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F.No.3D/1/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

New Delhi the, March 27, 2014

MEETING NOTICE

Subject: Record of Discussion (ROD) of the 20th Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to Public Private Partnership (PPP) in Infrastructure (Viability Gap Funding Scheme).

Reference is invited to the 20th meeting of the Empowered Committee for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) held under the chairmanship of Secretary (Economic Affairs) on Friday, the March 14, 2014 in North Block. 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.

V. Srikanth
27/3/2014
(V. Srikanth)
Deputy Director (PPP)
Phone No. 2309 3404

1. Secretary, Department of Expenditure, North Block, New Delhi.
2. Secretary, Planning Commission, Yojana Bhawan, New Delhi.
3. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi.

Copy to:

- i. Shri Vijay Shankar, General Manager, Bihar State Road Development Corporation Ltd., Sheikpura, Patna 800 014. (Fax No, 0612-2226712).
- ii. Shri S.K. Mukherjee, Secretary (Works), Public Works Department, Government of Maharashtra, Mumbai (Fax No. 022-2282 1494).
- iii. Dr. Arun Paliwal, General Manager, MP Road Development Corporation Limited, 16A, Arera Hills, Bhopal.
- iv. Shri Atul Kumar, Superintending Engineer (NHDP-IVA), Ministry of Road Transport & Highways, Transport Bhavan, New Delhi.

Copy also to:

- a. PSO to Secretary (Economic Affairs).
- b. Sr. PS to JS (Infra). &
- c. PS to DS (PPP).

Issued
only
27/3/2014

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

**Empowered Committee (EC)
for the Scheme to support Public Private Partnerships (PPPs) in Infrastructure**

20th Meeting on March 14, 2014

The 20th Meeting of the Empowered Committee (EC), chaired by Secretary, Economic Affairs was held on March 14, 2014. The list of participants is annexed.

2. Joint Secretary, Department of Economic Affairs (DEA) informed that there were four road proposals for consideration of EC for grant of Viability Gap Funding (VGF) support.
3. Deputy Secretary, DEA presented a detailed out line of the four road proposals for consideration of EC. Of these proposals, one proposal each for consideration of final approval from Ministry of Road Transport & Highways (MoRT&H) and Government of Bihar and one proposal each for consideration of in-principal approval from Government of Maharashtra and Government of Madhya Pradesh.
4. The EC 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 Empowered Institution (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. In accordance with the Guidelines of the VGF Scheme, the project proposals have been examined by the members of the EI. The EI considered the proposals and recommended for approval of EC.

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Agenda Item I: Proposal from Ministry of Road, Transport and Highways (MoRT&H) for grant of final approval for: Development and Operation of Sikar-Bikaner bypass section of NH 11 from Km 340.188 to Km 557.775 in the State of Rajasthan on BOT (Toll) basis.

Project Details:

Total length: 237.578 km; Total Project Cost (TPC): Rs. 650.84 crore (as per executed Concession Agreement); Concession Period: 25 years including 2 years of construction period. VGF quoted by L-1 bidder: Rs. 247.32 crore (38.0% of TPC), VGF from Government of India: Rs. 130.168 crore (20% of TPC); VGF from Sponsoring Authority (MoRT&H): Rs. 117.152 crore (18% of TPC)

Major development works/ structures: Development of 4-lane-32.290 km (from Sikar (km 356.9) to Laxmangargh (km 375.269) & 2-lane-205.288 km (Km.340.188 to km 356.9 (Sikar Byepass), Km 375.249 to km 557.775 and km 553.869 of NH 11 to 267.325 of NH – 89 (Bikaner By-pass); ROB:4; No. of bypasses: 2 (Sikar and Bikaner bypasses); Service Roads: 1.1.33 km on both sides; Major Junction: 12; Minor Junction: 113; Culverts: 93; Toll plazas: 4 (at km 362.5, km 420.2, km 507 & km 11(Bikaner bypass); Truck laybys: 5, Bus-bays: 16; Underpasses: 4

