

F. No. 3A/8/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

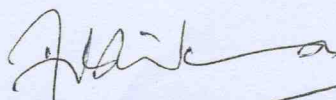
New Delhi the, November 13, 2014

OFFICE MEMORANDUM

Subject: Record of Discussions of the 60th Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme).

Please find enclosed the Record of Discussions of the 60th Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme), held on November 3, 2014, under the Chairmanship of Additional Secretary (EA). Further necessary action for compliance of the EI decision may be initiated by the project authorities to enable obtaining the approval of the competent authority.

Encl: as stated


(Abhilasha Mahapatra)
Director (PPP)
15/11/14

1. Dr. Arunish Chawla, Joint Secretary, Department of Expenditure, North Block, New Delhi.
2. Shri Praveen Mehto, Adviser (Infrastructure), Planning Commission, Yojana Bhawan, New Delhi.
3. Smt. Jyoti Arora, Joint Secretary, Ministry of Power, Shram Shakti Bhavan, New Delhi.
4. Shri R.K. Singh, Joint Secretary, Ministry of Road Transport & Highways, Transport Bhavan, New Delhi.
5. Shri Alok, Secretary (Energy), Government of Rajasthan, Jaipur-302 004.
6. Shri Navneet Sehgal, CEO, Uttar Pradesh State Highways Authority (UPSHA), 4th Floor, Kishan Mandi Bhavan, Vibhuti Khand, Gomti Nagar, Lucknow-226 010.

Copy to:

1. Sr. PPS to Additional Secretary (EA)
2. PS to JS (Infra), DEA

F. No. 3A/8/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell
Empowered Institution for the Scheme for Financial Support to Public Private Partnerships in Infrastructure

60th Meeting on November 03, 2014

Record Note of Discussions

The sixtieth meeting of the Empowered Institution (EI), chaired by Additional Secretary, Department of Economic Affairs (DEA) was held on November 03, 2014. The list of participants is attached.

The EI noted that there were three (3) proposals for consideration for viability gap funding (VGF) under the Scheme. Of these proposals, one power sector proposal is for in-principle approval from Government of Rajasthan and two road sector proposals are for in-principle approval from Government of Uttar Pradesh.

The EI noted that the Scheme for Support to PPPs in Infrastructure prescribes that VGF up to Rs. 100 crore for each project may be sanctioned by the EI, proposals for VGF up to Rs. 200 crore may be sanctioned by the EC, and amounts exceeding Rs. 200 crore may be sanctioned by the EC, with the approval of the Finance Minister.

A. Power sector proposal from Government of Rajasthan for grant of In-Principle Approval

Agenda Item I: Development of a 400 kV Bikaner-Sikar D/C Power Transmission line project for evacuation of power from wind and solar power in Rajasthan on Design, Build, Finance, Operation and Transfer (DBFOT) basis.

2. Joint Secretary, DEA informed the EI that Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPN), Government of Rajasthan, the Sponsoring Authority for the project, has vide letter dated October 31, 2014 requested to defer the proposal as they need time for submission of response to the appraisals of DEA and Planning Commission.



3. The Empowered Institution agreed to defer the proposal and consider it once the response of Government of Rajasthan to the appraisals is received.

(Action: GoR/ RVPN)

B. Road sector proposal from Government of Uttar Pradesh

Agenda Item II: Proposal from Government of Uttar Pradesh (GoUP) for grant of in-principle approval for: 4-laning of Aligarh – Mathura Road (SH-80) from Km.2.800 to Km.42.260 on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis.

Project Details: Length: 39.46 Km.; Total Project Cost: Rs. 384.81 crore; Concession Period: 30 years including 2.5 years of construction period;

Major development works/ structures: Major Bridge: 08, Flyover of 2.5 km: 01 Toll Plaza: 1 at km 27.4, Major/Minor intersections: 05/56, Vehicular under passes/overpasses: 01, Cattle and pedestrian underpasses/overpasses: 05, Service Roads: 22.14 km, Bus bays and bus shelters: 14 nos, Culvert: 48, Truck Lay byes: 2.

