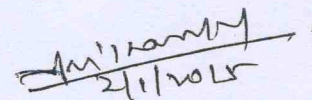


F.No.2A/7/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

North Block, New Delhi the January 2, 2015

Subject: Record of Discussions of the 68th Meeting of the Public Private Partnership Appraisal Committee (PPPAC).

Please find enclosed the Record of Discussions of the 68th meeting of the PPPAC held on December 23, 2014.


21/1/2015

(V. Srikanth)
Deputy Director (PPP)
Phone No. 2309 3404

1. Secretary, Department of Expenditure, Ministry of Finance, North Block, New Delhi.
2. Secretary, Planning Commission, Yojana Bhawan, New Delhi.
3. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi.
4. Secretary, Department of Legal Affairs, Shastri Bhavan, New Delhi.
5. Secretary, Ministry of Environment and Forests, Indira Priyavaran Bhavan, Jor Bagh, New Delhi.

Copy also to:

1. PSO to Finance Secretary
2. Sr. PPS to AS (EA)
3. Sr. PS to JS (Infra)
4. PS to Dir (PPP).

F. No. 2A/7/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
Public Private Partnership Appraisal Committee

68th Meeting held on December 23, 2014

Record Note of Discussion

The 68th meeting of the Public-Private-Partnership-Appraisal-Committee (PPPAC), chaired by Finance Secretary and Secretary, Economic Affairs was held on December 23, 2014. The list of participants is annexed.

2. PPPAC considered two proposals in the road sector from Ministry of Road Transport & Highways (MoRT&H) for grant of final approval.

Agenda Item I: Proposal from Ministry of Road Transport & Highways (MoRTH) for grant of final approval: 4/6 Laning of Raipur - Bilaspur Section from Km. 0.00 to Km. 127.650 of NH 30/NH 130 (Old NH 200) in the State of Chhattisgarh under NHDP-IV on BOT (Toll) basis.

Total length: 126.525 km; Total Project Cost: Rs 1548.88 crore; Cost of pre-construction activities to be financed by NHAI: Rs 415.00 crore; Concession Period: 18 years including 2.5 years of construction period.

Major development works/ structures: Design Length: 126.525 km (4 Lane: 92.745 Km and 6 Lane: 33.78 Km); Major Bridge: 4; Minor bridges: 19; Grade separated flyover: 3; ROBs: 1 (at Km 108.945); Vehicular underpasses: 22; Pedestrian/Cattle Underpass: 9; Major road junctions: 18; Service roads: 49.60 km; Slip road: 51.332 km; No. of By-passes and length: 9 / 54.125 Km; Minor road junctions: 75; Toll plazas: 3 (At Km 32.000, at Km 97.500 and at Km 110.300); Truck laybys: 2

3. Member, NHAI informed that the Project Highway was earlier approved in 46th meeting of the PPPAC held on September 14, 2011 for Total Project Cost (TPC) of Rs. 1219.74 crore with a VGF of 18.20% of TPC. The Project was awarded at a Premium of Rs 45.45 crore (3.74% of TPC) to M/s IVRCL, the Concessionaire in September 2011. The Concession Agreement was signed on January 25, 2012, however, the Concession Agreement was terminated by the Authority in February 2014, due to non-fulfilment of Condition Precedents by the Concessionaire i.e. achievement of Financial Closure and forfeited the Bid Security amount. Accordingly, the Authority decided to rebid the Project. The Finance Secretary observed that this amount (of forfeited bid security) should be deposited with the Government, rather than being kept with the NHAI.

