

**File No: 2/1/2024-PIU**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**Infrastructure Finance Secretariat**  
**ISD Division**  
**(PIU)**  
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5<sup>th</sup> Floor, JVB, Tolstoy Marg  
Dated: 20<sup>th</sup> February, 2024

**OFFICE MEMORANDUM**

**Subject: Record of Discussions of the 113<sup>th</sup> meeting of the PPPAC for considering the proposals of (i) Construction of Northern Bypass (NAB) and Southern Ayodhya Bypass (SAB) with total length of 67.572 kms on HAM in the State of Uttar Pradesh and (ii) Construction of Guwahati Ring Road in the state of Assam on DBFOT (Toll) Basis – reg**

The undersigned is directed to forward Record of Discussions of the 113<sup>th</sup> meeting of the PPPAC held on 16<sup>th</sup> February 2024, under the Chairmanship of Secretary, DEA for information and necessary action.

2. This issues with approval of Secretary, Economic Affairs.

  
(Dr. Kartik Agrawal)  
Deputy Director

To,

1. CEO, NITI Aayog, Yojana Bhawan, New Delhi
2. Finance Secretary & Secretary, Department of Expenditure
3. Secretary, Ministry of Road Transport & Highways, New Delhi
4. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi

**Copy To,**

1. Sr. PPS to Secretary (EA)
2. Sr. PPS to JS (ISD)

**Record of Discussions of the 113<sup>th</sup> meeting of the PPPAC for considering the proposals of (i) Construction of Northern Bypass (NAB) and Southern Ayodhya Bypass (SAB) with total length of 67.572 kms on HAM in the State of Uttar Pradesh and (ii) Construction of Guwahati Ring Road in the state of Assam on DBFOT (Toll) Basis**

1. The 113<sup>th</sup> meeting of the PPPAC, chaired by the Secretary, DEA was held on 16<sup>th</sup> February 2024 at 1230 hours for considering the project proposals of MoRTH for (i) Construction of Northern Bypass (NAB) and Southern Ayodhya Bypass (SAB) with total length of 67.572 kms on HAM in the State of Uttar Pradesh and (ii) Construction of Guwahati Ring Road in the state of Assam on DBFOT (Toll) basis. List of attendees (same for both the projects) is placed at **Annexure I**.
  2. On behalf of the Chair, the JS (ISD) welcomed the attendees to the meeting and informed them that the projects are based on MCA, and in accordance with the PPPAC guidelines, the project is submitted for Final Appraisal by the PPPAC. Then, with the permission of the Chair, MoRTH was requested to make their presentation.
- I. Construction of Northern Ayodhya Bypass (NAB) and Southern Ayodhya Bypass (SAB) with total length of 67.572 kms on HAM in the State of Uttar Pradesh**

The basic details of the projects are given in the table below:

<b>Project Description</b>	<p><b>A.</b> Construction of 4/6 Lane Northern Ayodhya Bypass from Km 0+000 to Km 30+400 (Starting near exst.km 112+540, ending at exst.km 139+928 of NH – 27) and Part-2 south of NH-27 from Km 0+000 to Km 5+000 (Start near existing Km 112+540 of NH-27 and end at Bhitaura village) total length of 35.40 kms on HAM basis under NHDP Phase-VII in the State of Uttar Pradesh.</p> <p><b>B.</b> Construction of 4/6 Lane Southern Ayodhya Bypass from km 5+000 to km 37+172 (Starting near km 112+540, ending at km 153+281 of NH-27) of total length of 32.172 kms on HAM basis under NHDP Phase-VII in the State of Uttar Pradesh.</p>
<b>PPP model</b>	Hybrid Annuity Mode (HAM)
<b>Location</b>	State: Uttar Pradesh District: Gonda, Ayodhya (NAB) District: Basti, Ayodhya (SAB)

