

F. No. 3/1/2015-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

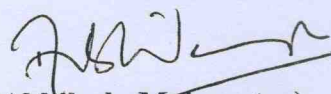
New Delhi the, February 4, 2015

OFFICE MEMORANDUM

Subject: Record of Discussions of the 62nd 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 62nd Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme), held on **January 27, 2015**, under the **Chairmanship of Additional Secretary (EA)**.

Encl: as stated


(Abhilasha Mahapatra)
Director (PPP)

4/2/15

1. Dr. Arunish Chawla, Joint Secretary, Department of Expenditure, North Block, New Delhi.
2. Shri Praveen Mehto, Adviser (Infrastructure), NITI Aayog, Yojana Bhawan, New Delhi.
3. Shri R.K. Singh, Joint Secretary, Ministry of Road Transport & Highways, Transport Bhavan, New Delhi.
4. Shri Prashant Trevedi, Joint Secretary (Storage), Department of Food & Public Distribution, Ministry of Consumer Affairs, Room no 199 C, Krishi Bhawan, New Delhi.
5. Shri J K Dubey, Chief Engineer, M.P. Warehousing & Logistics Corporation, Gautam Nagar, Bhopal 462 023
6. Shri Rajmal Jain, C.E., PWD (NH), Rajasthan, Jaipur

Copy to:

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

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**Empowered Institution for the Scheme for Financial Support to Public Private
Partnerships in Infrastructure**

62nd Meeting on January 27, 2015

Record Note of Discussions

The sixty-second meeting of the Empowered Institution (EI), chaired by Additional Secretary, Department of Economic Affairs (DEA) was held on January 27, 2015. The list of participants is attached.

The EI noted that there were seven (07) proposals for consideration of Final Approval for Viability Gap Funding (VGF) under the Scheme. Of these proposals, one (01) road sector proposal is from MoRTH, six (06) proposals are for development of Modern Food Silo projects from Government of Madhya 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. Proposal for grant of Final Approval

Agenda Item I: Proposal from Ministry of Road, Transport and Highways (MoRTH) for final approval: Two-laning with paved-side-shoulders of Ajmer to Nagaur section on NH 89 from km 0.000 to km 161.000 in the State of Rajasthan on BOT basis

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Total length: 148.25 km; Total Project Cost: Rs. 377.15 crore; Concession Period: 21 years with 1.5 years of construction period.

VGF: VGF quoted by L-1 bidder: Rs. 45 crore (11.13% of TPC); 'Grant' as per VGF Scheme: Rs. 45 crore (11.13% of TPC) and no support for O&M or by MoRTH.

Major development works/ structures: Development of Two lane with PSS portion: km 0.0 to km 161.0; Major Bridge: 1; Fly-over/Grade separators: 1; ROB: 1; Toll Plaza: 2 at km 25 & km 111; Service Roads: Nil; Major/minor Junctions: 12/52; No. of Bypasses: 6 (38.6 km), Truck lav-bves: 2; Bus-Bavs & Bus Shelters: 9; Culverts: 90 (66-new. 3 – reconstruction. 21- repair).

2. Joint Secretary, Department of Economic Affairs (DEA) informed the EI that the project was granted in-principle approval by EI in its 33rd meeting held on July 20, 2011, for TPC of Rs. 377.15 crore, length as 148.25 km and maximum VGF of Rs. 75.43 crore (20% of TPC) with Concession Period of 21 years. Now MoRTH has submitted the proposal for final approval of the VGF for an amount Rs. 45 crore based on the bid received. The project had also been recommended by the PPPAC in its 45th meeting held on August 10, 2011.
3. Superintendent Engineer (SE), MoRTH presented the proposal and stated that the response to the appraisal notes of members of the EI have been submitted. The project achieved Financial Closure on 26.06.2013 with the Appointed Date as 03.08.2013. On a query regarding issue of Fee Notification, SE, MoRTH stated that project specific Fee Notification has been published in September 2014, construction is ongoing and about 58% of the work is completed. The Common Loan Agreement (CLA) has also been submitted to the EI to confirm equity infusion.
4. Advisor, Niti Aayog pointed out that as per the documents submitted, the traffic estimates are around 14,000 PCU making the project eligible for four laning. Superintendent Engineer, MoRTH responded that as per their estimates the traffic is around 9,000 PCUs, whereas 14000 PCUs were projections made by the Concessionaire as part its financial modeling. The Concession Period for the instant project is 21 years and the proposed capacity as per the DCA is 25000 PCUs, which is not expected to be breached within the concession period.
5. All members of the EI were in agreement to grant final approval for VGF support to the project.
6. **The Empowered Institution granted final approval to the project from Ministry of Road, Transport and Highways (MoRTH) for two-laning with paved-side-shoulders of Ajmer to Nagaur section on NH 89 from km 0.000 to km 161.000 in the State of Rajasthan on BOT basis for Viability Gap Funding (VGF) of maximum Rs. 45 crore as total 'grant' for the project from Government of India, under the Scheme.**

B. Proposals for grant of Final Approval

Agenda Item II: Proposals from Madhya Pradesh Warehousing and Logistics Corporation (MPWLC), Government of Madhya Pradesh (GoMP) for grant of final approval for Development of Food Silos at six (06) locations, viz.: Ujjain, Satna, Dewas, Vidisha, Harda and Hoshangabad districts in Madhya Pradesh under PPP.

