

**F.No. 2/1/2017-PPP
Ministry of Finance
Department of Economic Affairs
(PPP Cell)**

New Delhi, the March 1, 2017

OFFICE MEMORANDUM

Subject: Record of Discussion of the 81st Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on February 14, 2017.

Please find enclosed the Record of Discussion of the 81st PPPAC held on February 14, 2017 **under the Chairmanship of Secretary (Economic Affairs).**

Encls: As above.



**(SEEMA JAIN)
Deputy Director (PPP)
Phone No: 2309 5232**

1. **Finance Secretary & Secretary (Expenditure)**, North Block, New Delhi.
2. **CEO, Niti Aayog**, Yojana Bhawan, New Delhi.
3. **Secretary, Ministry of Road Transport & Highways**, Transport Bhavan, New Delhi.
4. **Secretary, Department of Legal Affairs**, Shastri Bhavan, New Delhi
5. **Secretary, Environment, Forest and Climate Change**, Indira Paryavaran Bhawan, Jor Bagh, New Delhi

Copy for information to:

1. Sr. PPPs to Secretary, EA, 2. PS to JS (Infra), 3. PS to Director (Infra.).

F.No. 2/1/2017-PPP

Government of India

Ministry of Finance

Department of Economic Affairs

Infra Section

Public Private Partnership Appraisal Committee

81st Meeting held on February 14, 2017

Record of Discussion

The 81st meeting of Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on February 14, 2017. The list of participants is annexed.

It was noted that the PPPAC would consider five proposals in the Roads sector from Ministry of Road Transport and Highways (MoRTH) for grant of approval. Chairman, NHAI informed the PPPAC that the proposal for 6-laning of Gorhar to Barwa Adda section of NH-2 from Km 320.810 to Km 400.132 in the State of Jharkhand under NHDP Phase-V on Hybrid Annuity Mode was withdrawn as no bids have been received against the project. The project structure will be revised by NHAI and a revised proposal submitted if required. Record of Discussion on one project will be circulated after completion of elections in Uttar Pradesh in view of the Election Commission of India's Press Note issued vide No. ECI/PN/5/2017/Communication dated 11th January, 2017. The Record of Discussions are as follows:

- A. **4-laning with paved shoulder of Porbandar – Dwarka section of NH-8E (Ext.) from Km 356.766 (Design Chainage Km 379.100) to Km 473.000 (Design Chainage Km 496.848) in the state of Gujarat on Hybrid Annuity mode**



Total length: 117.748 km, Estimated Project Cost: Rs 1463.21Crore, Cost of Pre-construction Activities to be financed by NHAI: Rs 516.15 Crore, Civil Construction Cost: Rs 1274.21 Crore, Concession Period: 18 years including construction period of 3 years.

Bidding Parameter: Lowest Bid Price (Life Cycle Cost of the project)

Land Status: Total land required: 528.975 Ha, Existing land: 485.47 Ha (91.78%), Balance land to be acquired: 43.505 Ha. (8.22%).

Status of Clearances: Environment clearance & CRZ clearance has been obtained; Forest clearances: In-principle approval for diversion of 379.5246 Ha. Protected forest and Reswrv forest obtained; State Support Agreement: Required

Major Development Work / Structures: Bypass/Major Realignments: 2 Nos. (of length 23.300 Km), Major Bridges: 8 Nos. (New) and 2 Nos. (widening/repair/rehabilitation of existing Major Bridges) Minor Bridges: 13 Nos. (New) and 17 Nos. (widening/repair/rehabilitation of existing Minor Bridges) Slip road/ Service road length 5.853 Km, Flyovers: 2 Nos., ROB: Nil, Major Junctions: 5 Nos. Minor Junction: 42 Nos., Toll Plaza: 2 Nos.(at Km 410.180 & Km 469.589), VUP: 5 Nos, CUP/PUP: 2 Nos., Culverts: Nil, Bus Bays: 2 Nos. (Both sides), CD structures 170 pipe + 29 slab/box.