<b>Administrative Ministry/Department</b>	Ministry of Road Transport and Highways, Government of India			
<b>Name of the Implementing Agency</b>	The National Highways Authority of India			
<b>Concession Period</b>	17.5 years, including construction period of 2.5 years			
<b>Justification for the project</b>	The projects have been conceived with an aim of providing a network of good quality National Highway in India. With the construction of 4/6 lane with Grade Separators, smooth and safe traffic flow shall be ensured and will result in substantial gain in terms of reduced Vehicle Operating Cost (VOC) and reduced delays. Moreover, implementation of the project would result in development of basic infrastructure and connectivity between NH-27, NH330A, NH135 & NH-330, which would ultimately lead to overall economic development of the region.			
<b>Estimated capital costs with break-up under major heads of expenditure</b>	<b>S. No.</b>	<b>Details</b>	<b>NAB (Rs. in Cr.)</b>	<b>SAB (Rs. in Cr.)</b>
	1	Base Civil Construction Cost	1,302.69	1,347.6
	2	Utility Shifting Cost	19.206	12.22
	3	<b>Total Civil Cost</b>	<b>1,321.896</b>	<b>1,359.82</b>
	4	IC/Pre-operative expenses @1% of (4) above	13.22	13.60
	5	Financing Cost (1.5% of debt amount)	4.78	4.93
	6	Interest during construction	46.62	47.09
	7	<b>Estimated Project Cost as on Bid Date including Escalation (3+4+5+6)</b>	<b>1,386.51</b>	<b>1,425.44</b>
	8	GST (18% on Total Civil Cost)	237.94	244.77
	9	Contingencies @1% (As per Ministry's circular dated 09.05.2018)	13.03	13.48
	10	Supervision charges @2.5% on the Utility Cost	0.48	0.31
11	Environment Cost	12.89	12.18	



	12	Land acquisition cost	242.76	345.21
	<b>13</b>	<b>Total Capital Cost (Cr)</b>	<b>₹ 1,893.61</b>	<b>₹ 2,041.39</b>
	14	Per Km. Cost (Cr/Km)	53.49	63.45
<b>Sources of financing</b>	NHAI is to pay 40% of Bid Project Cost adjusted to Price Index Multiple (40% of the Completion Cost) in 10 (ten) equal installments of 4% (four per cent) each during the Construction Period. Balance project cost is to be arranged by the Concessionaire through Loan and Equity.			
<b>Financial Viability</b>	<b>Particulars</b>	<b>NAB</b>	<b>SAB</b>	
	<b>Project IRR</b>	12.63 %	12.61 %	
	<b>Equity IRR</b>	15%		
	<b>Economic IRR</b>	17.9%	22.5%	
	<b>Project NPV @12% discounting (Rs.in Crore)</b>	INR 28.80 cr	INR 54.80 cr	
<b>Clearances Status</b>	<b>Description</b>	<b>Status</b>		
		<b>NAB &amp; SAB</b>		
	ROB GAD Approval by Railway	All 04 GADs have been approved.		
	Forest Clearance	Stage I clearance pending with Forest Department (2.48 ha)		
	Environment Clearance	Environmental Clearance Obtained on 19.01.2023		
Utility Shifting	All estimates received and peer review done			
<b>Concession Agreement</b>	The project is proposed to be implemented as per Model Concession Agreement dated 09.12.2016, issued by MoRTH.			
<b>Bidding parameter</b>	Lowest Bid Project Cost			

3. MoRTH informed that it plans to develop, maintain, and manage **Northern Ayodhya Bypass (NAB)** of National Highway No. 27 including the section from Part-1 north of NH-27, from Km 0+000 to Km 30+400 (Starting near exst. km 112+540, ending at exst. km 139+928 of NH – 27) and Part-2 south of NH-27 from Km 0+000 to Km 5+000 (approx. 35.40 km) & 4/6 lane **Southern Ayodhya Bypass (SAB)** from km. 5.00 to km.37.172 (starting near km. 112.540, ending at km. 153.281 of NH-27) of total length of 32.172 km under NHDP Phase-VII in the state

of Uttar Pradesh (the "Project") on build, operate and transfer (the "BOT - Hybrid Annuity model") basis, as a greenfield road project, around Ayodhya city, in the State of Uttar Pradesh. The alignment passes through 3 districts, Ayodhya, Gonda and Basti. Further the project comprises two separate packages, viz., Northern Ayodhya Bypass (35.4 km in length) and Southern Ayodhya bypass (32.172 km in length).

