Period: 30 years including 2.5 years of construction period;

Total Land required: 725 ha.; Land available: 495 ha; Land to be acquired: 230 ha. (32 percent)

Major development works/ structures: Major Bridge: 1; Minor bridges: 8; Elevated structure: 6; Grade separated flyover: 3; ROBs: Nil; Major road junctions: 3; Service roads: 96.221 km; Slip road: 51.332 km; Minor road junctions: 97; Toll plazas: 2 (km 506.275 & km 591.050); FOB: Nil; Vehicular underpasses: 14; Pedestrian/cattle underpasses: 25; Culverts: 176; Truck laybys: 11; Bus-bays: 18; Retaining wall: 50.4 km; Exit/entry ramps: 124.

13. Director, DEA stated that the project was granted approval by the PPPAC in its 56th meeting held on December 21, 2012. MoRTH has, thereafter, requested for revision in the cost of pre-construction activities and the scope of work based on the reply of MoRTH to the appraisal notes of members of PPPAC. The project cost as per the Record of Discussion is Rs. 257.5 crore which is limited to cost of land acquisition. A modification has been requested to include the costs related to Resettlement and Rehabilitation (R&R) for an amount of Rs. 65 crore and cost of shifting of utilities estimated as Rs. 10 crore and cost of Rs. 5.75 crore towards environment mitigation; with the total cost on pre-construction to be indicated as Rs. 338.25 crore. The scope of work entails 8 minor bridges and four-laning for 3.9 km out of total length of 146.313 km.

14. Member (Technical), NHAI added that 3.9 km of the road stretch was retained as four-laned of the total project length of 146.313 (2.67%) due to restricted Right of Way (RoW). In order to six-lane this section, large scale R&R and demolition of existing underpasses (4 in number) would be required, which may not be feasible. Thus, four-lane configuration is for this portion of 3.9 km.

15. The PPPAC noted the change in the cost of pre-construction activities and scope of work in respect of the project.

(Action: MoRTH/NHAI)

Agenda Item IV: Proposal from Ministry of Shipping for grant of final approval: Extension of the existing container terminal at Visakhapatnam Port on Design Build, Finance, Operate and Transfer (DBFOT) basis.

Total berth length: 395m ; Total Project Cost: Rs. 633.11 crore; Cost of pre-construction activities to be financed by VPT: - ; Concession Period: 30 years including 2 years of construction period.

Major development works/ structures: Construct 395m length of berth to having 34 m as width and is expected to handle capacity of 12,000 TEU and 1,50,000 DWT with ultimate dredged depth a -19 m, construct mooring dolphin with not less than 200t bollard capacity, construct rock bund for retaining the filling in back up area, construct heavy duty pavements for RTG operating area and loaded container stacking area, developing road and railway connectivity, dredging upto -16.5 m CD in front of the berth upto a distance of 60m, with dredged depth of -19 m CD, equipments such as ship to shore cranes, gantry cranes, tractor/trailers, reach stackers, top lift trucks, develop facilities such as administrative buildings, generator house, sub-station, quarry side amenities, fire pump house, fuel station, develop network for water supply, drainage, sewage & back up area, operation and maintenance

16. Director, DEA indicated that the project entails development of a new terminal, termed as the extension of the existing container terminal at Outer Harbour, extending upto the Eastern breakwaters at Visakhapatnam Port. Clarification was sought on three issues applicable to both the projects from VPT under consideration, viz., (a) obligations of capital and maintenance dredging are indicated as Concessionaire's, in deviation to the MCA, (b) deletion of clause on supporting infrastructure from the DCA and (c) inclusion of an Appendix 17 Pre-contract Integrity Pact that has been introduced in the DCA.

17. Chairman, VPT informed that the container traffic handled at VPT in 2011-12 was 2.34 lakh Twenty foot equivalent unit (TEUs) and with an estimated throughput of 6 lakh TEUs necessitating creation of new facility. It was informed that the Port receives traffic from 6 states, and has increased by 63 percent from the last year. The present shortfall in handling container traffic was assessed as 0.22 million TEU. It was informed that VPT is the only Port in the country having a natural draft depth available upto 15.5 m. It was pointed out that 7 applicants have been shortlisted after the invitation of the Request for Qualification (RfQ) and the process for obtaining clearances with regard to security and environment has already commenced.