2. Joint Secretary (Infra), DEA informed the PPPAC that the proposal from Ministry of Road Transport and Highways is for 4 laning of Porbandar – Dwarka section of NH – 8E (Ext.) in the State of Gujarat on Hybrid Annuity Mode. The Project proposal, with a TPC of Rs 1463.21 Crore and a concession period of 18 years (including construction period of 3 years) is part of the Godu - Dwarka Section of NH-8E. She stated that the Project had been placed before the PPPAC at its 58th Meeting on 21st May, 2013 for the 2/4-laning with PSS of Gadu-Dwarka section of NH-8E from km 263.0 (design chainage km 287.43) to km 473.0 (design chainage km 497.32) stretch. PPPAC had approved it subject to fulfilment of the following conditions:

- (i) NHAI/MoRTH granted one-time exemption for 'Grant' component to be maximum 40 percent of the Total Project Cost in Article 25 of the project's DCA and shall not be cited as a case of precedence.
- (ii) NHAI/MoRTH in future shall realistically calibrate and allow for specific amount of 'Grant' needed for making the project viable instead of a generic upto maximum 40 percent of TPC as 'Equity Support'. Alternatively, projects estimated as on 'Premium' basis, linkages to 'Equity Support' may be deleted. Thus, all future projects/proposals shall be based on unambiguous and updated estimates over project's consideration of cost, traffic and revenue parameters and others.



- (iii) NHAI/MoRTH shall issue Request for Proposal (RFP) only upon receiving clearance /approval from Ministry of Forest and Environment.
- (iv) NHAI/MoRTH shall ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the MCA for National Highways.
- (v) NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- (vi) MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.

- (vii) NHAI/MoRTH shall provide a detailed justification and reasons for provisions of service lanes at built-up areas.

- (viii) NHAI/MoRTH shall provide the updated classified traffic volume assessments and projections thereof for including the induced traffic in order to revise the 'Target Traffic' figure in Article 29 of the project DCA.

- (ix) MoRTH shall circulate the revised documents to the members of the PPPAC for record.

The PPPAC has now been informed that bids were not invited due to lack of the necessary clearance which is now available. The Project has now been restructured into two stretches. She requested NHAI to make a presentation to the PPPAC Members.

3. Member (Project), NHAI presented the proposal and stated that the PPPAC in its 58th meeting held on 21st May, 2013 had accorded approval to 2/4-laning with PSS to the Gadu - Dwarka section of NH-8E from Km 263.0 (design chainage Km 287.43) to Km 473.0 (design chainage Km 497.32) in the state of Gujarat, on DBFOT (Toll) basis under NHDP-IV. NHAI has subsequently restructured the Project into two separate packages for ease of implementation: Package I - from Gadu-Porbandar and Package II- from Porbandar to Dwarka Section. The stretch from Gadu-Porbandar was approved by MoRTH on Hybrid annuity mode vide letter no. RW/NH-37011/36/2012-PPP dated 01.11.2016. The current proposal is for Package II from Porbandar to Dwarka and is to be implemented through Hybrid Annuity Mode. NHAI informed PPPAC that the HAM structure has been adopted due to the viability of the Project under DBFOT (Toll) Mode.

4. The project is for widening of existing 2-lane road to 4 lane road for uninterrupted flow of traffic. The project road traverses through two important districts, Porbandar and Dwarka, in Gujarat State. The Highway will expedite improvement of infrastructure in Gujarat and also reduce the time and cost of travel. This stretch links a number of sea ports on the western coast of India, apart from coastal places like Dwarka, Porbandar and Somnath. Development of this stretch will also help in uplifting the socio-economic condition of this region. It will also increase employment potential for local labourers for project activities.



4. J.S. (Infra) stated that since traffic survey data is 5 years old, a fresh traffic survey may be conducted. MoRTH representative replied that this has not been possible since traffic has been diverted away from the stretch due to the dilapidated condition of two major bridges and debarment of heavy vehicles from using the two bridges. J.S. (Infra) stated that the State Support Agreement is yet to be signed. Chair directed that MoRTH to ensure that it is done before issue of RfP. MoRTH representative agreed to do it.