4. At present, the 7 arms of the existing six NHs, besides several state roads, converge around Ayodhya. Among these, NH 27 is one of most critical NH which is on the east west corridor. This NH 27 was earlier outside the city limits but over time, the city has grown around it and now it passes through the centre of the city and is thus also used by intra city commuters. Additionally, the majority of the large volume of traffic not destined for Ayodhya has to pass through city as well due to the absence of bypass/Ring Road. This situation on one hand causes logistic inefficiency and on the other hand creates congestion in the city. Further, with redevelopment of the city as a pilgrim tourist destination, there is a huge influx of pilgrims at present going to the temple through the city. With the creation of the bypass/Ring Road, especially the NAB, this traffic will be diverted through it to the temple without crossing the city.
5. It was also informed that the bid documents for the project have already been floated. However, all recommendations of the PPPAC would be duly incorporated in the revised bid documents which would be issued as corrigendum.
6. The Chair then asked PPPAC Members to raise issues, if any. With the permission of the Chair, the Members of the PPPAC informed that except the following issues being raised by them, all other issues have been resolved by MoRTH through its written comments:
  - a) **Department of Expenditure (DoE):** DoE highlighted that the Bharatmala Pariyojana approval should be obtained before issuing Letter of Award to the selected bidder.
  - b) **NITI Aayog:** NITI Aayog supported the view that instead of taking up the project in two separate packages, the project may be bid out as a single project.
  - c) **Department of Economic Affairs and Department of Legal Affairs:** DEA and DoLA informed that they do not have further comments.
7. The Chair raised the following observations:



- a) Whether both Northern and Southern bypass are necessary? Does the traffic estimate justify development of two bypasses of Ayodhya, viz., NAB and SAB?
- b) Why is the Ayodhya bypass project divided into two separate packages rather than bidding out as a single project?
- c) What is the status of land acquisition for the Project?
- d) The item-wise details for the cost increase of the project post PIB appraisal may be provided with justification.
- e) Given the upside traffic potential, whether the NAB and SAB projects are viable to be taken up on BOT Toll model?
- f) MoRTH should take up the issue with the UP government for proper town planning and development along the proposed Ayodhya bypass?

8. MoRTH submitted the following with respect to the issues raised:

- a. With respect to the necessity of developing both NAB and SAB, the Northern bypass would majorly cater to the pilgrim tourist traffic with a node connecting the major pilgrim destinations and providing fast turnaround. The Northern bypass is required to connect the 3 major roads/NHs and inter connectivity among all 7/8 major roads/NHs. The development of the Southern bypass of Ayodhya, would cover the 5 major roads/NHs and would solve the problem of throughput traffic not destined for Ayodhya. Further, with redevelopment of the city as a pilgrim tourist destination, there is a huge influx of pilgrims at present going to the temple through the city. With the creation of the bypass/Ring Road, especially the NAB, this traffic will be diverted through it to the temple without crossing the city. The Bypass alignment shall provide freedom to the passengers and commercial to bypass the city and move freely between Lucknow - Basti, Raebareli – Gonda, Sultanpur – Gonda, Akbarpur - Gonda and also enable fast movement of freight and commercial vehicles around the city.
- b. With regard to the project being floated in two packages, the experience of MoRTH is that for projects size of above INR 1500-2000 crore, eligible bidder universe and participation drastically reduces to 4-5, viz.-a-viz.10-15 in projects below Rs.2000 Crores. Further, development of projects in multiple packages also ensures mutual competition and commencement of work at both project sites simultaneously, thus saving overall project completion time.
- c. The status of land acquisition for both the projects is as follows: -

<b>Particulars</b>	<b>NAB (in ha)</b>	<b>SAB(in ha)</b>
Total Land Required	159.694 Ha	261.01 Ha
Existing ROW (Ha)	0.0 Ha	0.0 Ha
Additional Land required	159.694 Ha	261.01 Ha
Govt. Land (Ha)	8.154 Ha	23.491 Ha
Pvt. Land to be acquired:	151.54 Ha	237.519 Ha
3A status	100% published	100% published
3D status	100% published	100% published
3G status	Under Progress	Under Progress

The process of land acquisition is in full swing, and it is presumed that all contractual obligations of the PSA relating to land ROW will be fulfilled in due time.