18. With regard to generic queries raised DEA, it was pointed out that the requirement of undertaking capital dredging at the berth for a length of 60 m was a need for the project and this modification was made in line with the approvals received earlier by the PPPAC in respect of earlier projects posed by the VPT. Clause on supporting infrastructure has been restored. Pre-contract integrity pact was

introduced based on the guidelines received from the Ministry. Hence, it was requested that the project may be approved.

19. Secretary, Shipping stated that with regard to the deviations to MCA on undertaking dredging activities, MoS shall be adopting a generic policy that would promote undertaking capital and maintenance dredging at the berth by the Concessionaire for a length of 60m from the face of berth. Beyond the length of 60m from the berth, at the access channel and at the turning basis, it would be responsibility of the Concessioneing Authority to undertake the capital and maintenance dredging. Further, it was pointed out that for the instant project there were no maintenance dredging requirement. The changes in dredging requirements would also be incorporated in the MCA. The Chair suggested that the changes in policy with respect to capital and maintenance dredging may be formalised and circulated to all the members of the PPPAC.

(Action: MoS)

20. OSD, PPD, DoE supported the inclusion of Integrity Pact in the project DCAs as it promoted transparency in public procurement. Secretary, MoS stated that this was a policy decision being contemplated by the Ministry. The Chair queried whether the Integrity Pact had been shared with developers during the stages of its finalisation and whether the developers had any reservation. Secretary, Shipping confirmed that the provisions of the Integrity Pact had been shared with the private sector players. No reservations on the provisions had been expressed by them.

21. Director, DEA queried about the variation in the estimated project cost (EPC) of Rs. 20 crore in-between the RFQ and RFP document. Chairman, VPT responded that EPC has been modified based on the approval accorded by Tariff Authority for Major Ports (TAMP) and subsequently reflected in the RFP and DCA for the project. The reason for cost variation is due to the additional land specifications and consequent increase in cost over the land lease.

22. Director, DEA queried about the basis of estimation of the Licence Fee. By prescribing a Licence Fee, two sets of payments are expected from the Concessionaire (viz. Royalty and Licence Fee). This may result in a lower bid response ie, 'Royalty'. Joint Secretary, MoS stated that license fee has been estimated based on the approval of TAMP. It was agreed that the provisions would be re-examined by MoS and the basis for adopting License Fee would be shared with the members of PPPAC.

(Action: MoS)

23. Adviser, Ministry of Environment and Forest (MoEF) pointed out that VPT continues to fall among the 18 areas identified under the Comprehensive Environment Pollution Index (CEPI) wherein the moratorium has not been lifted. Thus, obtaining environmental clearance for the project may be difficult. It was explained that an environmental assessment of industrial clusters/areas across the country based on CEPI was carried out by the Central Pollution Control Board (CPCB). Based on this assessment, moratorium was imposed by MoEF in January, 2010 in respect of development projects for environmental clearance in 43 clusters/areas which were identified as critically polluted. Visakhapatnam was one of the 43 areas on which the moratorium was imposed. Subsequently, Action Plans were prepared by the respective State Governments/State Pollution Control Boards (SPCBs) for improving the environmental quality in these clusters/areas. CPCB in collaboration with the respective SPCBs is monitoring the implementation of these Action Plans as well as the various parameters of the CEPI. In March 2012, the moratorium has been lifted in 25 areas. However, it is still in force in 18 areas, which includes Visakhapatnam. Based on the latest monitoring data, CPCB is in the process of finalising its report giving the revised CEPI score for all the identified clusters/areas. This report is expected to be completed by March/April 2013, after which the decision on the moratorium, including the one at Visakhapatnam, will be taken by MoEF. Chairman, VPT responded that the instant project involves container cargo, which is a cleaner method of handling cargo and likely to reduce pollution. Therefore, they expect to improve upon the CEPI index and present its mitigation measures plan to MoEF for clearance of the project.