4. Joint Secretary, DEA informed the EI that the project was earlier approved by EI at its 51st meeting held on December 18, 2013 .The EI had granted in-principle approval to the project for TPC of Rs. 384.81 crore with maximum GoI contribution towards VGF under the Scheme during construction and balance as GoUP contribution during O&M period. Subsequently, GoUP has vide letter dated 05.08.2014 sought approval of the change in the period of VGF support to be given by GoUP from the O&M period to construction period i.e. GoUP intend to provide the entire VGF during construction period itself. Accordingly, project is placed for approval of EI.
5. CEO, UPSHA explained that this change was requested based on feedback from prospective bidders at the pre-bid meeting and the fact that no bid has been received for the project even after extending the Bid Due Date several times. The change has been sought to increase the viability of the project. He requested the EI to approve the same. This was agreed to.
6. Director, DEA indicated that as per the documents submitted the concession period has not been revised to 30 years as was agreed at the 51st EI Meeting. This should be revised to 30 years based on the design capacity of 60,000. CEO, UPSHA responded that concession period is kept as 30 years and DCA would be corrected.

7. Director, DEA indicated that as per Manual of Standard of Specifications (MSS), width of the 4 lane highway (with paved shoulders) should be 17.5 m as against 14.5 m proposed in the Schedule 'B' of DCA. It was suggested that the MSS should be followed based on the design capacity and to ensure safety of the users. Project Director, UPSHA informed the EI that as the Project Highway is passing through heavy built-up areas, the width had been kept at 14.5 m. Joint Secretary, DEA inquired on the extent of the congested area, to which UPSHA responded that it was only for about 4 kms. Joint Secretary, DEA suggested that project may be widened to 17.5 m except the congested area and requested the views of MoRTH. Representative of MoRTH stated that in case of non-availability of Right of Way, either elevated road or bypass may also be considered. Project Director, UPSHA stated that UPSHA may consider increasing the width to 17.5 m except where RoW is not available, and as regards elevated road or bypasses, this may not be feasible as it would make the project unviable.
8. Chair desired to know that how bottlenecks would be removed in built-up areas where RoW is not available since the concession is given for thirty years. Project Director, UPSHA responded that based on the traffic projection, 4 lane capacity would not be breached during the concession period, however, action for construction of bypass would be considered if the need arises. This was agreed to subject to such construction being outside of the current project. The construction of such huge bypass should also not be precluded under the terms of this concession.
9. All members of the EI were in agreement to approve the request of GoUP to give the total VGF support for the project during the construction period.
10. **The EI granted in-principle approval and recommended the project to the Empowered Committee for a TPC of Rs. 384.81 crore with the total admissible VGF contribution as per the DEA VGF Scheme to be disbursed during the construction period** subject to fulfillment of the following conditions:
- a. UPSHA shall undertake corrections in the project DCA regarding Concession Period, Width of 4 lane to 17.5m except built up area, Target Traffic in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by UPSHA.
 - b. UPSHA shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DCA shall be shared expeditiously with short-listed bidders.
 - c. UPSHA shall ensure land acquisition in respect of the project to provide 90 per cent Right of Way to the Concessionaire on the Appointed Date, in accordance with the provision of the DCA.

- d. UPSHA shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- e. UPSHA shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- f. UPSHA shall circulate the final documents to the members of the EI for record.

(Action: UPSHA)

Agenda Item III: Proposal from Government of Uttar Pradesh (GoUP) for grant of in-principle approval for: 4-laning of Muzaffarnagar - Saharanpur Road (SH-59) from Km.0.000 to Km.52.950 on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis.

Project Details: Length: 52.95 Km.; Total Project Cost: Rs. 752.88 crore; Concession Period: 23 years including 2 years of construction period;
Major development works/ structures: Major Bridge: 01, Minor Bridge: 03, Flyover/Elevated structure: 01, Vehicular/Pedestrian Underpasses: 04, Culverts: 66 (Pipe Culverts: 29, Slab Culverts: 14, Arch Culverts: 01, Box culverts: 22), Service Roads: 14.65 km, Major/Minor Junctions: 07/66, Bus bays: 09 nos., Toll Plaza: 1