4. Member, NHAI also highlighted that prior to re-bidding the Authority had revised the project documents and conducted traffic survey to assess the design capacity of the Project Highway, Section III of the Project Highway is likely to cross 20,700 PCU in the year 2018 when the project construction is expected to be completed, Section III is likely to cross 25,000 PCU in the year 2022 i.e. threshold capacity for 4-laning. Accordingly, Section III has been proposed for 4-laning. Similarly, 33.780 Km. stretch in Section I has been proposed for 6-laning as a result of induced traffic due to rapid industrialisation. Member, NHAI also clarified with respect to Land Acquisition that 97% of RoW required for 4/6-laning of the Project Highway is under possession of the Authority and acquisition of the balance 3% of RoW is likely to be completed by January 2015. Looking towards the present day traffic and development of industries along the Project Highway, the Member, NHAI informed the Chair that prima-facie NHAI is expecting a bid on "Premium".

5. JS (Infra) sought clarification on the increase in TPC by 27% i.e. Rs. 1219.74 crore to Rs 1548.88 crore. Member, NHAI informed that the increase in TPC is due to the revision of cost estimate based on the current rates and modifications of paved carriageway, median and other structure as per latest manual of specifications and standards for 4/6 laning structure.

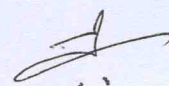
6. Advisor, Planning Commission stated that the proposal involves construction of 50.12 km of service roads/slip roads, apart from by-passes of 54.13 km which constitutes 82% of the length of the Project Highway (126.525 km), normally service roads are constructed in the built-up areas and when the total traffic exceeds 60,000 PCUs. Member, NHAI explained that the total length of slip road is 20.01 Km and that of service road is 30.11 km i.e. 50.12 km. Service roads have been provided for various towns/built-up areas for their connectivity with Project Highway/underpasses.

7. The PPPAC recommended the grant of final approval to the proposal for 4/6 Laning of Raipur - Bilaspur Section from Km. 0.00 to Km. 127.650 of NH 30/NH 130 (Old NH 200) in the State of Chhattisgarh under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 1548.88 crore with VGF as per the Scheme Guidelines, subject to fulfilment of the following conditions:

7.1. MoRTH shall issue Request for Proposal (RFP) only after;

7.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that "atleast 60 percent 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"

7.1.2. Obtaining the environment clearances for the project.



- 7.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 7.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 7.4. 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 & Highways (MoRTH) for grant of final approval: Six laning of Chakeri –Allahabad section of NH-2 from km 483.687 to km 628.753 (length 145.066 km) under NHDP Phase V in the state of Uttar Pradesh on BOT (Toll) basis

Total length: 145.066 km; Total Project Cost: Rs. 1661.60 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 338.25 crore; Concession Period: 29 years including 2.5 years of construction period.

Major development works/ structures: Major Bridge: 1; Minor bridges: 12; Elevated structure: 6; Grade separated flyover: 3; ROBs: Nil; Major road junctions: 3; Service roads: 96.221 km; Slip road: 51.332 km; Minor road junctions: 97; Toll plazas: 2 (km 527.275 & km 591.050); FOB: Nil; Vehicular underpasses: 14; Pedestrian/cattle underpasses: 25; Culverts: 176; Truck laybys: 11; Bus-bays/ Shelters: 18; Retaining wall: 50.4 km; Exit/entry ramps: 124; Crash Barrier: 34 km; Flexible/ Rigid Pavement: 56.538 km/ 88.528 km.

8. Member, NHAI informed the PPPAC that the project had earlier been approved by the PPPAC in its 56th meeting held on December 21, 2012 with TPC of Rs. 1353.66 crore and Concession Period of 30 years. Fifteen firms were short-listed in January, 2013 however RfP could not be invited due to revision of Fee Rules for 6 laning projects. Project is now re-submitted after updating the project cost.

