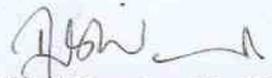


**F.No.2A/5/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)**

**North Block,
New Delhi the, August 08, 2014**

Subject: 66th Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on July 31, 2014 – Record Of Discussions.

The Record of Discussions of the 66th meeting of the PPPAC held under the Chairmanship of Finance Secretary & Secretary, Economic Affairs, on July 31, 2014 at North Block, New Delhi is enclosed.


**(Abhilasha Mahapatra)
Director (PPP)
Phone No. 2309 4045**

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 Paryavaran Bhavan, New Delhi.

Copy 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/5/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs

Public Private Partnership Appraisal Committee

66th Meeting held on July 31, 2014

Record Note of Discussion

The 66th meeting of the Public-Private-Partnership-Appraisal-Committee (PPPAC), chaired by Finance Secretary & Secretary, Economic Affairs, was held on July 31, 2014. The list of participants is annexed.

2. It was noted that the PPPAC would consider four proposals in the road sector from Ministry of Road Transport & Highways (MoRTH) for grant of final approval.

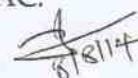
Agenda Item I: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning of Haridwar-Nagina section of NH 74 from km 0.00 to km 71.614 in the State of Uttrakhand and Uttar Pradesh under NHDP – IV on Design Build, Finance, Operate and Transfer (DBFOT) basis

Total length: 71.614 km; Total Project Cost: Rs. 940 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 282.71 crore; Concession Period: 23 years including 2.5 years of construction period.

Land status: Total land required: 355.123 ha, Land available: 96.24 ha (27.10%), Land to be acquired: 193.64 ha, Reserve Forest land: 65.2456 ha (18.37%), 3 (A) Published: 192.39 ha (66.36%), 3 (D) Published: 8.68 ha (3%)

Major development works/ structures: Major Bridge: 12; Fly-overs: 1; Minor bridge: 12; ROBs: 1; Bypasses: 6 (18.671 km); Service/Slip roads: 2.42 km/ 3.274 km; Major road junctions: 2; Minor road junctions: 22; Toll plazas: 1 (km 31.6); Vehicular/pedestrian underpass/ Elephant: 1/5/2; culverts: 142; busbays/shelters: 30, truck lay byes: 4; Rest Area: Nil; Relignments: Nil; FOB: 1

3. Joint Secretary, DEA informed the PPAC that only 96.24 ha comprising 27.10% of the total land is available and Notification under section 3 (D) has been issued for 8.68 ha (3%). Further, reserve forest land of 65.25 ha (18.37%) is also yet to be acquired. Accordingly project is not eligible for consideration of PPPAC.


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4. Chair stated that Minister, RTH has indicated that project would not be bid out unless 80 percent land is available. Hence, project is not ripe up for consideration of PPPAC.

5. The PPPAC deferred the proposal and advised MoRTH/ NHAI to put up the proposal after completing the land acquisition process (for atleast 60 percent of the total land required) and obtaining forest clearance.

(Action: MoRTH/ NHAI)

Agenda Item II: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning of Nagina-Kashipur section of NH 74 from km 71.614 to km 170.407 in the State of Utrkhand and Uttar Pradesh under NHDP – IV on Design Build, Finance, Operate and Transfer (DBFOT) basis

Total length: 98.793 km; Total Project Cost: Rs. 1099 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 372.40 crore; Concession Period: 20 years including 2.5 years of construction period.

Land status: Total land required: 617.096 ha, Land available: 133.963 ha (21.71%), Land to be acquired: 483.133 ha, Reserve Forest land: 2.329 ha (0.38%), 3 (A) Published: 480.80 ha (99.52%), 3 (D) Published: 217.23 ha (35.2%), Land available plus 3 (D) published: 351.193 (56.91%)

Major development works/ structures: Major Bridge: 6; Fly-overs: Nil; Minor bridge: 23; ROBs: 2; Bypasses: 6 (51.113 km); Service/Slip roads: 11.334 km/ 16.620 km; Major road junctions: Nil; Minor road junctions: 16; Toll plazas: 2 (km 79.904 and km 145.454); Vehicular/pedestrian underpass: 10/12; culverts: 144; busbays/shelters: 40, truck lay byes: 1; Rest Area: Nil; Relignments: 1.2 km at one location ; FOB: 1

6. Joint Secretary, DEA informed the PPAC that only 133.963 ha comprising 21.71% of the total land is available and Notification under section 3 (D) has been issued for 217.23 ha (35.20%). Accordingly project may not be eligible for consideration of PPPAC. Member, NHAI responded that 57% land is available including 217.23 ha land for which Notification under section 3 (D) has been published. It was requested to consider the project as update on the status was submitted for the record.