- 11. Joint Secretary, DEA informed the EI that the project was earlier approved by EI at its 51st meeting held on December 18, 2013 .The EI had granted in-principle approval to the project for TPC of Rs. 752.88 crore with maximum GoI contribution towards VGF during the construction period and balance GoUP contribution as O&M support. Subsequently, GoUP has vide letter dated 05.08.2014 sought approval of the change in the period of VGF support to be given by GoUP from the O&M period to construction period i.e. GoUP intend to provide the entire VGF during construction period itself. Accordingly, project is placed for approval of EI.
- 12. CEO, UPSHA stated that as explained for the Aligarh-Mathura project no bids were received for the project even after extending the Bid Due Date several times and therefore to increase the viability of the project and as per the request of the bidders during pre-bid meeting, it was decided to provide entire grant during construction period. He requested EI to allow the same. This was agreed to.
- 13. Director, DEA stated that provision for construction of one ROB has been removed from the revised scope of work, though the TPC of Rs. 752.88 Crore (as earlier approved in EI) has been kept unchanged. Director DEA also stated that the revised DCA submitted still provides for development of one ROB, which is not in line with the revised proposal. Project Director, UPSHA responded that TPC has not been revised as cost of removal of RoB has been

compensated by increase in cost of material & labour in Scheduled Rate (Year 2014-15) of P.W.D. Further, feasibility report would be modified as per the revised TPC.

14. Director, DEA stated that been found that the there are other discrepancies in the documents submitted with respect to the TPC and the VGF. For example, in the definitions at Article-48.1(page 138) of DCA, Total Project Cost indicated is not line with the revised TPC, in Schedule-F, Clause-8 (Page-175) of the DCA the TPC for the purpose of Performance security has been taken as Rs. 735.48 Cr. She also stated that the grant amount is to be indicated in the DCA as a percentage (%) of Total Project Cost with the amount clearly mentioned, whereas in the revised DCA submitted by UPSHA the grant has been mentioned only as percentage (%) of Total Project Cost leaving it open-ended. The amount of maximum grant should be clearly indicated. GoUP stated that they would correct all these discrepancies and submit revised documents. The EI agreed.
15. Director, DEA also stated that the conditions with respect to the width of 17.5 m for the 4 lane highway (with paved shoulders) should be maintained as per the Manual of Standard of Specifications (MSS), for this project as well as indicated in the Aligarh-Mathura project. It was suggested that the MSS should be followed based on the design capacity and to ensure safety of the users. Project Director, UPSHA stated that width of 17.5 m had been maintained throughout the project highway except stretches in built-up areas as indicated in Schedule D (Annexure 1). However, in such built-up areas provision of service roads has been made to smoothen the traffic.
16. All members of the EI were in agreement to approve the request of GoUP to give the total VGF support for the project during the construction period.
17. **The EI granted in-principle approval and recommended the project to the Empowered Committee for a TPC of Rs. 752.88 crore with the total admissible VGF contribution as per the DEA VGF Scheme to be disbursed during the construction period, subject to fulfillment of the following conditions:**
 - a. UPSHA shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by UPSHA in their response to the appraisal notes.
 - b. UPSHA shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DCA shall be shared expeditiously with short-listed bidders.

- c. UPSHA shall ensure land acquisition in respect of the project to provide 90 per cent Right of Way to the Concessionaire on the Appointed Date, in accordance with the provision of the DCA.
- d. UPSHA shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- e. UPSHA shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- f. UPSHA shall circulate the final documents to the members of the EI for record.

(Action: UPSHA)

The meeting ended with a Vote of Thanks to the Chair.

RL

Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

Empowered Institution for the
Scheme to Support Public Private Partnerships in Infrastructure
60th Meeting on November 03, 2014

List of Participants

I. Department of Economic Affairs

1. Shri Dinesh Sharma, Additional Secretary (In Chair)
2. Ms. Sharmila Chavaly, Joint Secretary (Infrastructure)
3. Smt. Abhilasha Mahapatra, Director (PPP)

II. Planning Commission

4. Shri Amitabh Ray, Joint Advisor
5. Shri K. Ranga Reddy

III. Department of Expenditure

6. Shri Arunish Chawla, Joint Secretary

IV. Ministry of Road Transport and Highways

7. Shri Varun Aggarwal, EE
8. Shri Rupesh Kumar Srivastava, AEE

V. Government of Uttar Pradesh

9. Shri Navneet Sehgal, CEO, UPSHA
10. Shri Virendra Yate, Project Director, UPSHA

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