9. Director, DEA indicated that there is an anomaly in traffic projection considered in the present proposal as compared to the traffic estimated in the earlier proposal submitted in 2012. Chief General Manager (CGM), NHAI responded that based on the traffic survey conducted during July, 2010, total traffic was estimated at 15,310 PCUs (tollable -12,699 PCUs) at km 506.275 (Toll Plaza I) and 17,683 PCUs (tollable -15,910 PCUs) at km 591.050 (Toll Plaza II). However, based on traffic survey conducted during March, 2014, total traffic was estimated at 26,966 PCUs (tollable - 20,730 PCUs) at km 527.275 (Toll Plaza I) and 26,101 PCUs (tollable -24,029 PCUs) at km 591.050 (Toll Plaza II). The revised traffic at TP- 1 is due to shifting the location of Toll Plaza from km 506.275 to km 527.275 and there is normal increase at TP-II over a period of 4 years. Joint Secretary, DEA suggested that present estimation of traffic may be compared and reconciled with the actual traffic on which toll is being collected at the existing toll plazas. This was agreed to.



10. Director, DEA further indicated that NHAI has estimated a premium of Rs. 71.80 crore (in the first year) as against premium of Rs. 2.95 crore estimated in November, 2012, implying that an increase of 24 times from the earlier estimate is expected. This may be over optimistic. CGM, NHAI responded that premium of Rs. 71.80 crore has been estimated based on the latest traffic survey conducted during March, 2014 whereas premium of Rs. 2.95 crore estimated in Nov, 2012 based on the traffic survey conducted during July, 2010. In addition there are five new elevated structures which are tollable. The present annual toll collection is Rs. 91.81 crore as against Rs. 109 crore calculated for the year 2015-16; hence, present estimation of premium of Rs. 71.80 crore appears to be correct. Chair advised that NHAI may reconcile the traffic and present toll revenue being collected at the existing toll plazas and if required, estimation of premium may be corrected. This was agreed to. Subsequent to the meeting MoRTH clarified that the tollable traffic is 77% of the total traffic at the first toll plaza and 92% at the 2nd toll plaza, accounting for the robust toll and premium projections.

11. The PPPAC recommended the proposal: Six laning of Chakeri –Allahabad section of NH-2 from km 483.687 to km 628.753 (length 145.066 km) under NHDP Phase V in the state of Uttar Pradesh on Design Build, Finance, Operate and Transfer (DBFOT) basis, for TPC of Rs. 1661.60 crore with VGF as per the Scheme Guidelines, for grant of final approval, subject to fulfilment of the following conditions:

- 11.1. MoRTH shall issue Request for Proposal (RFP) only after ;
 - 11.1.1. 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”*
 - 11.1.2. Obtaining the environment clearances for the project
- 11.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 11.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 11.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/ NHAI)



Ministry of Finance
Department of Economic Affairs
Public Private Partnership Appraisal Committee

68th Meeting held on December 23, 2014

List of Participants

- I. Department of Economic Affairs, Ministry of Finance
- a) Shri Rajiv Mehrishi, Secretary, Economic Affairs and Finance Secretary (In Chair)
 - b) Shri Dinesh Sharma, Additional Secretary
 - c) Ms. Sharmila Chavaly, Joint Secretary (Infra)
 - d) Smt. Abhilasha Mahapatra, Director (PPP)
 - e) Shri V. Srikanth, Deputy Director (PPP)
- II. Department of Expenditure, Ministry of Finance
- f) Smt. Suheli Goel Ray, Director (PF-II)
- III. Planning Commission
- g) Shir Praveen Mehto, Adviser
 - h) Shri. A Manohar, Joint Adviser
 - i) Shri K. Ranga Reddy, Consultant
- IV. Ministry of Road Transport & Highways (MoRTH)
- j) Shri Rohit K. Singh, Joint Secretary
 - k) Shri Rakesh Kumar, SE
 - l) Shri Pawan Kumar, SE
- V. Department of Legal Affairs
- m) Shri M.N.Singh, Dy. Legal Adviser
- VI. National Highway Authority of India
- n) Shri Sudhir Kumar, Member (PPP)
 - o) Shri Mahabir Singh, CGM (Tech.)
 - p) Shri Atul Kumar, CGM
 - q) Shri Anil Kumar, General Manager
 - r) Shri V.K.Joshi, DGM (Tech.)