(Action: MoRTH/ NHA)

5. Advisor, NITI Aayog asked for the justification for providing two bypasses with a length of 21.7 Km (Porbandar) and 1.6 Km (Visawada) respectively. Representative of NHA replied that the bypasses are in line with the provisions with Manual on Standards & Specifications for four laning of National Highways (IRC: SP, 84-2014), as the localities have built-up areas.

6. **The PPPAC recommended the proposal of MoRTH for 4-laning with paved shoulder of Porbandar – Dwarka section of NH-8E (Ext.) from Km 356.766 (Design Chainage Km 379.100) to Km 473.000 (Design Chainage Km 496.848) in the State of Gujarat on Hybrid Annuity mode for Estimated Project Cost of Rs 1463.21 Crore for grant of approval subject to the fulfilment of the following conditions:**

Request for Proposal (RfP) to be issued only after:

- 6.1 MoRTH incorporates the observations of NITI Aayog and DEA with respect to the project DCA, as agreed to by MoRTH in their written response.
- 6.2 MoRTH complies with the observations of the 76th PPPAC held on February 02, 2016 as listed at para 17 of the RoD for implementation of projects on Hybrid Annuity Mode.
- 6.3 MoRTH obtains prior approval of the PPPAC for any change in scope of work or project configuration as noted above.
- 6.4 MoRTH circulates the revised documents and calculations as noted above to the members of the PPPAC for record.
- 6.5 The State support agreement has been signed.

- B. 4-Laning of end of Pandoh bypass to Takoli section of NH-21 (Km 221.305 to Km 242.000) under NHDP-IVB on Hybrid Annuity Mode in the state of Himachal Pradesh

Total length: 18.217 km (LHS Length), 19.992 km (RHS Length), Estimated Project Cost: Rs 2485.93 Crore, Cost of Pre-construction Activities to be financed by NHAI: Rs 290 Crore, Civil Construction Cost: Rs 2154.97 Crore, Concession Period: $18\frac{1}{2}$ years including construction period of $3\frac{1}{2}$ years.

Bidding Parameter: Lowest Bid Price (Life Cycle Cost of the project).

Land Status: Total land required: 80.35 Ha, Existing land: 55.91 Ha (69.58%), Balance land to be acquired: 24.44 Ha. (30.42%).

Status of Clearances: Environment clearance has been obtained.

Major Development Work / Structures: Elevated Road: 1 No. (LHS), Realignments: 4-lane realignment: 1 No., 2-lane realignment: 2 No.s, Major Bridges: Nil, Minor Bridges: 6 Nos. (LHS), 7 Nos. (RHS), Slip road/ Service road length: Nil, Flyovers: Nil, ROB: Nil, Major Junctions: Nil., Minor Junctions: 5 Nos., Toll Plaza: Nil, VUP: Nil, CUP/PUP: Nil, Culverts: 56 No.s, Bus Bays and Shelters: 7 Nos., Tunnels: Two Tubes of 2-lane: 4 No.s, Single Tube of 2-lane: 2 No.s, Connector: 3 No. Repair & Rehab: 1 No.

2. Joint Secretary (Infra), DEA informed the PPPAC that the proposal from Ministry of Road Transport and Highways is for 4-Laning of end of Pandoh bypass to Takoli section of NH-21 (Km 221.305 to Km 242.000) under NHDP-IVB on Hybrid Annuity Mode in the state of Himachal Pradesh. The Project proposal with a TPC of Rs. 2485.93Crore with a concession period of $18\frac{1}{2}$ years including construction period of $3\frac{1}{2}$ years is to be implemented through Hybrid Annuity Mode. The proposed project is widening of the highway section from existing two lane configurations to 4-lane dual carriageway configuration.

