

**F.No.2A/1/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell**

New Delhi, the March 18th, 2014.

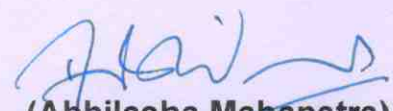
OFFICE MEMORANDUM

Subject: Record of Discussion (RoD) of the 63rd Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on 27.02.2014, North Block.

Reference is invited to the 63rd meeting of the Public Private Partnership Appraisal Committee (PPPAC), held under the Chairmanship of Secretary (Economic Affairs) on 27.02.2014 in North Block, New Delhi. Please find enclosed the Record of Discussion (RoD) of the said meeting.

2. **Due to the Model Code of Conduct, the Election Commission has directed that no publicity shall be made and no new project/work shall be started till the completion of elections.**

Encl:a/a


**(Abhilasha Mahapatra)
Deputy Secretary (PPP)**

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

Copy to:

1. PSO to Secretary (Economic Affairs).
2. Sr.PS to JS (Infra), DEA.

F. No. 2A/1/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs

Public Private Partnership Appraisal Committee

63rd Meeting on February 27, 2014

Record Note of Discussion

The 63rd meeting of the Public-Private-Partnership-Appraisal-Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on February 27, 2014. The list of participants is **annexed**.

2. The Chairman welcomed the participants and noted that the PPPAC would consider one proposal in the port sector from Ministry of Shipping and six proposals in the road sector from Ministry of Road Transport & Highways (MoRTH) for grant of final approval.

Agenda I: Proposal from Ministry of Shipping (MoS) for grant of final approval: Development of additional liquid bulk terminal at Jawaharlal Nehru Port (JNPT)

Total berth length: to be indicated ; Total Project Cost: Rs. 2496 crore; Cost of pre-construction activities to be financed by JNPT: - Yet to be provided; Concession Period: 30 years including 3 years of total construction period and project implementation is proposed in two phases, Phase-I to be completed within 36 months and Phase-II to be completed in 24 months.

Major development works/ structures: Proposed capacity is to handle 26.6 MTPA, Phase I- Construct berths 1 to 4 to accommodate vessels size upto 180,000 DWT, with capacity 15 MTPA, min. depth(-) 16.5m, construct breasting & mooring dolphins, service platforms for all 4 berths to accommodated vessels with min. Size 20,000 DWT, approach trestle of 7.2 km with 15m connecting the jetty & landfall point at the back up area, storage yard on area of 73 ha., (used for phase II as well); Phase II- Construct berths 5&6, to accommodate vessels size upto 180,000 DWT, min. depth (-) 16.5m, construct breasting & mooring dolphins, service platforms for all 4 berths to accommodated vessels with min. Size 20,000 DWT; Capital and maintenance dredging work and Cargo handling facilities including laying of pipelines from T-point

[Handwritten signature]

3. Chairman, JNPT presented the proposal. In response to a query raised by the Chair apropos the under designing of projects in comparison with traffic estimates, it was informed that with regard to the instant project, the project was conceived in two phases in order to cater to the growing design, traffic and other needs of the port. As initial traffic was perceived to require 4 berths, the same has been provided for in Phase I and for Phase II two more berths have been envisaged. Project's proposed overall capacity for both phases is 26.6MTPA¹, Phase I envisages 15 MTPA capacity with the balance to be catered in Phase II which envisages construction of two additional berths to accommodate 1,80,000 DWT liquid bulk carriers and breasting dolphins, mooring dolphins etc. The port authorities also stated that Phase-I is to be completed within three years from the Date of Award of Concession. Phase-II would commence as soon as the annual traffic at Phase I reaches 12 MTPA or 8 years from Date of Commissioning of Phase I, whichever is later and that Phase II is to be completed within two years from the date of commencement of construction.

