

F. No. 2/9/2016-PPP
Ministry of Finance
Department of Economic Affairs
(PPP Cell)


New Delhi, the May 10, 2016

OFFICE MEMORANDUM

Subject: Record of Discussion of the 78th Meeting of the **Public Private Partnership Appraisal Committee (PPPAC)** held on April 25, 2016.

Please find enclosed the Record of Discussion of the 78th PPPAC held on April 25, 2016 **under the Chairmanship of Secretary (Economic Affairs).**

Encls: As above.


10/05/2016
(RAJESH GUPTA)
Section Officer (PPP)
Phone No: 2309 5150

1. **Secretary, Department of 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. Sr. PPS to Additional Secretary (Investment),
3. PS to JS (Infra), 4. PS to Director (PPP), PS to Director (Infra.).

F.No. 2/9/2016-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell

Public Private Partnership Appraisal Committee

78th Meeting held on April 25, 2016

Record of Discussion

The 78th meeting of Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on April 25, 2016. The list of participants is annexed.

It was noted that the PPPAC would consider a proposal in the road sector from Ministry of Road Transport and Highways (MoRTH) for grant of final approval.

Agenda Item 1: Proposal from Ministry of Road Transport and Highways for grant of final approval: 4-Laning of Phagwara - Rupnagar Section of NH-344A from Km 0.00 (Design Chainage) to Km 80.820 (Design Chainage) in the State of Punjab on Hybrid Annuity Mode.

Total length: 80.820 km, Estimated Project Cost: Rs 1,169.61 Crore, Cost of Pre-construction Activities to be financed by NHAI: Rs 274.81 Crore, Civil Construction Cost: Rs 1,056.96 Crore, Concession Period: 2.5 years of construction period plus 15 years operation period.

Bidding Parameter: NPV of Bid Project Cost and O & M Cost

Land Status: Total land required: 364 ha, Existing land: 284 ha (78.02%), Balance land to be acquired: 80 Ha, 3 (A) Completed: 46.50 Ha, 3 (D): In progress, 3 (G): NIL.

Status of Clearances:Environment clearance is not required;Demand note for cutting of trees and Demand note for estimates for shifting of utilities (electric & water supply pipes) is under process.

Major Development Work / Structures:Bypass at km 32.760 (existing chainage): Length 10 km; Six Lane Flyover: 3 No.s, Three Lane Flyover 1 No., Elevated Road Four Lane 1 No.,Major Bridge (4 lane):1 + 1; Minor Bridges: New / Reconstruction (4 lane): 5 No.s(6 lane): 17 No.s;Rehabilitation: 15 No.s; VUP (6 lane): 1 No.;PUP (6 lane): 1 No.;Culverts:Pipe: 41 No.s,Box: 50 No.s;ROB: 1 No.s;Major Junctions: 7 No.s;Minor Junctions: 102 No.s; Toll Plazas: 2 No.s (at km 15.800 and km 70.500); Truck Lay byes: 2 No.s;Bus Shelters: 25 No.s;Realignment: 2 locations;Length of service road: 39.341 km.

2. Joint Secretary, DEA informed the PPPAC that the proposal from Ministry of Road Transport and Highways is for 4-Laning of Phagwara - Rupnagar(Ropar) Section of NH-344A, in the state of Punjab. Presently the project highway is 2-lane with paved shoulder (64.820 km) & four lane (15.800 km). The project proposal is for 4-laning of the road section which will serve as a high speed link between NH-21 and NH-1. The Project will be under NH (O) Scheme.

3. Member, NHA I presented the proposal and informed the PPPAC that the project road has been recently declared as NH-344A. For meeting the traffic demand and as per importance of road link it is proposed to widen and improve the existing Phagwara-Ropar(Rupnagar) section. Four laning of entire project length, i.e., 80.820 km would be undertaken as eccentric & concentric widening along with provision of service road, bypass and alignment to avoid congested stretches.The project road starts from km 17+685 of SH-18, the junction with NH-1 and after traversing a length of about 80.7 km, the project road ends near km 6/600 of SH-24, i.e. just before start of Rupnagar bypass.