3. Member (PPP), NHAI presented the proposal of Four Laning of end of Pandoh bypass to Takoli section of NH-21 (Km 221+305 to Km 242+000) under NHDP-IVB on Hybrid Annuity Mode in the State of Himachal Pradesh (Design Length -18.217 Km). The proposed project is widening of the Highway section from existing two lane configuration to 4-lane dual carriageway configuration. The NH-21 after taking off from its junction with NH-22 near Zirakpur traverses through Union Territory of Chandigarh and the States of Punjab and Himachal Pradesh (HP) and further connects Leh, the headquarters of Ladakh in the State of J&K. This National Highway besides being an important link between Chandigarh,

the capital city of the States of Punjab and Haryana, and Manali, a tourist spot in Himachal Pradesh, is also of strategic importance. The road passes through a tunnel between Km 237.710 to 240.600. This tunnel lacks ventilation & adequate lighting. The project road alignment in this stretch passes through built-up areas of Aut village. The existing road passes through hilly terrain throughout its length. The road alignment has many curves with radius less than 90m including reverse curves. Efforts have been made to improve the curves by providing required minimum radius, transition lengths etc. It has not been possible to improve all the curves due to site restraints. Because of congested built up areas and vertical hard rocks, it is not possible to widen the road to 4-lane dual carriageway. Tunnels and short realignments have been proposed.

4. J.S. (Infra) stated that the instant project involves a huge cost and the traffic survey data are 6 years old. Further, since this is a high risk project due to its location in a sensitive and unstable zone, the advisability in adopting EPC with O&M via PPP, instead of Hybrid Annuity mode, may be considered instead. Chair asked that the justification for choosing Hybrid Annuity Mode instead of EPC Mode of construction may be given in writing by NHAI for record. Chairman, NHAI stated that the reason for adopting a PPP structure, albeit a HAM one, is that there has been high private sector interest in the Project. Further, given the sensitive soil and seismic conditions, a high level of expertise in delivery of the road is required along with ensuring responsibility of maintenance of the road during the O&M phase. Since 90% of the project cost comprises tunnel work, it was felt that adopting the HAM structure would ensure superior standards of delivery and O&M.

(Action: MoRTH/ NHAI)

5. Advisor, NITI Aayog sought the justification for the new tunnel being planned for 2-lane instead of 4-lane carriageway as provided for in the Manual. The proposed width of the tunnel may not be sufficient to cater to the needs of increasing traffic over a period of time and may lead to congestion. Representative of NHAI stated that 4-lane carriageway has not been proposed for new tunnels because of the huge cost implications.

6. **PPPAC recommended the proposal of MoRTH for 4-Laning of end of Pandoh bypass to Takoli section of NH-21 (Km 221.305 to Km 242.000) under NHDP-IVB on Hybrid Annuity Mode in the State of Himachal Pradesh for Estimated Project Cost of Rs 2485.93 Crore for grant of approval subject to the fulfilment of the following conditions:**

Request for Proposal (RfP) to be issued only after.

6.1 MoRTH incorporates the observations of NITI Aayog and DEA with respect to the project DCA, as agreed to by MoRTH in their written responses.

- 6.2 MoRTH complies with the observations of the 76th PPPAC held on February 02, 2016 as listed at para 17 of the RoD for implementation of projects on Hybrid Annuity Mode.
- 6.3 MoRTH obtains prior approval of the PPPAC for any change in scope of work or project configuration as noted above.
- 6.4 The justification for choosing Hybrid Annuity Mode instead of EPC Mode of construction may be given in writing by NHAI for record.
- 6.5 MoRTH circulates the revised documents and calculations as directed above to the members of the PPPAC for record.
- 6.6 90% of the required land is acquired.

C. 4-laning of Solapur-Bijapur section of NH-13 (New NH-52) from Km 0.000 to km 110.542 in the States of Maharashtra and Karnataka to be executed under NHDP Phase-III on Design, Build, Finance, Operate (Toll) basis.

Total length: 109.075 km, Estimated Project Cost: Rs 1576.79 Crore, Cost of Pre-construction Activities to be financed by NHAI: Rs 312.10 Crore, Civil Construction Cost: Rs 1249.84 Crore, Concession Period: 20 years including construction period of $2\frac{1}{2}$ years.