4. Joint Secretary, DEA sought information with regard to the Master Plan and overall vision of the Port Trust in developing the Port facilities and the response to the bidding. Chairman, JNPT informed the PPPAC that in comparison with the DPR estimates, the present cargo handled at the Port is near the base case scenario only, which is 5.83 MPTA. Thus, projections for the facilities take into account this modified scenario and thereby phased planning has been proposed for the instant project along with development of other facilities. As regards, the bidding process, Chairman, JNPT stated that it was informed that during the RFQ stage, seven applications have been received, for which process of shortlisting is underway. **The Chair directed MoS/JNPT to ensure that the written responses to the appraisal notes of the members of PPPAC are submitted for the record of the PPPAC.**

(Action: MoS/JNPT)

5. Joint Advisor, Planning Commission (PC) sought information on the status of environmental and other clearances. Chairman, JNPT responded that environmental clearances have been obtained upto July 2018 JNPT has applied for obtaining security clearances from the Government for the applicants and the same is awaited.

6. Joint Secretary, DEA inquired whether ONGC is agreeable to undertake the responsibility of laying pipeline, and, whether the same shall be synchronised with the Projects implementation schedule. Chairman, JNPT responded that ONGC has agreed to undertake this responsibility dovetailed with the requirements for the

¹ MTPA=Million Tonnes per annum, DWT= Dead weight tonnage,

instant project. The Chair indicated that this reaffirmation on agreement by ONGC may be submitted in writing to the members of PPPAC with the implementation timelines. Chairman, JNPT added that ONGC is already catering to meet 2.5 MTPA traffic demand. On the evacuation of cargo by rail and/or road, the PPPAC was informed that the project is to be benefited by the Dedicated Freight Corridor (DFC) likely to be developed by the year 2017. Railway sidings already exists at JNPT and connectivity by rail up to the Port boundary for cargo evacuation is already a part of scope of work of another Concessionaire under the project titled 4th Container terminal. This proposal has been considered and approved by the PPPAC earlier. Road development works are already being carried out by a SPV² created in-between the NHAI and CIDCO, in particular for upgrading the 3 NH stretches that cater to the Port activities.

(Action: MoS/JNPT)

7. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

8. The PPPAC recommended grant of final approval to the project having estimated project cost (EPC) of Rs. 2496 crore, for award on highest 'Royalty' basis, subject to fulfilment of the following conditions:

- a. MoS/Jawaharlal Nehru Port Trust (JNPT) shall incorporate all the observations of Planning Commission and DEA with respect to corrections in the project's documents including Schedules of the DCAs as agreed to by MoS/JNPT in their responses.
- b. MoS/JNPT shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- c. MoS/JNPT shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- d. MoS/JNPT shall circulate the revised documents to the members of PPPAC for record.

(Action: MoS/JNPT)

² SPV= Special Purpose Vehicle, NHAI=National Highway Authority of India, CIDCO= City and Industrial Development Corporation of Maharashtra



Agenda Item II: Proposal from Ministry of Road, Transport and Highways (MoRTH) for grant of final approval: Four laning of Sultanpur-Varanasi Section of NH-56 from km 134.700 to km 271.30 in the State of Uttar Pradesh under NHDP - IV on DBFOT (Toll) basis.

Total length: 146.225 km; Total Project Cost: Rs. 1778 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 197.83 crore; Concession Period: 20 years including 2.5 years of construction period.

Land status: Total land required: 883.0499 ha, Land available: 251.3699 ha (28.46%), Land to be acquired: 631.68 ha, 3 (D) Published: 579.9324 ha (91.80% of land to be aquired).

Major development works/ structures: Major Bridge: 1; Minor bridges: 10; Flyover: 3; Bypass: 12 of 82.13 km, ROB: 4; Major road junctions: 31; Service roads: 1.84 km (5.5 m width) & 20.90 km (3.75 m) & 19.74 km (5.5 m); Realignment: 2.165 km, Toll plazas: 2 (km 173.45, & km 232.10); Vehicular underpasses: 4; Pedestrian&Cattle underpasses: 20; Culverts: 265; Truck laybys: 3; Bus-bays: 50; Culverts: 265; Realignments: 2.165 km

9. Joint Secretary, DEA stated that the instant project has already been considered by the PPPAC earlier in its 50th and 56th meetings when, and due to inadequate land acquisition (LA), the PPPAC had directed that the project be placed for consideration when compliance on LA was achieved. In the present instance, MoRTH has indicated conformity with the LA required as directed by the PPPAC, hence, the project is now presented for consideration by the members of PPPAC.