5. Deputy Secretary, DEA stated that the proposal was recommended in-principle by the Empowered Institution (EI) in its 35th meeting held on November 2, 2011. The Public-Private-Partnership Appraisal Committee (PPPAC) and Empowered Committee (EC) recommended the project in the 48th meeting held on December 13, 2011. Further, the project was granted final approval by EI in its 52nd meeting held on February 03, 2014.
6. CE (NHDP-IV), MoRT&H confirmed that all conditions laid down by the EI have been complied with; hence, grant of approval by EC was requested.
7. All the members of EC were in agreement for granting final approval to the project.
8. The EC granted final approval for viability gap funding (VGF) of maximum Rs. 247.32 crore (38 percent of TPC of Rs. 650.84 crore) as total VGF for the project under the Scheme. Out of the total VGF to be provided, maximum Rs. 130.168 crore (20% of TPC) from Government of India (Ministry of Finance) and maximum Rs. 117.152 crore (18 percent of TPC) from Ministry of Road, Transport and Highways (MoRT&H) may be provided.

(Action: DEA)

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Agenda Item II: Proposal from Bihar State Road Development Corporation Ltd. (BSRDCL), Government of Bihar (GoB) for grant of final approval: Four-laning with PSS of Ara-Mohania, NH section, (NH-30, km 0.00 to km 116/760) length 116 km, in the State of Bihar on BOT (Toll) basis.

Project Details:

Total length: 117 km; Total Project Cost: Rs. 917 crore; Cost of pre-construction activities to be financed by GoB; Concession Period: 25 years with 2.5 years of construction period.

VGF: VGF quoted by L-1 bidder: Rs. 298 crore (32.49% of TPC); VGF from Government of India as grant during construction: Rs. 183.40 crore (20% of TPC) and balance Rs. 114.6 crore (12.49% of TPC) from GoB as support for O&M.

Major development works/ structures: Development of Up-gradation to 4-lane with 17.910 kms of service lanes; ROB: 7; Underpasses: 2, Culverts: 390, Truck lay bye: 1, Bus bays: 36; Toll plazas: 2 at km 40.5 and km 101.5

9. Chief Engineer, BSRDCL presented the proposal. It was stated that the project was recommended by the EI in its 16th meeting held on September 4, February 02, 2009 and 7th EC Meeting held on February 18, 2009.
10. The EC stated that decision on this project was already clarified at the 53rd EI held on 3rd March 2014 where it was stated that the project should have been brought to the PPPAC for approval by the line ministry and directed BSRDCL to follow-up with the line ministry, i.e. MoRT&H, for submission of the project for PPPAC approval. Further, this being a central sector project, BSRDCL shall finalise the toll notification, project specifications, standard etc. based on the guidelines prescribed by MoRT&H and submit to PPPAC for approval.
11. All members of the EC recommended that the instant project be placed before the PPPAC for final approval.

(Action: MoRT&H)

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Agenda Item III: Proposal from Government of Maharashtra (GoM) for in-principle approval: Four laning of Aurangabad – Ajantha – Fardapur Highway (MSH 8) from Km. 5.000 to Km 104.000 in the State of Maharashtra on BOT (Toll) basis.

Project Details:

Length: 99.000 Km.; **Total Project Cost:** Rs 746.59 crore; **Concession Period:** 30 years including 3 years of construction period

Major development works/ structures: Major Bridges: 5; Minor Bridges: 42; Elevated Structure: Nil; ROB: Nil; Vehicular underpass: 6; Toll plazas: 2 (16 lane Toll plazas at at Km. 11.500 near Sawangi and Km. 71.500 near Palod); Major/Minor road junctions: 25/101; Bus Bays and Passenger Shelters: 10; Culverts: Slab Culverts: 36 Nos., Pipe Culverts: 106 Nos.

