

F. No. 1/5/2024-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Infrastructure Support & Development Division
Private Investment Unit (PIU)

5th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated 15 March 2024

Office Memorandum

Record of Discussion of the 18th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andhra Pradesh Metro Rail Corporation Limited, Government of Andhra Pradesh for Development of Light Metro Rail System in Visakhapatnam on PPP mode – Reg.

The undersigned is directed to forward Record of Discussion of the 18th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andhra Pradesh Metro Rail Corporation Limited, Government of Andhra Pradesh for development of Light Metro Rail System in Visakhapatnam on PPP mode, held on 29th February 2024 for information and necessary action.

2. This issues with the approval of Competent Authority.

Anmol Waraich
(Anmol Waraich)
Assistant Director

To,

- i.
- i. Shri. Partha Sarathi Reddy, Adviser, NITI Aayog
 - ii. Sri. UJM Rao, MD, APMRCL
 - iii. Sr. PPS to JS (ISD)

Copy for information:
The Chief Secretary, Andhra Pradesh

Record of Discussion of the 18th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the

proposal of Andhra Pradesh Metro Rail Corporation Limited, Government of Andhra Pradesh for Development of Light Metro Rail System in Visakhapatnam on PPP mode.

The 18th Meeting of the Approval Committee (AC) chaired by the Joint Secretary, ISD Division, Department of Economic Affairs (DEA) was held on 29th February 2024 at 1100 hours to consider the proposal of Andhra Pradesh Metro Rail Corporation Limited for Development of Light Metro Rail System in Visakhapatnam on PPP mode. List of participants (attendees) is placed at **Annexure – I**.

2. Project Overview:

A brief overview of the project is provided below:

Project Name	Development of Light Metro Rail System in Visakhapatnam on PPP mode
Purpose of Assistance	PPP Transaction Advisory (TA) Costs
Sector	Transport and Logistics (Urban Public Transport)
Project Sponsoring Authority	Andhra Pradesh Metro Rail Corporation Limited, Govt of Andhra Pradesh
Location	Visakhapatnam, Andhra Pradesh
PPP Mode Envisaged	Design Build Finance Operate and Transfer DBFOT
Proposed Estimated TA Costs	Rs. 3.304 Cr. inclusive of taxes ¹
Payment Milestone Proposed	As per IIPDF Scheme
IIPDF contribution sought (%)	100%
Current Status	TA is yet to be onboarded

- On behalf of the Chair, Director (PIU) welcomed the attendees to the 18th Meeting of the Approval Committee and informed that the project proposal has been received from Andhra Pradesh Metro Rail Corporation Limited, Government of Andhra Pradesh, seeking funding to the tune of Rs. 3.304 Cr inclusive of GST, for development of Light Metro Rail System in Visakhapatnam on PPP mode. Director (PIU) further informed that the proposal has been duly circulated to all members of the Appraisal Committee (AC) and with the permission of the Chair, APMRCL was invited to make a presentation on the proposal.
- APMRCL stated that the State Government of Andhra Pradesh has taken a significant stride in urban transportation by incorporating the Andhra Pradesh Metro Rail Corporation Ltd. The top-priority Visakhapatnam Light Metro Rail Project, spanning 76.9 km with 54 stations across 4 corridors, is set to be swiftly established. In alignment with the Government of India's recommendation, the project will be undertaken on PPP model with VGF support. The approved DPR of the project, reflects an estimated project cost of Rs.14,309 crores with driverless operations, CBTC signalling system, 3rd Rail Power supply and connectivity to the international airport. This initiative marks a pivotal step towards modern, efficient, and sustainable urban public

¹ This is the proposed amount without including the cost of rolling, electrical and signalling experts.

transportation in the state. The strategic placement of stations underscores the urban mobility commitment to accessibility, efficiency, and cost-effectiveness, marking a milestone in the state's urban public transportation evolution.