10. Joint Adviser, PC sought clarification on the increase of cost by around Rs. 411 crore in the proposal and on the reduction of length in the project by around 8 kms. It was stated that while the project length has reduced, the overall land required for the project has increased from 780 hectares to 883 ha and the cost has increased by around 38% in comparison from the earlier proposal. Member (PPP), NHAI in response to the above two queries, explained that with respect to the earlier proposal, the land estimated was not on actual basis but made when land was still under acquisition process. It was informed that for present proposal 3D has been published for around 92% of the required land and for Right of Way (Row) of 60m. Accordingly, based on the land acquired and the actual road alignments specifically on the bypasses, the project length has reduced. Apropos cost figures for the earlier proposal, these were based on estimates for the year 2010. Present estimates are for the year 2013 and take into account the inflation impacts on various components of costs over the 3 years and hence the upward revision in the TPC. It was reiterated that other than these aforementioned changes, project's scope of work remains unchanged when the last proposal was approved by the PPPAC earlier. **The Chair directed MoRTH/NHAI to submit a written response to the appraisal notes of the members of PPPAC, especially with regard to changes in scope of work since the last consideration by PPPAC, alongwith the justification on the same.**

(Action: MoRTH/NHAI)

11. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

12. The PPPAC recommended grant of final approval to the proposal for TPC of Rs. 1778 crore, subject to fulfilment of the following conditions:

- a. NHAI shall ensure land acquisition in respect of the project and provide ROW in accordance with the provisions of the Project's Concession Agreement (DCA).
- b. MoRTH shall incorporate all the observations of Planning Commission and DEA with respect to corrections in the instant proposal's documents in particular the Schedules of the project's DCA as agreed to by MoRTH/NHAI in their responses.
- c. MoRTH will submit a detailed response to the Appraisal Notes of the PPPAC members on change in scope, along with the justification.
- d. MoRTH shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- e. MoRTH shall obtain prior approval of the PPPAC on any change in TPC, scope of work or project configuration as noted above.
- f. MoRTH shall circulate the final documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

Agenda Item III: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning of Ghaghar Bridge to Varanasi section from Km 121.800 to Km 299.350 of NH 233 in the State of Uttar Pradesh under NHDP – IV on Design Build, Finance, Operate and Transfer (DBFOT) basis

Total length: 177.652 km; Total Project Cost: Rs. 1954.29 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 388.12 crore; Concession Period: 24 years including 2.5 years of construction period.

Land status: Total land required: 1002.88 ha, Land available: 203.09 ha (20.25%), Land to be acquired: 799.79 ha, 3 (D) Published: 705.79 ha (70.38%).

Major development works/ structures: 2 Major Bridge (new); 1 Major Bridges (repair); 27 Minor bridge (new); 16 Minor bridges (for repair); 3 ROBs; 13 Bypass (71.672 km); Slip roads: 16.8 km; 20 Major road junctions; 38 Minor road junctions; 3 Toll plazas (km 164.75, km 227.20 & km 276.95); Vehicular/pedestrian underpass: 13/23; culverts: 306; busbays/shelters: 42, truck lay byes: 8; Truck terminal: 2 at km 125.1 & km 245.14 ; Footpath: 39.66 km and 16.80 on slip road; Relignments: 4.88 km at 4 locations

13. Deputy Secretary, DEA informed the PPAC that proposal was earlier approved by PPPAC in its 50th meeting held on February, 17 2012 for Concession Period of 24 years and TPC of 1530.70 crore, but MoRTH had stated that no bid was received and has re-submitted the proposal. Chief General Manager (CGM), NHAJ informed that 203.09 ha (20.25%) land is already available and Notification under section 3 (D) has been issued for 705.79 ha (70.38%). Revised proposal after updation of TPC and land availability has been submitted for consideration of PPPAC.

14. Chair desired to know status of Environment Clearance and other clearances. CGM, NHAJ responded that Environment and other statutory clearance have already been obtained.

15. Joint Secretary, DEA requested confirmation on the status of 2.30 Km long Ghaghara Bridge included in the proposed project highway and whether the bridge is still under construction by Uttar Pradesh Bridge Corporation. SE (PPP), MoRTH responded that the bridge has already been completed and operational.

16. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

17. **The PPPAC recommended the grant of final approval to the proposal for 4-laning of Ghaghar Bridge to Varanasi section from Km 121.800 to Km 299.350 of NH 233 in the State of Uttar Pradesh under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 1954.29 crore with maximum VGF of Rs. 781.72 crore (40 percent of TPC), subject to fulfilment of the following conditions:**

- 17.1. MoRTH shall issue Request for Proposal (RFP) only after ;
- 17.1.1. *Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that "atleast 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project"*
- 17.1.2. Obtaining the environment clearances for the project
- 17.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 17.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 17.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.



(Action: MoRTH)

Agenda Item IV: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning with PSS of Bikaner-Phalodi Section from km. 4.200 to km. 55.250 and Two-lane with paved shoulder from Km 55.250 to Km 163.500 of NH-15 in the State of Rajasthan under NHDP-IV, Design Build, Finance, Operate and Transfer (DBFOT) basis.

Total length: 159.30 (2 lane- 108.250 km & 4 lane- 51.050 km; Total Project Cost: Rs. 822.90 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 80.50 crore; Concession Period: 26 years including 2.5 years of construction period;
Total Land required: 889 ha.: Land available: 813 ha (91.45%); Land to be acquired: 76 ha.

Major development works/ structures: Major Bridge: 1; Minor bridges: 20; Bypasses: Nil; ROB: 2; Major road junctions: 3; Service roads/ slip road: 2.686 km; Minor road junctions: 58; Toll plazas: 3 at Km 24, at km 84.5 & at km 147.2 (design); Vehicular underpasses: 2; Pedestrian underpasses/ Cattle underpasses: 1; Culverts: 103; Truck laybys: 4; Bus-bays/ Shelters: 1/6

18. Deputy Secretary, DEA informed the PPPAC that MoRTH has stated that 91.45% land (813 ha) is available and therefore the project is eligible for consideration of PPPAC.

19. Chair desired to know status of Environment Clearance. CGM, NHAI responded that Environment clearance for the project is not required as per the new guidelines issued by MoEF.

20. Joint Advisor, Planning Commission indicated that based on the designed capacity of the highway, the concession period should be 20 years against 26 years proposed by NHAI. Deputy Secretary, DEA indicated that as per DEA calculations, the justified concession period is 24 years. CGM, NHAI responded that Planning Commission has considered the design capacity of 2 laning with PSS as 17,500 PCU instead of 25,000 PCU at level of service 'C' indicated in clause 29.3 of the DCA. The concession period of 26 years is justified based on the two lane capacity of 25,000 PCUs and 4 lane capacity of 60,000 PCUs. Further, project is marginally viable with VGF upto 36.25% of TPC considering 26 years concession period, hence, reduction in concession period would make the project unviable. The Chair indicated that concession period of 26 years may be allowed to make the project viable. This was agreed to.

21. Joint Secretary, DEA indicated that Clause 44.3 of DCA pertaining to Arbitration may be harmonised as per MCA. Member, NHAI responded that clause

44.3 of DCA has been amended based on NHAI policy circular dated May 08, 2013 to streamline the fixing of fee of Arbitrators and to avoid payment of very high fee being fixed by the Arbitrators. Chair supported the proposal of MoRTH.

22. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

23. The PPPAC recommended for grant of final approval, the proposal for 4-laning with PSS of Bikaner-Phalodi Section from km. 4.200 to km. 55.250 and Two-lane with paved shoulder from Km 55.250 to Km 163.500 of NH-15 in the State of Rajasthan under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 822.90 crore with maximum VGF of Rs. 329.16 crore (40 percent of TPC), subject to fulfilment of the following conditions:

- 23.1. MoRTH shall issue Request for Proposal (RFP) only after ;
 - 23.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that *"atleast 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project"*
 - 23.1.2. Obtaining the environment clearances for the project
- 23.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 23.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 23.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)



Agenda Item II : Proposal from Ministry of Road, Transport and Highways (MoRTH) for grant of final approval: Six/Eight Laning, Eight-laning from km 0 to km 27.5 and Six-laning from km 27.5 (Dasna) to km 49.923 (Hapur Bypass) of NH-24 (total of NH-24 =Km 0.000 to Km 49.923), and Six-laning for NH-58 from km 6.800 (Delhi - UP Border) to km 52.528 (Meerut Bypass) and Six-laning for NH-235 from km 0.360 to km 8.800 in the States of Delhi and Uttar Pradesh.