Total number of proposals: 6 projects across 6 districts of MP

Locations and Total Project Cost (TPC) of Projects: (1) District Ujjain, Village Manpur, TPC is Rs. 29.60 Crores; (2) District Satna, Village Mohari, TPC is Rs. 28.95 Crores; (3) District Dewas, Village Durgapura, TPC is Rs. 29.43 Crores; (4) District Vidisha, Village Patheri Haveli, TPC is Rs. 30.96 Crores; (5) District Hoshangabad, Village Junheta bankhedi, TPC is Rs. 28.82 Crores; (6) District Harda, Village Bhagawad, TPC is Rs. 28.97 Crores.

Combined TPC for all 06 proposals: is Rs. 176.73 Crores

Concession Period: 30 Years and includes 12 months of construction period.

VGF expected from Government of India (GOI) as quoted by L1 bidder for each Project: maximum 20% of the TPC; project wise maximum are:

(1) District Ujjain, Village Manpur, maximum VGF is Rs. 2.41 Crores; (2) District Satna, Village Mohari, maximum VGF is Rs. 3.11 Crores; (3) District Dewas, Village Durgapura, maximum VGF is Rs. 2.11 Crores; (4) District Vidisha, Village Patheri Haveli, maximum VGF is Rs. 2.21 Crores; (5) District Hoshangabad, Village Junheta bankhedi, maximum VGF is Rs. 2.41 Crores; (6) District Harda, Village Bhagawad, maximum VGF is Rs. 2.91 Crores.

Combined VGF for all 06 proposals: is Rs. 15.16 Crores

Major development works/ structures at each of the 06 locations: Storage Capacity: 50,000 MT each constructed from corrugated galvanised steel, Minimum number of Silos: 4 of at least 10,000 MT each; Silo diameter: 32 m; Food grain Intake system: minimum of 150 MT per hr & 1500 MT per day; Vehicle Parking Area: Minimum for 20 three axle trucks, 4 cars and 24 two wheelers; Weighing system: Minimum load of 60 MT; Cleaning System: 150MT per hr; Bagging System: 60 MT per hr; Designed area for storage of bagged food grains: 200 MT Covered; Shed for empty bags: 100 sqm.

7. Chief Engineer, Madhya Pradesh Warehousing and Logistics Corporation (MPWLC), Government of Madhya Pradesh (GoMP) informed the EI that six (06) proposals had been submitted for final approval of VGF for setting up of Food Silos at six locations, viz. Ujjain, Satna, Dewas, Vidisha, Hoshangabad, and Harda districts in Madhya Pradesh. The projects were granted in-principle approval by the Empowered Institution (EI) at its 49th meeting held on October 3, 2013. He stated that response to the appraisal of the EI had been submitted alongwith the supporting documents and the conditions laid down have been complied with.

62nd EI: January 27, 2015
Record of Discussion

8. Director, PPP pointed out that in Proposals for three locations i.e. Vidisha, Hoshangabad and Harda, the Total Project Cost (TPC), as approved by the EI in its 49th meeting varied from the TPC mentioned in the Project Appraisal Report and executed Storage Agreement. The Storage Agreement should be amended so as to show that grant is linked to the lowest TPC as per definition of the TPC in the executed Storage Agreement and the VGF Scheme and this should be rectified across all the proposals / agreements. Chief Engineer, MPWLC ensured that the change will be incorporated across the proposals / agreements.

(Action: MPWLC)

9. All members of the EI were in agreement to grant final approval for VGF support to the projects.

10. The Empowered Institution granted final approval of the VGF support for Development of Food Silos by Madhya Pradesh Warehousing and Logistics Corporation (MPWLC), Government of Madhya Pradesh under PPP at six (06) locations viz.: Ujjain, Satna, Dewas, Vidisha, Harda and Hoshangabad districts, as per the following details:

(1) Ujjain: TPC of Rs. 29.60 Crores, VGF of Rs. 2.41 Crores;

(2) Satna: TPC of Rs. 28.95 Crores, VGF of Rs. 3.11 Crores

(3) Dewas: TPC of Rs. 29.43 Crores, VGF of Rs. 2.11 Crores;

(4) Vidisha: TPC of Rs. 30.96 Crores, VGF of Rs. 2.21 Crores;

(5) Hoshangabad: TPC of Rs. 28.82 Crores, VGF of Rs. 2.41 Crores;

(6) Harda: TPC of Rs. 28.97 Crores, VGF of Rs. 2.91 Crores.

The grant for each of the projects, being less than 20% of the TPC, would be by Government of India subject to the following:

a. MPWLC shall undertake corrections ensuring that the TPC across all the Projects is as defined in the "Scheme and Guidelines for Financial Support to PPPs in Infrastructure", and inform the EI the changes so made.

(Action: MPWLC)

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

Empowered Institution for the
Scheme to Support Public Private Partnerships in Infrastructure
62nd Meeting on January 27, 2015

List of Participants

I. Department of Economic Affairs

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

II. Planning Commission

5. Shri Praveen Mahto, Advisor
6. Shri K.Ranga Reddy, Consultant

III. Ministry of Roads Transport & Highways

7. Shri Sanjeev Kumar, S.E., MoRTH

IV. Department of Food & Public Distribution

8. Shri P.K.Dash, Director (Storage), DFPD

V. Government of Rajasthan

9. Shri Rajmal Jain, C.E., PWD (NH), Rajasthan, Jaipur
10. Shri M.G.Maheshwari, S.E., PWD (NH), Rajasthan, Jaipur

VI. Government of Madhya Pradesh

11. Shri J.K.Dubey, Chief Engineer, MP Warehousing & Logistics Corporation Ltd.