- d) With regard to total capital cost being revised from INR 2246 crores in PIB meeting to INR 3935 crores, it was clarified that change in cost has been primarily due to increase in LA Cost, inflation factor, and change in scope of the project, as given below. Earlier the road was not to be constructed with access control feature. However, given the Vision 2047 and the tendency of the city growth along the Bypass resulting into traffic congestion and non-optimal utilization of the Bypass, it was subsequently decided to build this Bypass with access control which has resulted into change in scope and cost escalation. Further, detailed item-wise change in cost and its rationale was also submitted which is placed as **Annexure-II** to this RoD.

<b>Factor Considered</b>	<b>Cost Escalation (Rs. Cr.)</b>
PIB Approved TCC	2,246 Cr
Cost Escalation due to increase in LA Cost	~330 Cr



Cost Escalation due to Structures, Interchange and Service Roads etc to make in Access Controlled	~1,000 Cr
Impact due to Inflation (~10% over 2 years)	~300 Cr
<b>Final TCC</b>	<b>3,935 Cr</b>

- e) As regards to project implementation being explored on BOT Toll mode, it was clarified that based on the traffic flow around Ayodhya, the projected traffic is ~15,000. However, with the development of Ayodhya as a major pilgrim and tourist destination, a manifold increase in inflow of pilgrims to Ayodhya is expected. Further, given the development plans around the city, it would be difficult to predict future traffic growth rates. In such a scenario, considering a project on BOT Toll may entail an immitigable risk, both for the PSA as well as the concessionaire. Therefore, it is proposed to develop the two bypasses on HAM mode and once the traffic growth stabilizes, to monetize it after establishing the toll revenues. This will result in the best financial outcome for the PSA as well as the concessionaire.
- f) The importance of a proper town planning and development around the project would be taken up with the State authorities.
- g) Regarding taking up of the project pending approval of the Bharatmala Pariyojna Phase, it was informed that MoRTH is currently developing the draft PIB Note on the VISION-2047 which also includes most of the project of residual BPP-I. Meanwhile, the projects for which preconstruction activities are in the advanced stage and important for connectivity, are being taken up on a case to case basis and due appraisal and approvals for these projects would be sought from the competent authority. The instant project proposals is one of such identified projects.
9. After detailed deliberations, the PPPAC unanimously recommended the project proposal for 'Final Approval' to the Competent Authority, with the following conditions:
- a. Considering the difficulties in accurate capturing of the upside potential of pilgrimage related traffic, in the region, the project may be taken up in the HAM mode as proposed by the MoRTH with subsequent monetization.



- b. Land acquisition and necessary clearances to be obtained by the PSA in a time bound manner so as to avoid any delays in the project due to land acquisition delays. Bid due date shall be after the 3G publication.
- c. MoRTH/NHAI to discuss and sensitize the respective State authorities for taking up orderly town planning along the project, including appropriate town planning (TP) schemes in areas abutting the service roads of the two bypass roads.
- d. Revalidation of its recommendation by the PPPAC is not required for following post recommendation changes in the project costs/bid documents:
  - i. Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period, etc.
  - ii. Non-substantial change in risk allocation.
  - iii. Any other changes/modification in the project proposal with the overall objective of making the project successful.
  - iv. Further, MoRTH/NHAI may decide whether the changes proposed post recommendations of the project proposal by the PPPAC fall within the threshold criteria as stated above. All such changes falling within the threshold criteria as stated above shall be appraised at the level of Secretary (MoRTH)/ BoD of NHAI, as the case may be, without any further need of revalidation by the PPPAC and shall proceed with the approval process accordingly.
- e. Legal vetting of the revised bid document to be undertaken