Total length: 150.147 km; Total Project Cost: Rs. 6571 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 1284.87 crore; Concession Period: 14 years including 3 years of construction period

Land status: Total land required: 1018.063 ha, Land available: 540.904 ha (53.13%), Land to be acquired: 477.19 ha, 3 (A) Published: 432.34 ha (90% of land to be aquired), 3 (D) Published: 405.55 ha (84.98%), 3 G completed for 237.54 ha (49.77%).

Major development works/ structures: Major Bridge: 7(new); Flyover: 4 (elevated), 33 (flyover) & 4(flyover) on interchanges; ROB: 5; Major/Minor road junctions: 30/151; Service roads: 154.30 km and Slip roads of 72.751 kms; Minor Bridges: 9 (new), 4 on service road, 7 (widening); Underpasses: VUP=28, PUP= 32, Cycle track: 13.381 kms; Toll plazas: 6 (km 1.35, km 27, km 38, km 35.8, km 57.54, km 7.5); Bus bays: 55; Culverts: 95; Way side amenities at km 36: 2; Crash barriers across all the stretches, total length 334.037 km for both sides;

24. Joint Secretary, DEA pointed out that the instant project carries a very high investment value and has been indicated as viable on premium basis, however, as per estimates carried out by PPP Cell, DEA the project appears viable only with an increased concession period of around 20 years and viability grant funding of atleast 40% of the TPC. Also, it was stated that reliable assessment of revenue and viability thereof and capacity analysis for each stretch separately is necessary. Deputy Secretary, DEA added that in the instant project, the base traffic figures were for the year 2010 and adopting 5% traffic growth rate may not be reflective of the actual growth scenario. It may be ascertained whether huge increase in local traffic and urban sprawl over the last four years in instant project's sections catchment area has been duly examined. Thus, detailed updated traffic figures with separate assessments of local traffic and through traffic were required alongwith justification from MoRTH/NHAI.

25. Member (PPP), NHAI in response to queries raised above, stated that based on the appraisal note by DEA, NHAI has undertaken a fresh traffic survey at the toll plaza locations dated February (9-12), 2014. The response to the appraisal notes has been provided as on the date of meeting and the project assessed with a premium of around Rs. 1.50 crore. It was opined that while DEA's appraisal supports an increase in concession based on stretch-wise capacity considerations, the Planning Commission's appraisal has indicated that concession period may be decreased to 12

years based on the average traffic figures for the project and the capacity being breached in the 12th year of concession. Member (PPP), NHAI also stated that, due to lenders' considerations, the concession period was taken as 14 years, which includes a possible 3 year period of construction and 1 year repayment relaxation for moratorium. Even with full VGF support according to NHAI, the concession period should be limited to 14 years. With regard to VGF support, the documents will indicate that the applicable scheme is available. Deputy Secretary, DEA indicated that as the response was received on this date, these were yet to be examined by the appraising agencies. **The Chair directed that a joint review on the financial assessment may be undertaken with DEA** in order to ascertain that the project has a positive and successful bidding outcome. This was agreed to by MoRTH/NHAI.

(Action: MoRTH/NHAI)

26. Joint Secretary, DEA inquired whether the additional RFP provisions by MoRTH/NHAI on financial closure requirements for TPC limits above and below Rs. 3000 crore, need to be reviewed in the current scenario in order to increase competition. Member (PPP), NHAI indicated that the same has been incorporated based on guidelines by MoRTH dated April 9, 2010.

27. Deputy Secretary, DEA sought the status of the procurement process, and whether bidders have expressed ability and interest for undertaking the project. Member (PPP), NHAI informed that five applicants have submitted interest during the RFQ stage.

28. Director, Department of Expenditure (DoE) stated that in an IMG³ dated February 28, 2014, MoRTH/NHAI had indicated that possession on the land acquired was an issue. Member (PPP), NHAI stated that instant project has complied with the conditions of PPPAC for posing the project as 3D notification for land acquisition was published for around 90 percent of the land requirement. It was clarified that the issue discussed at the above referred IMG was on the 3G notification under which around 76 percent of the payment of compensation was yet to be disbursed. It was further stated that NHAI has around 8 to 9 months prior to commencement of the construction works on the project site and may be able to make disbursements till then. The Chair inquired whether the construction works are liable to be stalled due to the compensation payment issues, especially as the project stretch predominantly traverse through urban stretches. Joint Secretary, DEA also noted that this scenario may possibly lead to cost and time overruns, and thus, may need to be mitigated. Secretary, MoRTH proposed that as a mitigation measure and avoidance of any delay in construction works, a conditional approval may be

³ IMG=Inter-Ministerial Group

granted. The condition may be that the project may be awarded only when 75% of the total land is under possession. This was agreed to by all the members of PPPAC.