7. Chair indicated that as 57 per cent land is available as against the requirement of 60 percent as earlier decided by the PPPAC, project may be considered by the PPPAC.

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8. Joint Advisor, Planning Commission indicated that based on the design capacity of the project highway, Concession Period may be increased to 21 years from 20 years proposed by the MoRTH. Member, NHAI responded that based on the traffic survey conducted during the year 2010, the design capacity is breached in the year 2034 with 5% traffic growth. Hence concession period of 20 years is justified. Chair stated that one year is not a material difference. Further, DEA's analysis also indicates that a 20 year concession appears justified.

9. Joint Secretary, DEA sought clarification whether, MoRTH acquire land of 60 meters or 45 meters for 4 laning projects. MoRTH has proposed 45 meters in some projects whereas it is 60 meters, in others. Member, NHAI responded that as per Manual for Standard and Specifications, for four laning projects, land acquisition may be between 45 to 60 meters. Accordingly, NHAI has decided to acquire land of 45 meters for the existing highway and 60 meters for new highways and bypasses. This process is being followed uniformly for all projects.

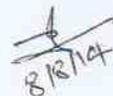
10. Chair desired to know status of Environment Clearance and other clearances. CGM, NHAI responded that as per new guidelines issued on 22.08.2013 by MoEF, environment clearance is not required for project lengths of less than 100 km. Further, Forest clearance is required only for 2.329 ha, comprising only 0.38% of the total land required. The clearance is under progress and is expected to be obtained before the Appointed Date. However, this would not materially affect the implementation of the project.

11. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

12. The PPPAC recommended the proposal for 4-laning of Nagina-Kashipur section of NH 74 from km 71.614 to km 170.407 in the State of Uttarakhand and Uttar Pradesh under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 1099 crore with VGF as per the Scheme Guidelines, for grant of final approval, subject to fulfilment of the following conditions:

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

12.1.1. 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"*


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- 12.1.2. Obtaining the environment clearances for the project
- 12.2. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 12.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 12.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)

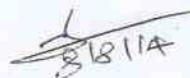
Agenda Item III: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning of Lucknow-Sultanpur section of NH 56 (From Km 11.500 to Km 135.000) in the State of Uttar Pradesh under NHDP Phase IV on BOT (Toll) basis.

Total length: 125.900 km; Total Project Cost: Rs 1276.00 crore; Cost of pre-construction activities to be financed by NHAI: Rs 49.09 crore; Concession Period: 28 years including 2.5 years of construction period.

Land status: Land Available: 303.88 ha. (45%), Land to be acquired: 371.98 ha. (55%), 3(D) Notification published: 353.98 ha. (52%).

Major development works/ structures: Major Bridge - 01; Minor bridge - 07 Nos.; Flyovers/ Grade separator - Nil; ROBs - 01 (At design Chainage Km 43.740); Culverts - 61 nos.; Vehicular Underpasses - 04 Nos.; Pedestrian/Cattle underpass - 06 nos.; Length of Service roads - Nil; By-passes - 04 nos. of 32.450 Km, Jagdishpur Bypass: Km 81.547 to Km 99.797 (18.25 Km), Mushafir Khana Bypass: Km 106.047 to Km 111.747 (5.70 Km), Aliganj Bypass: Km 116.747 to Km 121.847 (5.10 Km.), Shabaganj & Badaunkalan Bypass: Km 130.547 to Km. 133.947 (3.40 Km.); Bus Bays - 21 nos.; Trucks lay byes - 02 nos.; Major Intersections - 14 nos.; Minor Intersections - 120 nos.; Toll plazas - 02 nos. at Km. 50.900 (fee payable for length 69.326 Km) and at Km. 110.300 (fee payable for length 23.950 Km.)

13. Joint Secretary, DEA informed the PPPAC that proposal was earlier approved in 44th PPPAC Meeting held on June 20 for a total project cost (TPC) of Rs 1043 crore for 123.4 Km of design length, Concession Period of 23 years and VGF requirement of 21.5% of TPC. Joint Secretary, DEA asked for the reason behind the failure of the project despite successful bidding and selection of bidder.
14. Member (Projects), NHAI informed the PPPAC that the Project was awarded to M/s Essar-Atlanta JV and the Concession Agreement was signed on March 14, 2012 with concessionaire M/s Lucknow Varanasi Tollways Private Limited. However, due to concessionaire's default in submission of Performance Security

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and achieving Financial Close for the project, the agreement has been terminated. Accordingly, project needs to rebid by updating the TPC and traffic.