**II. Construction of Guwahati Ring Road in the state of Assam on DBFOT (Toll) Basis**

1. The basic details of the projects are given in the table below:

<b>Project Description</b>	<p>Construction of Guwahati Ring Road comprising:</p> <p>A. Construction of 4-lane Greenfield Northern Guwahati bypass from Baihata Chariali (Design Chainage km. 0.00) via Kurua, Chandrapur to Sonapur (Design Chainage km. 55.54) (Section-1),</p>
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	<p>B. Widening of 4-Lane to 6-lane project from Jayanagar Underpass (existing chainage Km 163.237) to Jorabat Junction (existing chainage Km 171.000) of NH-27 (Section-2) and</p> <p>C. Improvement of 4/6-Lane stretch of NH-27 from existing chainage Km 1097+150 (old NH-31) to existing chainage Km. 1124+514 (old NH-31), existing chainage Km. 146+172 (old NH-37) to existing chainage Km. 184+700 (old NH-37) excluding Section-2 (Section-3) in the state of Assam on DBFOT (Toll) Basis</p>					
<b>PPP model</b>	BOT (Toll) [DBFOT model]					
<b>Project Sponsoring Authority</b>	Ministry of Road Transport and Highways (MoRTH)					
<b>Implementing Agency</b>	National Highways Authority of India					
<b>Location</b>	State: Assam District: Kamrup, Kamrup Metro, Darang					
<b>Length</b>	<b>Sr. No.</b>	<b>Description</b>	<b>Section-1</b>	<b>Section-2</b>	<b>Section -3</b>	
	1	Length (km)	55.54	7.902	57.88	
<b>Civil Construction Cost</b>	Rs. 3689.16 Crore					
<b>Estimated Project Cost</b>	Rs 4954.51 Crore					



<b>Total project Cost</b>	Rs. 5729.47 Crore									
<b>Concession Period</b>	30 years, including 4 years construction period									
<b>Land Acquisition Status</b>	Total 381.91 Ha. Land required for the project road & 3A of about 80% land published & 3A of balance Non cadastral land is in advance stage of publication.									
<b>Financial Viability</b>	As mentioned in FAR									
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Project IRR</td> <td>13.75%</td> </tr> <tr> <td>Equity IRR</td> <td>15.00 %</td> </tr> <tr> <td>Project NPV @12% discounting (Rs.in Crore)</td> <td>Rs. 612.80 Cr.</td> </tr> </tbody> </table>	Particulars	Details	Project IRR	13.75%	Equity IRR	15.00 %	Project NPV @12% discounting (Rs.in Crore)	Rs. 612.80 Cr.	
Particulars	Details									
Project IRR	13.75%									
Equity IRR	15.00 %									
Project NPV @12% discounting (Rs.in Crore)	Rs. 612.80 Cr.									
<b>Concession Agreement</b>	The project is based on the MCA dated 09.12.2020 issued by MoRTH.									
<b>Bidding Parameter</b>	Bids are invited for the Project on the basis of the lowest financial grant (the "Grant") required by a Bidder for implementing the Project. A Bidder may, instead of seeking a Grant, offer to pay a premium in the form of percentage of revenue, as the case may be, (the "Premium") to the Authority for award of the Concession. In case the Bidder offers a percentage of revenue as Premium, the quoted percentage would be applied on the Realizable Fee in the 2nd year post Project Completion Date of the project. The quoted percentage of revenue would be increased by 1% (one per cent) for each subsequent year of the remaining Concession Period. Subject to other provisions, the Project will be awarded to the									

	Bidder quoting the highest Premium, and in the event that no Bidder offers a Premium, then to the Bidder seeking the lowest Grant.
<b>Bidding Process</b>	Single Stage with two envelop