12. SE, PWD, Government of Maharashtra (GoM) stated that the proposal was granted in-principle recommendation by the EI in its 52nd meeting held on February 3, 2014 subject to compliance to certain conditions which have since been complied with. Hence, grant of approval by EC was requested.
13. All members of the EC were in agreement to recommend the proposal for grant of in-principle approval.
14. The EC granted in-principle approval to the project for TPC of Rs. 746.59 crore, as per the provisions under the Scheme; subject to the following:
 - a. GoM shall provide, in writing, confirmation that each of items listed has been complied with by GoM, along with all the supporting documents.
 - b. GoM shall confirm in writing that 90 percent of land is available before the Appointed Date as per the MCA.
 - c. GoM shall ensure that vetting of the revised documents, including legal vetting is undertaken to ensure that there are no discrepancies in the contract documents/bidding documents.
 - d. GoM shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
 - e. GoM shall obtain prior approval of the EC on any change in TPC, scope of work or project configuration as noted above.
 - f. GoM shall intimate and obtain prior approval of the EC on any change in VGF requirements as per the Scheme and Guidelines for financial support to PPP in infrastructure along with justification, which is based on competitive bidding as per the VGF Scheme.
 - g. GoM shall circulate the final documents to the members of the EC for record purposes.

(Action: GoM)

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Agenda Item IV: Proposal from Madhya Pradesh Road Development Corporation Ltd. (MPRDCL), Government of Madhya Pradesh (GoMP) for grant of in-principle approval for: Development of 16 ROB's & 14 Limited Height Subways (LHS) on 16 locations of existing Railway Level Crossings on in the state of Madhya Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

Project details:

Total ROB's: 16 nos.; Total Project Cost: Rs. 656.543 crore; Concession Period: 18 years including 3 years of construction period

Major development works/structures: Development of 16 Railway over Bridges (ROBs) and 14 Limited Height Subways (LHS) on 16 locations of existing Railway Level Crossing, Toll plazas: 14

15. Chief Engineer, Madhya Pradesh Road Development Corporation Ltd. (MPRDCL) stated that the proposal was granted in-principle recommendation by the EI in its 52nd meeting held on February 3, 2014 subject to compliance to certain conditions which has since been complied with. Hence, grant of approval by EC was requested.
16. All members of the EC supported grant of in-principle approval to the project.
17. **The EC granted in-principle approval to the project for TPC of Rs. 656.543 crore as per the provisions under the Scheme, subject to the following:**
 - a. GoMP shall confirm in writing that 90 percent of land is available before the Appointed Date as per the MCA.
 - b. GoMP shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by GoMP in their response to the appraisal note.
 - c. GoMP 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 the short listed bidders.
 - d. GoMP shall obtain statutory clearances such as environment and forest clearance, before commencement of work on the project site.
 - e. GoMP shall obtain prior approval of the EC on any change in TPC, scope of work or project configuration as noted above.
 - f. GoMP shall intimate and obtain prior approval of the EC on any change in VGF requirements as per the Scheme and Guidelines for financial support to PPP in infrastructure alongwith justification, which is based on competitive bidding as per the VGF Scheme.
 - g. GoMP shall circulate the final documents to the members of the EC for record purposes.

(Action: GoMP)

The meeting ended with vote of thanks to the Chair.

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Annex

Government of India
Ministry of Finance
Department of Economic Affairs

Empowered Committee for the
Scheme to Support Public Private Partnerships in Infrastructure

20th Meeting on March 14, 2014

List of Participants

I. Department of Economic Affairs

1. Dr. Arvind Mayaram, Secretary Economic Affairs (*In Chair*)
2. Ms. Sharmila Chavaly, Joint Secretary (Infrastructure)
3. Ms. Abhilasha Mahapatra, Deputy Secretary(PPP)

II. Planning Commission

4. Shri K. Ranga Reddy, Consultant
5. Dr. A. Manohar, Joint Advisor

III. Ministry of Road Transport and Highways

6. Shri A.K. Nagpal, CE (NHDP-IV)
7. Shri Atul Kumar, SE (NHDP-IV)
8. Shri Amarendra Kumar, SE (PPP)

IV. Government of Maharashtra

9. Shri U.K. Aher, SE, PWD
10. Shri Vivek L. Dube, EE, PWD
11. Shri R.A. Gupta, Engineer, PWD
12. Shri M.T. Khirsagar, Engineer, PWD

V. Government of Bihar

13. Shri Mahesh Prasad, DGM, Bihar State Road Development Corporation Ltd.

VI. Government of Madhya Pradesh

14. Shri Anil Chourasia, CE (BOT), Madhya Pradesh Road Development Corporation Ltd.