Land Status: Total land required: 654.47 Ha, Existing land: 367.51 Ha (56.15%), Balance land to be acquired: 286.96 Ha. (43.85%). 3A, AD completed 286.96 Ha (100%)

Status of Clearances: Environment clearance not required.

Major Development Work / Structures: Bypass: 2Nos; Service Road: 13.458 km; Slip Road: 40.805; Major junctions: 18 Nos; Minor junctions: 35 Nos; Flyovers 6 Nos; VUP: 10 Nos; CUP: 1 No.; PUP: 12 Nos; Major Bridges: (Repair/ New): 2 Nos/ 3Nos.; Minor Bridges: 78 Nos; Culverts 170 Nos; ROB(New/ Repair); 2 Nos/1 No; Rest Area: 2Nos; Truck Lay-byes: 2Nos.

2. Joint Secretary (Infra), DEA informed the PPPAC that the proposal from Ministry of Road Transport and Highways is for 4-laning of Solapur-Bijapur section of NH-13 (New NH-52) from Km 0.000 to km 110.542 in the States of Maharashtra and Karnataka to be executed under NHDP Phase-III on Design, Build, Finance, Operate (Toll) basis. The Project proposal with

a TPC of Rs. 1576.79 Crore is for a concession period of 20 years including construction period of $2\frac{1}{2}$ years. The proposed project is widening of existing two lane highway to 4-lane dual configuration with paved shoulders.

3. Member (Technical), NHAI made a presentation on the project. The Project road has 2 sections: (i) Maharashtra section from km 0.000 to km 39.000 and (ii) Karnataka section from km 39.000 to km 110.54. The project was approved by PPPAC at its 49th Meeting held on 23.01.2012 under NHDP Phase-III under the DBFOT mode with TPC of Rs. 1002.48 Crore with concession period of 20 years. The work was awarded to M/s. Sadbhav Engineering Ltd. (SPV – M/s. Solapur Bijapur Tollway Pvt. Ltd.) on a Premium of Rs. 75.60 Crore and the LOA was issued on 31.03.2012 and the Concession Agreement was signed on 25.05.2012. It was foreclosed/terminated without any claim/ counter claim on either side due to delays by the Authority in providing the clearances and the Concessionaire in reaching financial closure. Subsequently, the updated proposal was then approved by PPPAC at its 70th Meeting held on 18.02.2015 under NHDP Phase-III with TPC of 1377.54 Crore and concession period of 22 years. The work was awarded with a Premium of Rs. 6.80 Crore. The bidder however failed to sign the Concession Agreement within the specified time and LOA was withdrawn with forfeiture of BG.

4. Environment clearance is not required. Forest clearance stage I is already obtained, for stage II approval is in process with Ministry of Environment & Forest. MoRTH has confirmed that no critical land is required and the critical land clause has been deleted.

5. This is the third time the project is being bid out. Chair pointed out that the first round of bidding appears to have failed primarily due to Authority delays, which could have been avoided. He also asked whether the successful bidder in the 2nd round has been debarred from bidding in this round and whether there are provisions in the agreement to deal with bidders who withdraw after the issuance of LOA. MoRTH clarified that there is a clause to deal with such situations in RFP which debar the concessionaire to participate in the bidding process maximum upto a period of three years. However, in the subject case, the bidder was not debarred but has not qualified in the evaluation. MoRTH also stated that they will get back on this issue whether deterrent punishment can be meted out to such concessionaires.

(Action: MoRTH/ NHAI)

6. Advisor NITI Aayog stated that as per the costing norms, other costs should be 25% of total cost but it is greater than 25% in this case. MoRTH replied that civil construction cost has been calculated on the basis of prices in 2015-16 and is in order and within the 25% limit.

7. The PPPAC recommended the proposal of MoRTH 4-laning of Solapur-Bijapur section of NH-13 (New NH-52) from Km 0.000 to km 110.542 in the States of Maharashtra and Karnataka to be executed under NHDP Phase-III on Design, Build, Finance, Operate (Toll) basis for grant of final approval subject to the fulfilment of the following conditions:

Request for Proposal (RfP) to be issued only after.