2. MoRTH made a presentation on the broad contours of the project and informed that the development of this project would reduce the traffic congestion in Rural City Guwahati. The project road will reduce the frequency and impact of accidents due to congestion on existing road as well as eliminate the problem of traffic congestion in industrial areas around the city. The elevated corridor would achieve smooth and safe traffic flow by segregation of high-speed long-distance traffic from slow urban traffic.
3. It was also informed that the project will comprise three sections (i) Greenfield Section-1 of Guwahati Ring Road from Km 1097.150 of old NH-31 (New NH-27) at Baihata Chariali and ends at Km 184.700 of old NH-37 (New NH-27) at Sonapaur. This section traverses through green field areas and includes 2.9km long bridge on Brahmaputra River. The total length of this corridor is 55.54 km. (ii) Section-2 of Guwahati Ring Road comprises of Widening of 4-Lane to 6-lane project from Jayanagar Underpass (existing chainage Km 163.237) to Jorabat Junction (existing chainage Km 171.000) of NH-27(old NH-37) to decongest the Guwahati city and ease out the traffic movement. (iii) Section -3 of Guwahati Ring Road comprises of Improvement of 4/6-Lane stretch of NH-27 from existing chainage Km 1097+150 (old NH-31) to existing chainage Km. 1124+514 (old NH-31), existing chainage Km. 146+172 (old NH-37) to existing chainage Km. 184+700 (old NH-37) excluding Section-2.
4. MoRTH has further informed that the State Government of Assam has agreed to bear 50% of the land acquisition cost amounting to (Rs. 735 Cr.), exemption/ reimbursement of the state portion of GST (9% SGST) amounting to(Rs. 332 Cr.), and exemption/ reimbursement of forest royalties on aggregate minerals amounting to (Rs. 232 Cr).



5. It was also informed that the bid documents for the project have already been floated. Further, MoRTH is in process of revising the MCA for BOT Toll for which Inter-Ministerial Consultation process is at advanced stage. Accordingly, all changes in the bid documents due to recommendations of the PPPAC and the final bid documents as approved through IMC process, would be issued as corrigendum to the existing bid documents which have been floated. The PPPAC accordingly decided to not take up the issues which have already been discussed as part of the IMC process.
  
6. The Chair then asked PPPAC Members to raise substantive issues, if any. With the permission of the Chair, the Members of the PPPAC informed that except the following issues being raised by them, all other issues have been resolved by MoRTH through its written comments:
  - a. **Issues raised by NITI Aayog:**
    - i. The annual toll revenue currently being generated may be compared with toll revenue forecasted for the existing bypass in the DPR and it may be clarified whether the construction support envisaged is based on actual traffic of the existing highway section.
    - ii. The project DCA declares Commercial Operation Date (CoD) separately for Brownfield and Greenfield sections of the project. Considering that the Highway MCAs are designed for a single CoD framework, MoRTH need to review the concerned provisions of Project DCA. The experience requirement for the bidders may be revisited considering the technical requirements of the project, specifically with reference to the construction of the bridge across Brahmaputra River.
  - b. **Issues raised by Department of Expenditure (DoE):**
    - i. The PPPAC Memo does not mention the Scheme under which it is being funded. If the instant project is Proposed to be funded through Bharatmala Pariyojana, then considering the fact that the approval of the CCEA for revised Investment proposal of Bharatmala Pariyojana is not available, the project should be awarded after requisite approval of the CCEA is available.
    - ii. It has not been stated in the PPPAC Memo as to which agency, i.e. the Concessionaire or NHAI Project would be collecting the toll. The same should be clarified.
    - iii. MoRTH should ensure that the estimated cost of the Project is justified viz-a-viz its normative cost and the same should be incorporated in the final PPPAC Memorandum.