5. After the presentation, the following points were discussed with the permission of the Chair:
 - i. The Chair highlighted that a lot of work has already been done by the Authority inter alia financial feasibility and project structuring. Hence, it was recommended that the work already done by the PSA be mentioned upfront in the tender documents so that TA makes an appropriate cost estimation and duplication of work is avoided.
 - ii. NITI Aayog highlighted that technical (including signalling and CBTC expertise) and legal experts should have sufficient competency in this sector (Light rail Transit), to ensure success of the project.
 - iii. Regarding additional qualification criteria of the applicant having a minimum average annual turnover from advisory / consultancy services of Rs. 30 crores (Rs. Thirty crore) during the 3 (three) financial years preceding the PDD, DEA informed that the empanelment of TAs has been undertaken considering Rs.50 Cr as the benchmark criteria and hence, there is no requirement of this lower criteria as it is redundant. Further, the other additional eligibility criteria may be considered basis the availability of bidder universe to fulfil such conditionalities.
 - iv. DEA stated that APMRCL's payment milestones are in deviation from the milestones applicable under IIPDF scheme guidelines. It was further informed that DEA will reimburse PSA as per IIPDF payment milestones.
6. APMRCL tendered the following responses:
 - i. Work already completed would be mentioned in the RFP upfront.
 - ii. As recommended by the committee, the scope of work and qualifications of experts is revisited and the rolling, electrical and signalling experts shall be included in the requirements of the TA team and also the qualifications of the technical and legal experts would be clearly defined in the RFP. This may enhance the TA cost and therefore, it is requested that TA support under the IIPDF Scheme be revised to Rs. 5 Cr. The actual TA cost will be made competitive through market bids.
 - iii. The additional qualification criteria would be revisited to make them more appropriate to the project.
 - iv. Payment milestones under the IIPDF Scheme would be followed.
7. In light of the above, AC unanimously decided to approve funding for hiring of TA for undertaking development of Light Metro Rail System in Visakhapatnam on PPP mode, subject to following:
 - i. Funding for TA expenses under the IIPDF Scheme is approved up to Rs.5 Cr inclusive of taxes.
 - ii. Actual disbursement under the IIPDF Scheme shall be upto maximum of funding approved or actual cost quoted by the TA, whichever is less, subject to accomplishment of milestones and fulfilment of other conditions under the IIPDF Scheme.
 - iii. Qualifications of technical and legal experts would be clearly defined in the RFP.
 - iv. Additional qualifications criteria to be considered basis the availability of appropriate bidder universe.

- v. The payment milestones specified under the IIPDF Scheme will be followed.
 - vi. Work already undertaken by the APMRCL would be mentioned in the RFP upfront.
 - vii. All conditions of the IIPDF Scheme shall be complied to by APMRCL and the Government of Andhra Pradesh.
8. The meeting ended with vote of thanks to the Chair.

Annexure – I

List of attendees of the 18th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andhra Pradesh Metro Rail Corporation Limited (APMRCL), Government of Andhra Pradesh, for hiring Transaction Advisor (TA) for undertaking development of Light Metro Rail System in Visakhapatnam on PPP mode, held on 29th February 2024.

1. Department of Economic Affairs, Ministry of Finance

1. Shri Baldeo Purushartha, JS(ISD) – in Chair
2. Ms. Bhumika Verma, Director
3. Ms. Arya Balan Kumari, Joint Director
4. Dr. Kartik Agrawal, DD
5. Shri Dhruv Rohatgi, OSD
6. Ms. Anmol Waraich, AD

NITI Aayog

1. Shri Partha Sarathi Reddy, Adviser (PPP)

Andhra Pradesh Metro Rail Corporation Limited (APMRCL), Government of Andhra Pradesh

1. Sri. UJM Rao, MD, APMRCL
2. KSN RAJU, AGM. Corporate Affairs
3. B. Bhargav, Engineering specialist