15. AS (EA) sought reasons for change in the TPC from Rs.1043.51crore to Rs.1276.00 crore now and whether this is based upon robust data. NHAI stated that this was due to the increase in the road length and BSR 2013-14 costing.
16. Joint Advisor (Planning Commission) has pointed out that a declining trend in the project traffic has been observed based on the traffic surveys conducted in 2010 and 2014. To an enquiry by the Chair on whether the declining trend of traffic is due to the presence of a competing road, the reply was in the negative.
17. Member (Projects), NHAI agreed with the above observations and informed the PPPAC that the impact of traffic on concession period, targeted traffic, project cost etc. have been revised in the current proposal based upon current data.
18. The Chair enquired on the status of land acquisition and other clearances. Member (Projects), NHAI informed that out of total land requirement of 675.86 ha. for the project, 303.88 ha. (45%) of land is available with the Authority and 3(D) Notification has been published for 353. 98 ha. (52%) of land, the total therefore is 97 %. The clearances from Railway on RoBs has been obtained, utility shifting is in progress and 1st stage and 2nd stage of forest clearance obtained.
19. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.
20. **The PPPAC recommended the grant of final approval to the proposal for 4-laning of Lucknow-Sultanpur section of NH 56 (From Km 11.500 to Km 135.000) in the State of Uttar Pradesh under NHDP Phase IV on BOT (Toll) basis, for TPC of Rs. 1276.00 crore with VGF as per the Scheme Guidelines, subject to fulfilment of the following conditions:**
 - 20.1. MoRTH shall issue Request for Proposal (RFP) only after;
Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that *"at least 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 at least 60 percent of the land required for the project"*
 - 20.2. MoRTH shall ensure land acquisition in respect of the project and provide ROW in accordance with the provisions of the Project's Concession Agreement (DCA).

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- 20.3. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 20.4. MoRTH shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- 20.5. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 20.6. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)

Agenda Item IV: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning of Singhara to Binjabahal section of NH 6 from km 310.806 to km 414.982 in the State of Odisha under NHDP – IV on Design Build, Finance, Operate and Transfer (DBFOT) basis

Total length: 104.176 km; Total Project Cost: Rs. 1045 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 46.68 crore; Concession Period: 30 years including 2.5 years of construction period.

Land status: Total land required: 470.992 ha, Land available: 148.100 ha (31.44%), Land to be acquired: 322.892 ha, 3 (A) Published: 322.892 ha (100%), 3 (D) Published: 230.363 ha (48.91%), Land available plus 3 (D) published: 378.463 (80.35%), Reserve Forest land: 96.90 ha (20.57%),

Major development works/ structures: Major Bridge: 4; Fly-overs: Nil; Minor bridge: 13; ROBs: 1; Bypass: 1 (11.67 km); Service/Slip roads: 5.5 km; Major road junctions: 3; Minor road junctions: 26; Toll plazas: 2; Vehicular/pedestrian underpass: 1/Nil; culverts: 247; busbays/shelters: 34, truck lay byes: 10; Rest Area: Nil; Relignments: Nil ;

21. Member, NHAI presented the proposal and stated that 4 laning of Baharagora to Sambhalpur section of NH-6 (total length of 368.20 km) was earlier approved by the PPPAC in its 54th meeting held on 28.09.2012 with TPC of Rs. 2948.64 crore and concession period of 30 years. Accordingly, bids were invited during 2012-13 but no bid was received even after three attempts till April, 2013. Subsequently, MoRTH has desired to restructure the project into small lots of 60 to 100 kms each. Accordingly, project has been restructured into four projects namely (i) Baharagora to Singara (111.606 km), (ii) Singara to Binjabahal (104.176 km), (iii) Binjabahal to Telebani (77.608 km) & (iv) Telebani to Sambhalpur (74.81 km). The proposed project is one of the four restructured projects as indicated at (ii) above.

22. Member, NHAI further informed the PPAC that 148.00 ha comprising 31.44% of the total land is available and Notification under section 3 (D) has been issued for


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230.363 ha (348.91%). Thus, 80.35% land is available. Accordingly project may be eligible for consideration of PPPAC.

23. Joint Secretary, DEA indicated that only one toll plaza has been provided for a length of 104.176 km whereas as per the toll policy, two toll plazas should be provided. Member, NHAI responded that one toll plaza has been provided at km 366.900 to maximise the toll revenue and to make the project more viable. However, this may result the resentment of the public for paying toll for 104 km at one location while using only part length of project highway specifically traffic moving from NH 215 to NH 6 & vice versa. Accordingly, it would be desirable to have two toll plazas as suggested by the DEA. However, this would marginally reduce the viability of the project. The TPC would be modified to Rs. 1045 crore as against 1035 crore earlier proposed. All members were in agreement to have two toll plazas to protect the interest of the users.