24. All members of the PPPAC were in agreement for grant final approval to the project.

25. The PPPAC granted final approval to the project for Estimated Project Cost of Rs. 633.11 crore, for award on highest Royalty basis, subject to fulfilment of the following conditions:

- a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- c. MoS/Vishakhapatnam Port Trust (VPT) shall respond to the observations of DEA and Planning Commission in their appraisal notes on the project. MoS shall incorporate the observations of Planning Commission and DEA in the project DCA, as agreed to by MoS in their response to the appraisal notes.

- d. MoS shall circulate the revised project documents to the members of the PPPAC for record.

(Action: MoS/VPT)

Agenda Item V: Proposal from Ministry of Shipping for grant of final approval: Up-gradation of existing facility and creation of new facility at Visakhapatnam Port for iron ore handling on DBFOT basis.

Total berth length: 280m ; Total Project Cost: Rs. 845.41 crore; Cost of pre-construction activities to be financed by VPT: - ; Concession Period: 30 years including 2 years of construction period.

Major development works/ structures: Mechanisation of WQ-1 Berth in the Inner Harbour and up-gradation of existing facilities at Ore Berth (OB)-1, OB-2 at Outer Harbour of Visakhapatnam Port for handling iron ore cargo on DBFOT basis. The said berth is proposed to be 280 m and is expected to handle combined capacity of 23 MMTPA. It is expected that super-cape size vessels shall be handled at the Outer Harbour having 2,00,000 DWT vessels and with deepening at the berth upto 60 m and at the face-line of the berth the draft to be 20 m from the existing 18 m, dredging upto 14m draft vessels dredged upto - 16.10 m, equipments such as harbour mobile cranes, mobile hoppers, stacker, front end loaders/dozers, conveyor system of 2 km, power and lighting, Develop utilities and services such as communications, office accommodation for operation of berth, develop facilities such as administrative buildings, generator house, sub-station, quarry side amenities, fire pump house, fuel station, develop network for water supply, drainage, sewage & back up area, operation and maintenance

26. Director, DEA informed that the project entails up-gradation of existing facilities of OB-1, OB-2 at the Outer Harbour and mechanisation at the West Quay-1 berth at the Inner Harbour of Visakhapatnam Port for handling iron ore cargo on DBFOT basis. The two distinct and non-congruent projects viz., one at the Inner Harbour and at the other at the Outer Harbour were proposed to be bid out together as one integrated proposal, to be implemented in two phases spread over 5 years.

27. Chairman, VPT presented the project and informed that the berth WQ-1 was initially posed as a separate project; however, on bidding, it failed to receive a bid response. The two projects were, thereafter, re-structured as a single PPP project to enhance its viability. Secretary, MoS added that combining the two berths together as a single project offered dedicated cargo berth, offered comfort level to the bidders. Hence, the project has got a good bid response on invitation of the RfQ and five applicants have been shortlisted at the RfQ stage.

28. Chairman, VPT stated that the project is expected to handle combined capacity of 23 million tonnes per annum (MTPA). The super-cape size vessels that shall be handled at the Outer Harbour will be vessels of 2,00,000 DWT. Capital dredging and deepening requirements at the berth upto 60 m from the face-line of the berth with draft depth as 20 m is proposed as the obligation of the Concessionaire. It was informed that Phase-I, comprising of up-gradation of existing mechanized iron ore handling facility of OH will commence from the date of award. Phase-II involves creation of new mechanized facility at West Quay-1 berth of Inner Harbour and shall be taken up after attaining the threshold limit of 12.5 MTPA at Outer Harbour or 2 MTPA traffic at Inner Harbour, whichever is earlier. The project is likely to receive a positive bidding response; hence, approval was requested.