4. The Chair asked for the status of availability of land for the Project and in terms of laid down criteria in the Draft Concession Agreement (DCA). Joint Secretary, MoRTH stated that 78% of the required land area (which is 80.50% of the project length) is already available. PPPAC was also apprised that this is in compliance with Clause 10.3.2 of the DCA, that the Authority should be in possession of at least 80% of the

project length prior to the appointed date. Member, NHAI stated that balance land to be acquired is 80 Ha of which 3 (A) has been completed for 46.50 Ha. Joint Secretary added that the land to be acquired is Government land. He confirmed that the available land satisfies the criteria in the DCA.

5. Director (PPP) pointed out that as per the clause 23.6.3 of the DCA, Annuity payments during O & M Period are progressively increasing for each Annuity, however, while seeking approval of MCA, MoRTH had stated that the annuity payment has been aligned with typical revenue profile for highway projects as suggested by DEA and also recommended by CoS. Director (PPP) requested the supporting details confirming the alignment of annuity payment with expected revenue profile for the Project. This was agreed to.

(Action: MoRTH/ NHAI)

6. Director (PPP) stated that while the payout from the Authority is based on Estimated Bid Project Cost, clarity was required on whether it would be fully expended by the Concessionaire. JS, MoRTH confirmed that the Bid process which was open market competition, itself ensures this.

7. Advisor, NITI Aayog noted that as per the extant policy of MoRTH for mode of delivery, if the VGF requirement of the project exceeds 20%, then the project is to be undertaken on Hybrid Annuity mode. Supporting calculations of VGF requirement exceeding 20% benchmark for the instant Project may be provided. Member, NHAI stated that the estimated VGF for the Project is 24% and stated that the corresponding calculations would be provided to the members of the PPPAC.

(Action: MoRTH/ NHAI)

8. The PPPAC recommended the proposal of MoRTH for 4-Laning of Phagwara - Rupnagar Section of NH-344A from Km 0.00 (Design Chainage) to Km 80.820 (Design Chainage) in the State of Punjab on Hybrid Annuity Mode under NH (O) on Hybrid Annuity Mode for Estimated Project Cost of Rs 1,169.61 Crore for grant of final approval subject to fulfilment of the following conditions:

MoRTH shall issue request for Proposal (RfP) only after:

- 8.1 Obtaining the environment and forest clearance (stage-I) for the project.
- 8.2 MoRTH shall incorporate the observations of NITI Aayog and DEA with respect to the project DCA, as agreed to by MoRTH in their responses.
- 8.3 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.
- 8.4 MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 8.5 MoRTH shall circulate the revised documents and calculations as noted above to the members of the PPPAC for record.

Ministry of Finance
Department of Economic Affairs
Public Private Partnership Appraisal Committee
78th Meeting on April 25, 2016

List of Participants

I. Department of Economic Affairs, Ministry of Finance

- i. Shri Shaktikanta Das, Secretary
- ii. Shri Ajay Tyagi, Additional Secretary ,Investment
- iii. Ms. Sharmila Chavaly, Joint Secretary ,Infrastructure
- iv. Ms. Abhilasha Mahapatra, Director (PPP)
- v. Shri Mrutyunjay Behera, Director(Infra)
- vi. Ms. Seema Jain, Deputy Director(PPP)

II. Department of Expenditure, Ministry of Finance

- vii. Shri Rajiv Wadhawan, Joint Director (PF.II)

III. NITI AAYOG

- viii. CH.P. Sarathi Reddy, Director

IV. Ministry of Road Transport & Highways (MoRTH)

- ix. Rohit K. Singh, Joint Secretary
- x. Rajneesh Kapoor, SE (PPP)

V. National Highway Authority of India

- xi. Niraj Verma, Member (PPP)
- xii. B.S. Singla, Chief General Manager (Technical)
- xiii. Rajeev Yadav, General Manager (P&H)