(Action: MoRTH/NHAI)

29. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

30. **The PPPAC recommended grant of final approval to the proposal for TPC of Rs. 6571 crore, subject to fulfilment of the following conditions:**

- a. The Procurement Documents will reflect the details of the VGF scheme in place.
- b. MoRTH/NHAI shall award the project only when 75% of the total land is under possession.
- c. MoRTH/NHAI shall ensure land acquisition in respect of the project and provide ROW in accordance with the provisions of the Project's Concession Agreement (DCA).
- d. MoRTH/NHAI shall ascertain the adequacy of technical and financial parameters for the project and undertake a joint review with DEA prior to release of the RFP.
- e. MoRTH shall incorporate all the observations of Planning Commission and DEA with respect to corrections in the instant proposal's documents in particular the Schedules of the project's DCA as agreed to by MoRTH/NHAI in their responses.
- f. MoRTH shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- g. MoRTH shall obtain prior approval of the PPPAC on any change in TPC, scope of work or project configuration as noted above.
- h. MoRTH shall circulate the final documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

Agenda Item VI: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning with PSS of Zirakpur-Patiala Section of NH-64 from Km. 0.000 to Km. 50.700 in the state of Punjab under NHDP-IV, Design Build, Finance, Operate and Transfer (DBFOT) basis.



Total length: 50.70; Total Project Cost: Rs. 507.29 crore; Cost of pre-construction activities to be financed by MoRTH: Rs. 173.25 crore; Concession Period: 14 years including 2 years of construction period;

Total Land required: 221.78 ha.: Land available: 198.39 ha (90%); Land to be acquired: 23.39 ha, 3 (D) notification published on 10.10.2012 and award under 3 (G) finalized.

Major development works/ structures: Major Bridge: Nil; Fly-over: 2; Minor bridges: 10; Bypasses: Nil; ROB: 1; Major road junctions: 5; Service roads/ slip road: 8.36 km (both side); Minor road junctions: 14; Toll plazas: 2 at Km 9.45 & at km 42.25 (design); underpasses: 1; Culverts: 67; Truck lavhves: Nil; Bus-bays/ Shelters: 22; Foot-overbridge: 6.

31. Deputy Secretary, DEA informed that proposal was earlier approved by PPPAC in its 45th meeting held on August, 10 2011 with Concession Period of 14 years and TPC of 421.78 crore. Empowered Institution (EI) in its 33rd meeting held on 20.07.2011 has also granted in-principle approval for VGF support upto 20% of TPC (Rs. 84.36 crore) under VGF scheme.

32. Chief Engineer, MoRTH indicated that the project was awarded to M/s Rohan Rajdeep Tollways Limited on 31.03.2012 with first year premium of Rs 5.16 crore. However, the concession agreement was terminated on 16.09.2013 by the state PWD (implementing agency) due to non submission of performance guarantee by the bidder. The proposal is re-submitted with same scope of work as earlier approved by PPPAC/EI, however, TPC has been increased to Rs. 536.25 crore (considering 18 years concession period) as against Rs. 421.78 crore earlier approved by PPPAC in March, 2012. The TPC with 14 years concession period would be Rs. 507.29 crore and project would be viable with VGF upto 15.50% of TPC.

33. Chair desired to know status of land acquisition and Environment Clearance. Chief Engineer, MoRTH responded that 90% of the total land required (198.39 ha is available and notification under section 3 (D) has been issued for balance land. Further, Environment Clearance has been obtained on March 08, 2013, Wild life Clearance obtained on May 24, 2013 and GAD approved by the Railways. Thus all statutory clearances are available for the project.