29. The Chair queried over the need of having two phases in the Project, especially as the 12.5 MTPA is expected to be reached within 5 years. Chairman, VPT responded that the project envisages an overall ceiling of 4 years for construction; Phase I is expected to commence immediately upon award and having maximum construction period as 2 years. Phases II would commence on fulfilment of the condition that either the threshold limit of 12.5 MTPA at Outer Harbour is attained or 2 MTPA traffic at Inner Harbour, whichever occurs earlier, and Phase II may take another 2 years for completion of works. It was further added that there is no restriction on the Concessionaire to execute Phase II co-terminus with Phase I. Secretary, Shipping stated that two phases have been proposed in this particular case given the exceptional circumstances as presently iron ore cargo is being restricted as iron ore mining has been banned in many areas. Thus, the bidders were comfortable in developing the project in two phases.

30. Director, DEA stated that TAMP has approved the tariff and project cost only for the berth at WQ-1, while the project combines the cost and tariff for the two separate projects. Chairman, VPT explained that the TAMP had informed the Port Authority that once a tariff rate is approved for a respective commodity, the Port Trust need not seek fresh approval for tariff. Thus, tariff as applicable for WQ-I for handling iron ore was extended to the entire project. The Project cost was assessed separately for OB-1 and OB-2 and added to arrive at the cumulative estimated project cost of Rs. 845.41 crore based on the latest available Schedule of Rates. The Chair advised that this position may be communicated in writing with the members of the PPPAC. This was agreed to.

(Action: MoS)

31. All members of the PPPAC were in agreement to grant final approval to the project.

32. The PPPAC granted final approval to the project for Estimated Project Cost of Rs. 845.41 crore, for award on highest Royalty basis, subject to fulfilment of the following conditions:

- a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- c. MoS/ VPT shall respond to the observations of DEA and Planning Commission in their appraisal Note of the project. MoS shall incorporate the observations of Planning Commission and DEA in the project DCA, as agreed to by MoS in their response to the appraisal notes.
- d. MoS shall circulate the revised project documents to the members of the PPPAC for record.

(Action: MoS/VPT)

33. The meeting ended with a vote of thanks to the Chair.

Ministry of Finance
Department of Economic Affairs

Public Private Partnership Appraisal Committee

57th Meeting on February 22, 2013

List of Participants

I. Department of Economic Affairs, Ministry of Finance

- i. Dr. Arvind Mayaram, Secretary (In Chair)
- ii. Ms. Sharmila Chavaly, Joint Secretary
- iii. Smt. Aparna Bhatia, Director
- iv. Shri Abhijit Phukon, Deputy Director

II. Department of Expenditure, Ministry of Finance

- v. Smt. Meena Agarwal, OSD (PPD)

III. Planning Commission

- vi. Shri Amitabha Ray, Adviser
- vii. Shri K. R. Reddy, Consultant

IV. Ministry of Road Transport & Highways (MoRTH)

- viii. Shri Vijay Chibber, Secretary
- ix. Dr. (Ms.) T. Kumar, AS&FA
- x. Shri R.K. Singh, Joint Secretary
- xi. Shri Atul Kumr, SE
- xii. Shri Amrendra Kumar, SE

V. Ministry of Shipping (MoS)

- xiii. Shri Pradeep K. Sinha, Secretary
- xiv. Dr. (Ms.) T. Kumar, AS&FA
- xv. Shri N. Muruganandam, Joint Secretary
- xvi. Shri Srinivasa Naik, Director

VI. National Highway Authority of India

- xvii. Shri M.P. Sharma, Member (Technical)
- xviii. Shri R.S. Rao, GM
- xix. Shri A.C. Srivastva, GM
- xx. Shri Harish Chander, GM

VII. Vishakhapatnam Port Trust

- xxi. Shri Ahiya Khullar, Chairman
- xxii. Shri V.L Satya Kumar, Deputy Chairman
- xxiii. Shri G.Vaidyanathan, Deputy CE

VIII. Department of Legal Affairs

- xxiv. Shri O.Venkateswarlu, D.L.A

IX. Ministry of Environment and Forest (MoEF)

- xxv. Shri Brijesh Sikka, Adviser
-