- iv. It was requested to clarify why SOR of 2021-22 has been used for estimated of civil construction cost.
  - c. Department of Legal Affairs (DoLA) suggested that protection of wildlife is ensured by the Project Sponsoring Authority.
  - d. DEA submitted that their issues have been addressed by MoRTH/NHAI and there are no further comments/issues for this project.
- 7. The Chair, then raised the following issues:
  - i. What is the land acquisition status and since this is a BoT (Toll) project, bids may be received only after completion of 3G.
  - ii. Further, since the alignment of the project will be passing between a wildlife sanctuary and Brahmaputra river, the project should incorporate provisions for ensuring no obstruction to wild animals for access to water and movement.
  - iii. 71 ha of non-cadastral land is required. Is this in the flood plains of river Brahmaputra or in the forest area?
  - iv. What will be the traffic impact on the existing bypass? How it will be mitigated?
  - v. Whether inputs from NPG have been taken on the proposal?
  - vi. What is the rationale of construction support in addition to VGF?
- 8. MoRTH submitted the following with respect to the issues raised:
  - a. As per the internal guidelines, bids will not be received before 90% 3D for land is done and will not award bid before 90% of 3G is done.
    - i. 3(A) of entire private land (286 Ha) has already been finalized. The balance land is Forest/Wild life (about 9 Ha) and non- cadastral/Govt. land (87 Ha).
    - ii. 3D of about 90% of land is likely to be notified by 29.02.2024 and balance by 31.03.2024.
    - iii. SBWL already recommended for Wild Life clearance of about 9 Ha and NBWL meeting is scheduled on 22.02.224.
    - iv. There is a gap of about 7.5 months time (1.5 months for incorporation of SPV and signing of Agreement and 6 months period for Financial close) after award of the Project.
    - v. It shall be ensured that all the Condition Precedents (including possession of entire land) are fulfilled in due time.
  - b. The non- cadastral land is neither forest nor in flood plain. A committee has already been made by the government to settle this issue. It is hoped that this will be done in a week or two.



- c. There would be some traffic impact on the existing bypass as some of the traffic may go to the newly built section of this bypass. But overall traffic potential for the entire bypass and the project will not get impacted as the entire bypass will be with the same concessionaire for tolling.
- d. NPG has been submitted on NPG portal, although meeting is yet to be scheduled.
- e. Construction support is being offered in lieu of the tolling income from the brownfield road. Earlier the tolling rights for the existing road was given to the concessionaire. According to the new amendments in the MCA for BOT (Toll) project, tolling rights will be with the authority. Construction support is the estimated toll revenue collected by the Authority during the construction period. This amount shall be due and payable to the Concessionaire in 10 equal installments during the Construction period.
- f. The construction support has been estimated based on actual toll traffic on the existing highway section. Further, the amount of construction support is fixed and shall not vary with change in actual traffic during the period.
- g. With respect to the issue of concession agreement, MoRTH will suitably comply with the observation of the NITI Aayog.
- h. MoRTH will reassess the minimum technical eligibility requirements for the project, particularly with respect to the requirement of the bridge on Brahmaputra river.
- i. With regard to the query on the Scheme under which the project will be funded, it is clarified that the project will be funded under the NHO Scheme.
- j. With regard to normative cost, it was clarified that the civil cost of project is Rs 3824.76 Crore which is almost at par with normative cost as per circular dated 19.01.2022 which works out to Rs 3820.70 Crore.
- k. Further, with regard to the query of SOR of 2021-22, it was informed that there is no change in SOR.
- l. Appropriate provisions for ensuring that there is no obstruction to wildlife with respect to access to water and movement of wild animals, would be explored and incorporated.
- m. All issues raised by the Members shall be duly incorporated in the bid documents.

9. After detailed deliberations, the PPPAC members unanimously recommended the proposal for 'Final Approval' to the Competent Authority, with the following conditions:
- a. The Bid Due Date to be finalized only after 3G clearance of land, stage I forest clearance, and resolving the matter of non-cadastral lands. This would ensure the elimination of ROW related delays in the project.
  - b. The cap on VGF to be provided to the project may be specified while seeking approval of competent authority.
  - c. IMG should finalize the amendments in the bid documents at the earliest and all changes in the bid documents due to recommendations of the PPPAC and the final bid documents as approved through IMC process, would be issued as corrigendum to the existing bid documents which have been floated.
  - d. Revalidation of its recommendation by the PPPAC is not required for following post recommendation changes in the project costs/bid documents:
    - i. Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period, etc.
    - ii. Non-substantial change in risk allocation.
    - iii. Any other changes/modification in the project proposal with the overall objective of making project successful.
    - iv. Further, MoRTH/NHAI may decide whether the changes proposed post recommendations of the project proposal by the PPPAC fall within the threshold criteria as stated above. All such changes falling within the threshold criteria as stated above shall be appraised at the level of Secretary (MoRTH)/ BoD of NHAI, as the case may be, without any further need of revalidation by the PPPAC and shall proceed with the approval process accordingly.
  - e. Legal vetting of the revised bid document to be undertaken.
10. The meeting ended with the vote of thanks to Chair.