- 7.1 MoRTH incorporates the observations of NITI Aayog and DEA with respect to the project DCA, as agreed to by MoRTH in their responses.
- 7.2 MoRTH obtains prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 7.3 MoRTH circulates the revised documents and calculations as noted above to the members of the PPPAC for record.
- 7.4 90% of the required land is acquired.

8. Agenda Item No. 5 on 6-Laning of Chakeri Allahabad section of NH-2 (from Km 483.687 to Km 628.753) in the State of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Mode pertains to Uttar Pradesh. In view of the Election Commission of India's Press Note issued vide No. ECI/PN/5/2017/Communication dated 11th January, 2017, RoD on the instant Project will be separately issued.



Ministry of Finance
Department of Economic Affairs
Infra Section
Public Private Partnership Appraisal Committee
81st Meeting on 14th February, 2017

List of Participants

1. Department of Economic Affairs, Ministry of Finance
 - i. Shri. Shaktikanta Das, Secretary, Economic Affairs (In Chair)
 - ii. Shri Ajay Tyagi, AS (I), DEA
 - iii. Ms. Sharmila Chavaly, JS (Infra), DEA
 - iv. Shri. Mrutyunjay Behera, Director (Infra)

2. Department of Expenditure, Ministry of Finance
 - v. Mr. Rajiv Wadhawan, Joint Director

3. NITI Aayog
 - vi. Shri Praveen Mahto, Advisor

4. Ministry of Environment, Forest and Climate change
 - vii. Shri Prashant Rajagopal, AIGF

5. Ministry of Road Transport and Highways (MoRTH)
 - viii. Shri Sanjay Mitra, Secretary, MoRTH
 - ix. Ms. Leena Nandan, JS, MoRTH
 - x. Shri Rajneesh Kapoor, SE (PPP)
 - xi. Shri Sanjeev Kumar, SE

6. National Highways Authority of India (NHAI)
 - xii. Shri Yudhvir Singh Malik, Chairman, NHAI
 - xiii. Shri Niraj Verma, Member (PPP)

- xiv. Shri D.O. Tawade, Member (Tech)
- xv. Shri R K Pandey, Member (Projects)
- xvi. Shri A.K. Singh, Member (Projects)
- xvii. Shri. M.K. Jain, CGM
- xviii. Shri Atul Kumar, CGM (T)
- xix. Ms. Nishoo Gupta, GM (T)
- xx. Shri. J.K. Goyal; GM (T)
- xxi. Shri Ashish Asati, GM (T)
- xxii. Shri V.K. Joshi, GM (Tech)
- xxiii. Shri Anil Kumar, GM (T)



F.No. 2/1/2017-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(Infrastructure Section)

North Block, New Delhi
Dated the 16th March, 2017

OFFICE MEMORANDUM

Subject: Addendum to Record of Discussion (RoD) of the 81st Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on February 14, 2017 – regarding.

In continuation of this Department's O.M. of even number dated 1st March, 2017, please find enclosed the Record of Discussion in the 81st Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on February 14, 2017 under the Chairmanship of Secretary (Economic Affairs) on the project Six-laning of Chakeri – Allahabad Section of NH-2 (from km 483.687 to km 628.753: Design Length – 145.066 km) in the State of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Mode.

Encls: As above.


(Nitish Saini)
Assistant Director (Infra)
Tele: 23095158

1. **Finance Secretary & Secretary** (Expenditure), Ministry of Finance, North Block, New Delhi.
2. **CEO**, NITI Aayog, Yojana Bhawan, New Delhi.
3. **Secretary**, Ministry of Road Transport and Highways, Transport Bhawan, New Delhi.
4. **Secretary**, Department of Legal Affairs, Shastri Bhawan, New Delhi.
5. **Secretary**, Ministry of Environment and Forest, Indira Paryavaran Bhawan, New Delhi.