34. Joint Secretary, DEA indicated that as Section-I has traffic of about 50,000 PCUs and is eligible for 6 laning, concession period based on breached capacity of tollable traffic should be 14 years instead of the 18 years proposed. Further, two toll plazas have been provided at km 9.45 and km 42.25 for a total length of 50.7 km. Secretary, MoRTH responded that majority of traffic in section I consists of local traffic for which service roads have been provided, accordingly, 6 laning may not be

required during the concession period. Hence, 4 laning is justified. Further two toll plazas have been provided as project section is physically divided into two separate sections (i) Zirakpur to Rajpura (km 0.00 to km 28.10) & (ii) Rajpura to Patiala (km 28.10 to km 50.70). In between, there is an overlapping length of 2.2 km with NH-1. Therefore, two toll plazas have been provided for each section. Secretary, MoRTH indicated that concession period of 14 years as suggested by DEA has been accepted.

35. Joint Secretary, DEA desired to confirm whether EI and EC approval is still required when the project was earlier awarded on premium basis. Secretary, MoRTH responded that in the prevailing market circumstances, bidder may quote VGF, hence, it was requested that since Members of PPPAC are same as of Empowered Committee (EC), approval of EC may be granted after exempting consideration by Empowered Institution (EI). Chair supports the proposal of MoRTH.

36. All members of EC agreed to grant in-principle approval for providing VGF support upto 20% of TPC i.e. Rs. 101.428 crore and grant exemption for consideration by EI.

37. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

38. **The PPPAC recommended for grant of final approval to the proposal for 4-laning with PSS of Zirakpur-Patiala Section of NH-64 from Km. 0.000 to Km. 50.700 in the state of Punjab under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 507.29 crore with maximum VGF of Rs. 202.92 crore (40 percent of TPC), subject to fulfilment of the following conditions:**

- 38.1. MoRTH shall issue Request for Proposal (RFP) only after ;
 - 38.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that *"atleast 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project"*
 - 38.1.2. Obtaining the environment clearances for the project
- 38.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.

13

- 38.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 38.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)

Agenda Item VII: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning with PSS of Amritsar to Bhatinda section of NH-15 from km 103.000 to km 287.500 in the State of Punjab, on BOT (Toll) basis under NHDP - IV.

Total length: 174.64 km; Total Project Cost: Rs. 1899 crore; Cost of pre-construction activities to be financed by MoRTH: Rs. 522.14 crore; Concession Period: 30 years including 2.5 years of construction period;

Total Land required: 1114.37 ha.: Land available: 380.87 ha (34%); Land to be acquired: 733.50 ha (66%), 3 (D) Published: 570.54 ha (51%), total land available: 951.41ha (85%).

Major development works/ structures: Major Bridge: 2; Minor bridges: 35; Bypass: 7 of 66.008 km; Flyover: 4; ROB/RUB: 3; Major road junctions: 23; Service roads: 43.612 km; Slip roads: 19.756 km; Minor road junctions: 180;; Toll plazas: 3 (km 133.4, km 205 & km 267); Vehicular underpasses: 7; Pedestrian/cattle underpasses: 1; Culverts: new- 134, widening-140, on junctions-274; Truck laybys: 3; Bus-bays: 72; Way side amenities: 3; Realignment: Nil.

39. Deputy Secretary, DEA informed that proposal was earlier deferred by PPPAC in its 58th meeting held on May, 21 2013 due to inadequate land availability. Chief Engineer, MoRTH informed that 380.87 ha comprising 34% of the total land is already available and Notification under section 3 (D) has been issued for 570.54 ha (51%). Thus, 85 percent land is available; accordingly project is eligible for consideration of PPPAC.

40. Joint Secretary, DEA indicated that four laning has been proposed for the entire stretch, whereas section II, consisting of about 70 km, does not qualify for 4 laning. Chief Engineer, MoRTH responded that present traffic at section II is about 12,000 PCU and by the end of 2019 i.e. date of COD, traffic would be 15,246 PCU. Since justified traffic for 4 laning is 15,000 PCU, entire stretch has been proposed for four laning. Secretary MoRTH indicated in case of 2 laning with PSS is proposed for this section the project would be unviable as toll rates for 4 laning are higher than 2

15

laning with PSS, hence, 4 laning for the entire stretch should be allowed. This was agreed to.