24. Joint Advisor, Planning Commission indicated that the traffic density of the project highway is 12,340 PCUs during 2014; hence, 4 laning may not be justified. Member, NHAI responded that the updated traffic of 2014 on the project highway is 16014 PCUs for section I (Tangabila-Suakathi) and 19242 PCUs for section II (Suakathi - Barakote) as against justified traffic of 15,000 PCUs for 4 laning. Hence, 4 laning is justified. This was agreed to.

25. Chair desired to know status of Environment Clearance and forest clearances. CGM, NHAI responded that as per new guidelines issued on 22.08.2013 by MoEF, environment clearance is not required for the project as ROW is restricted to 45m. Further, Forest clearance is required for 96.90 ha comprising 20.57% of the total land required. The forest clearance proposal has been submitted to CCF Odisha and is under progress. The Chair indicated that forest clearances are required for the substantial part which has not been indicated in the proposal submitted to DEA. Non obtaining forest clearance may delay in implementation of the project. Member, NHAI responded that out of 96.9 ha forest land, reserve forest and protected forest consist of 37.70 ha and balance comprise of revenue forest. There is no issue in acquiring revenue forest land. The Chair suggested that a conditional approval may be given that project would not be bid out unless forest clearance is obtained. This was agreed to.

26. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.


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27. The PPPAC recommended the proposal for 4-laning of Singhara to Binjabahal section of NH 6 from km 310.806 to km 414.982 in the State of Odisha under NHDP-IV on BOT (Toll) basis, for TPC of Rs. 1045 crore with VGF as per the Scheme Guidelines, for grant of final approval subject to fulfilment of the following conditions:

- 27.1. MoRTH shall issue Request for Proposal (RFP) only after ;
- 27.1.1. 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"*
- 27.1.2. Obtaining the environment and forest clearances for the project
- 27.2. MoRTH shall incorporate two toll plazas in the DCAs instead of one toll plaza.
- 27.3. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 27.4. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 27.5. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)

Additional Discussions:

28. Joint Secretary, MoRTH informed the PPPAC that no bid was received during 2014-15 in four BOT projects bid out on BOT basis (including the Delhi - Meerut Expressways). Chair asked for reasons for not getting bids to be analysed in consultation with the bidders and a detailed note sent for consideration. Chair suggested that leveraging land along the linear development needs to be considered as in the Yamuna Expressway. There are various options for structuring that can be devised for this on a project-specific basis.

29. Joint secretary, MoRTH further stated that Rs. 500 crore has been provided in the Budget 2014-15 for preparation of DPR of Expressways. He desired to know that how this money can be utilised. The Chair indicated that this amount may be

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utilised for preparation of new DPRs. MoRTH may submit a detailed proposal in this regard.

30. The meeting ended with a vote of thanks to the Chair.

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8/8/14

Ministry of Finance
Department of Economic Affairs

Public Private Partnership Appraisal Committee

66th Meeting on July 31, 2014

List of Participants

- I. Department of Economic Affairs, Ministry of Finance
- i. Dr. Arvind Mayaram, Finance Secretary & Secretary, Economic Affairs
(In Chair)
 - ii. Shri Dinesh Sharma, Additional Secretary
 - iii. Ms. Sharmila Chavaly, Joint Secretary
 - iv. Shri V. Srikanth, Deputy Director (PPP)
- II. Department of Expenditure, Ministry of Finance
- v. Shri Arunish Chawla, Joint Secretary
- III. Planning Commission
- i. Shri Praveen Mahto, Advisor (Infra)
 - ii. Dr. A. Manohar, Joint Advisor
 - iii. Shri Amitabha Ray, Joint Advisor
- IV. Ministry of Road Transport & Highways (MoRTH)
- iv. Shri Rohit K. Singh, Joint Secretary
 - v. Shri Amarendra Kumar, SE (PPP)
- V. Department of Legal Affairs
- vi. Smt Poonam Suri, D.L.A.
- VI. National Highway Authority of India
- vii. Shri B.N.Singh, Member (Projects)
 - viii. Shri M.P.Sharma, Member (Tech)
 - ix. Shri S.C. Jindal, CGM
 - x. Shri Mahabir Singh, CGM (T)
 - xi. Shri Sanjay Saxena, GM
 - xii. Shri V.K.Joshi, DGM

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