## **Annexure – I**

**List of participants of the 113<sup>th</sup> Meeting of the PPPAC held on 16.02.2024 to consider the proposals of (i) Construction of Northern Ayodhya Bypass (NAB) and Southern Ayodhya Bypass (SAB) with total length of 67.572 kms on HAM in the State of Uttar Pradesh; and (ii) Construction of Guwahati Ring Road in the state of Assam on BOT (Toll) basis.**

### **I. Department of Economic Affairs, Ministry of Finance**

1. Shri Ajay Seth, Secretary, EA- In Chair
2. Shri Baldeo Purushartha, JS(ISD)
3. Ms Bhumika Verma, Director (PIU)
4. Ms. Arya Balan Kumari, Joint Director (PIU)
5. Dr. Kartik Agrawal, Deputy Director

### **II. Department of Expenditure, Ministry of Finance**

1. Shri L K Trivedi, Director

### **III. NITI Aayog**

1. Shri Partha Sarthi Reddy, Adviser (PPP)
2. Ms. Nidhi Arora, Consultant

### **IV. DoLA**

1. Ms. Savita Rani Singal, Assistant Legal Adviser

### **V. MoRTH**

1. Shri Anurag Jain, Secretary
2. Shri Sanjay Kumar, AS & FA
3. Shri Vinay Kumar, JS (Highway)
4. Shri Manoj Kumar, Chief Engineer
5. Shri Shashi Bhushan, Superintending Engineer (BP&SP)
6. Sh Nakul Prakash Verma, EE
7. Sh Ganesh Shalar, EE

### **VI. NHAI**

1. Shri Santosh Kumar Yadav, Chairman
2. Shri L. P. Padhy, Chief General Manager
3. Sh C M Dwevedi, GM



## Annexure-II

### Ayodhya Bypass

Earlier the bypass was planned as a 4-lane facility without access controlled. In view of development coming around Ayodhya and future increase in traffic it has been planned to be developed as an access-controlled bypass which has resulted into requirement of inter changes, additional structures, entry exits and service roads. These features will help in avoiding congestion in the bypass in the next 25 years. This leads to an increase in both civil cost and LA cost.

**Inflation Impact:** On account of inflation, there is an increase of 10% over the two-year period which results in the cost escalation

Factor Considered	Cost Escalation (Rs. Cr.)
PIB Approved TCC	2,246 Cr
Cost Escalation due to increase in LA Cost	~330 Cr
Cost Escalation due to Structures, Interchange and Service Roads etc to make in Access Controlled	~1,097 Cr
Impact due to Inflation (~10% over 2 years)	~260 Cr
<b>Final TCC</b>	<b>3,935 Cr</b>

**Major details of Change of Scope from the normal embankment road vice versa estimate based on site conditions**

S.no	Description	Unit	Northern Ayodhya Bypass	Southern Ayodhya Bypass	Total	Amount (In Cr)	Justification
1	Trumpet	Nos	1.00	1.00	2.00	57.04	These items have been included additionally for making the stretch Access Controlled.
2	Cloverleaf	Nos	1.00	1.00	2.00	80.00	
3	Service road	Km	47.45	49.20	96.65	182.00	

4	<b>Additional Minor &amp; Major Bridges including increase in length</b>	Nos	15.00	1.00	16.00	504.92	During the detailed study of alignment, Additional major & minor bridges are required to be provided
5	<b>Protection Measures on Submerged portion</b>	Km	11.79	4.00	15.79	95.97	Due to low lying area specially in Northern Bypass, Additional measures have been taken for slope protection
6	<b>Pitching in slope</b>	Km	70.80	65.40	136.20	60.99	
7	<b>Safety Measures</b>	Km	70.80	65.40	136.20	34.15	Due to Flushed Median and high embankment, MBCB have been provided on the median & Shoulder side.
8	<b>Viaduct</b>	Nos	3.00	4.00	7.00	81.99	
					<b>Total</b>	<b>1,097.06</b>	

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