Copy for information to:

1. Sr. PPS to Secretary (EA), 2. PS to JS (Infra), 3. PS to Director (Infra), 4. DD (PPP) with request for uploading on pppinindia.gov.in website.

for uploading on website.
20/3/17
MIS Expert

F.No. 2/1/2017-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
Infra Section

Public Private Partnership Appraisal Committee

81st Meeting held on February 14, 2017

Record of Discussion

The 81st meeting of Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on February 14, 2017. The list of participants is annexed.

It was noted that the PPPAC would consider five proposals in the Roads sector from Ministry of Road Transport and Highways (MoRTH) for grant of approval. Chairman, NHAI informed the PPPAC that the proposal for 6-laning of Gorhar to Barwa Adda section of NH-2 from Km 320.810 to Km 400.132 in the State of Jharkhand under NHDP Phase-V on Hybrid Annuity Mode was withdrawn as no bids have been received against the project. The project structure will be revised by NHAI and a revised proposal submitted if required. Record of Discussion on three projects except the one which this RoD contains was issued on 1st March 2017. Record of Discussion on this project could not be issued in view of the Election Commission of India's Press Note issued vide No. ECI/PN/5/2017/Communication dated 11th January, 2017. The Record of Discussions 6-Laning of Chakeri Allahabad section of NH-2 (from Km 483.687 to Km 628.753) in the state of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Mode is as follows:

1. 6-Laning of Chakeri Allahabad section of NH-2 (from Km 483.687 to Km 628.753) in the state of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Mode.

Total length: 145.066 km, Estimated Project Cost: Rs 1430.16 Crore, Cost of Pre-construction Activities to be financed by NHAI: Rs 2260.93 Crore, Civil Construction Cost: Rs 1319.77 Crore, Concession Period: $17\frac{1}{2}$ years including construction period of $2\frac{1}{2}$ years.

Bidding Parameter: Lowest Bid Price (Life Cycle Cost of the project)

Land Status: Total land required: 813.55 Ha, Existing land: 629.712 Ha (77.40%), Balance land to be acquired: 183.838 Ha. (22.60%).

Status of Clearances: Environment clearance obtained; Forest clearance: proposal for I stage forest clearance submitted to MOEF for approval; State support agreement: to be signed.

Major Development Work / Structures: Service road length 96.221 Km (both sides), Slip road 51.332 Km (both sides), Elevated structures: 6 Nos. (In built-up sections), Grade Separator/Flyover: 3 Nos., Vehicular Underpass: 14 Nos., Pedestrian Underpass: 25 Nos., Minor Bridges: 1 Nos., Major Bridges: 1 No. at Km 507.472 (Over River Pandu), Culverts (Pipe + Box+ Slab): 176 Nos. (Widening), Minor Junction: 97 Nos., Toll Plaza: 2 Nos. at Km 527.275 and Km. 591.050 (existing).

2. Joint Secretary (Infra), DEA informed the PPPAC that the proposal from Ministry of Road Transport and Highways is for 6-Laning of Chakeri - Allahabad section of NH-2 (from Km 483.687 to Km 628.753) in the state of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Mode. The Project proposal with a TPC of Rs. 1735.20 Crore is for a concession period of $17\frac{1}{2}$ years including construction period of $2\frac{1}{2}$ years.

3. Member, NHAI made a presentation stating that the instant proposal for 6-laning from Km 483.687 to Km 628.753 in the state of Uttar Pradesh under NHDP Phase V on BOT (Toll) mode was 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 RIP could not be invited due to revision of Fee Rules for 6 laning projects. The project cost was revised and was approved by PPPAC in its 68th meeting held on December 23, 2014 and CCEA on February 19, 2015. Bids were invited for the project twice but no bid was received. As such, the NHAI is not in position to award, even after two attempts. Further, Member, NHAI stated that while bidding for the project on BOT

basis there was no response, hence it was decided to implement the project in Hybrid Annuity Mode. While civil construction cost is almost same cost of land acquisition has been updated. Latest traffic survey has been collected. Forest clearance has been approved but is not obtained on account of Modal code of conduct in UP. Only 183 Ha of land has to be acquired, 77% is already available. No critical stretch is left out. 3D already published.