41. Joint Secretary, DEA requested whether MoRTH has revised the concession period to 30 years from 27 years, deleted clause 4.1.2 (c) regarding minimum ROW of 60 meters, revised target Traffic in clause 29.1.1 as 17, 936 PCUs as on October 1, 2023 and revised Schedule 'R' for correction of tollable length as 174.640 km instead of 241.788 km as agreed by MoRTH vide letter dated May 20, 2013. Chief Engineer, MoRTH indicated that project documents have been revised as agreed.

42. The Chair inquired on the status of Environment Clearance and Wild Life clearances. Chief Engineer, MoRTH responded that Environment Clearance has been obtained on June 12, 2013 and proposal for Wild Life clearances within 10 km radius at km 161.40 has been submitted to NBWL on July 18, 2013.

43. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

44. **The PPPAC recommended for grant of final approval, the proposal for -laning with PSS of Amritsar to Bhatinda section of NH-15 from km 103.000 to km 287.500 in the State of Punjab under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 1899 crore with maximum VGF of Rs. 759.60 crore (40 percent of TPC), subject to fulfilment of the following conditions:**

- 44.1. MoRTH shall issue Request for Proposal (RFP) only after ;
 - 44.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that *"atleast 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project"*
 - 44.1.2. Obtaining the environment clearances for the project
- 44.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 44.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 44.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)

72

Additional Agenda: Correction in Record of Discussion (RoD) of 61st meeting of PPPAC held on 13.01.2014:

45. Deputy Secretary, DEA informed that MoRTH vide OM dated 07th February 2014 informed that name of the project of Katni – Shahdol- Anoopur to MP/Chattisgarh Border Section of NH -78 had been erroneously mentioned as ***“Four laning with paved side shoulders”*** instead ***“Two laning with paved side shoulders”*** in the RoD of 61st meeting of PPPAC held on 26.12.2013 and requested permission for necessary corrections. All the members of PPPAC agreed to record the necessary corrections.

46. Accordingly, name of the project in Agenda Item VI at page 14 of 17 and para 33 at page 15 of 17, name of project may be read as ***“Two laning with paved side shoulders of Katni – Shahdol- Anoopur to MP/Chattisgarh Border Section of NH -78”*** instead of ***“Four laning with paved side shoulders Katni – Shahdol- Anoopur to MP/Chattisgarh Border Section of NH -78”***.

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



Ministry of Finance
Department of Economic Affairs

Public Private Partnership Appraisal Committee

63rd Meeting on February 27, 2014

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. Abhilasha Mahapatra, Deputy Secretary (PPP)
- iv. Shri V. Srikanth, Deputy Director (PPP)

II. Department of Expenditure, Ministry of Finance

- v. Smt. Saheli Ghosh Roy, Director

III. Planning Commission

- vi. Shri Amitabha Ray, Joint Advisor

IV. Ministry of Shipping (MoS)

- vii. Dr. (Shri) Vishwapati Trivedi, Secretary
- viii. Shri N. Muruganandam, Joint Secretary

V. Ministry of Road Transport & Highways (MoRTH)

- ix. Shri Vijay Chibber, Secretary
- x. Shri V. L. Patankar, DGRD
- xi. Shri A.K.Nagpal, Chief Engineer
- xii. Shri Amrendra Kumar, SE (PPP)
- xiii. Shri Pawan Kumar, SE

VI. Department of Legal Affairs

- xiv. Shri Pawan Suri, D.L.A

VII. National Highway Authority of India

- xv. Shri Sudhir Kumar, Member (PPP)
- xvi. Shri B.N.Singh, Member (Projects)
- xvii. Shri M.P. Sharma, Member (Technical)
- xviii. Shri B.S. Singhla, CGM
- xix. Shri S.C. Jindal, CGM
- xx. Shri B.N. Sahay, GM
- xxi. Shri Shashank Kumar, GM

VIII. Jawaharlal Nehru Port Trust (JNPT)

- xxii. Shri N.N. Kumar, Chairman
- xxiii. Shri A.J Lokhande, Chief Manager
- xxiv. Shri N.A. Deshpande, Mnager (PPD)

IX. Government of Punjab (GoP)

- xxv. Shri T.S.Chahal, PWD (B&R)
- xxvi. Shri N.P.Singh, CE, PWD (B&R)

75