4. JS (Infra) stated this is the third time the project has come before PPPAC. JS (Infra) enquired about whether there is possibility for looking at regular Toll on standard Annuity Mode in view of the fact that there appears to be sufficient potential for competitive financing by bidders, given the traffic forecasts. MoRTH replied that it had deliberated on the options and taken stakeholders' feedback before proposing the Hybrid Annuity Mode as the view is that developers still have equity stress.

5. The Chair suggested that Public Private Partnership is effective when a minimum equity of not less than 10 % is infused by the concessionaire. NHAI /MoRTH may ensure infusion of 10% of equity by the concessionaire.

(Action: MoRTH/ NHAI)

6. Advisor NITI Aayog stated that for a project highway of only 145.066 km, the length of service road is provided for 96.221 km (both sides) and slip roads of length 51.332 km. Representative of NHAI clarified that the provisions of service roads has been made in the project to segregate the local traffic in the built-up areas from the through traffic. Further, as per the provisions of Manual, there shall be no direct connection of intersecting roads with main carriageway. Therefore, provisions of service roads is necessary to provide connectivity to intersecting roads through service roads. This will ensure safe and efficient movement of through traffic on the main carriageway.

7. The PPPAC recommended the proposal of MoRTH 6-Laning of Chakeri Allahabad section of NH-2 (from Km 483.687 to Km 628.753) in the state of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Mode for grant of approval subject to the fulfilment of the following conditions:

MoRTH shall issue Request for Proposal (RfP) only after.

7.1 MoRTH shall incorporate the observations of NITI Aayog and DEA with respect to the project DCA, as agreed to by MoRTH in their responses.

- 7.2 MoRTH shall comply with the observations of the 76th PPPAC held on February 02, 2016 as listed at para 17 of the RoD for implementation of projects on Hybrid Annuity Mode.
- 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 and calculations as noted above to the members of the PPPAC for record.
- 7.5 90% of the required land is available, as the current status indicates that this is still in progress. Further, any unavailable land, it must be such that it does not affect user comfort and/or traffic flows.

Ministry of Finance
Department of Economic Affairs
Infra Section
Public Private Partnership Appraisal Committee
81st Meeting on 14th February, 2017

List of Participants

1. **Department of Economic Affairs, Ministry of Finance**
 - i. Shri. Shaktikanta Das, Secretary, Economic Affairs (In Chair)
 - ii. Shri Ajay Tyagi, AS (I), DEA
 - iii. Ms. Sharmila Chavaly, JS (Infra), DEA
 - iv. Shri. Mrutyunjay Behera, Director (Infra)

2. **Department of Expenditure, Ministry of Finance**
 - v. Mr. Rajiv Wadhawan, Director

3. **NITI Aayog**
 - vi. Shri Praveen Mahto, Advisor

4. **Ministry of Environment, Forest and Climate change**
 - vii. Shri Prashant Rajagopal, AIGF

5. **Ministry of Road Transport and Highways (MoRTH)**
 - viii. Shri Sanjay Mitra, Secretary, MoRTH
 - ix. Ms. Leena Nandan, JS, MoRTH
 - x. Shri Rajneesh Kapoor, SE (PPP)
 - xi. Shri Sanjeev Kumar, SE

6. National Highways Authority of India (NHAI)

- xii. Shri Yudhvir Singh Malik, Chairman, NHAI
- xiii. Shri Niraj Verma, Member (PPP)
- xiv. Shri D.O. Tawade, Member (Tech)
- xv. Shri R K Pandey, Member (Projects)
- xvi. Shri A.K. Singh, Member (Projects)
- xvii. Shri. M.K. Jain, CGM
- xviii. Shri Atul Kumar, CGM (T)
- xix. Ms. Nishoo Gupta, GM (T)
- xx. Shri. J.K. Goyal, GM (T)
- xxi. Shri Ashish Asati, GM (T)
- xxii. Shri V.K. Joshi, GM (Tech)
- xxiii. Shri Anil Kumar, GM (T)