

**F.No.2A/1/2014-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
PPP Cell**

New Delhi, the March 18th, 2014.

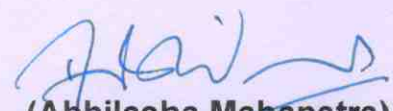
OFFICE MEMORANDUM

Subject: Record of Discussion (RoD) of the 63rd Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on 27.02.2014, North Block.

Reference is invited to the 63rd meeting of the Public Private Partnership Appraisal Committee (PPPAC), held under the Chairmanship of Secretary (Economic Affairs) on 27.02.2014 in North Block, New Delhi. Please find enclosed the Record of Discussion (RoD) of the said meeting.

2. **Due to the Model Code of Conduct, the Election Commission has directed that no publicity shall be made and no new project/work shall be started till the completion of elections.**

Encl:a/a


**(Abhilasha Mahapatra)
Deputy Secretary (PPP)**

1. Secretary, Department of Expenditure, North Block, New Delhi.
2. Secretary, Planning Commission, Yojana Bhawan, New Delhi.
3. Secretary, Ministry of Road Transport and Highways, Transport Bhawan, New Delhi.
4. Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
5. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi.
6. Secretary, Ministry of Environment and Forest, Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi.

Copy to:

1. PSO to Secretary (Economic Affairs).
2. Sr.PS to JS (Infra), DEA.

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Public Private Partnership Appraisal Committee

63rd Meeting on February 27, 2014

Record Note of Discussion

The 63rd meeting of the Public-Private-Partnership-Appraisal-Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on February 27, 2014. The list of participants is **annexed**.

2. The Chairman welcomed the participants and noted that the PPPAC would consider one proposal in the port sector from Ministry of Shipping and six proposals in the road sector from Ministry of Road Transport & Highways (MoRTH) for grant of final approval.

Agenda I: Proposal from Ministry of Shipping (MoS) for grant of final approval: Development of additional liquid bulk terminal at Jawaharlal Nehru Port (JNPT)

Total berth length: to be indicated ; Total Project Cost: Rs. 2496 crore; Cost of pre-construction activities to be financed by JNPT: - Yet to be provided; Concession Period: 30 years including 3 years of total construction period and project implementation is proposed in two phases, Phase-I to be completed within 36 months and Phase-II to be completed in 24 months.

Major development works/ structures: Proposed capacity is to handle 26.6 MTPA, Phase I- Construct berths 1 to 4 to accommodate vessels size upto 180,000 DWT, with capacity 15 MTPA, min. depth(-) 16.5m, construct breasting & mooring dolphins, service platforms for all 4 berths to accommodated vessels with min. Size 20,000 DWT, approach trestle of 7.2 km with 15m connecting the jetty & landfall point at the back up area, storage yard on area of 73 ha., (used for phase II as well); Phase II- Construct berths 5&6, to accommodate vessels size upto 180,000 DWT, min. depth (-) 16.5m, construct breasting & mooring dolphins, service platforms for all 4 berths to accommodated vessels with min. Size 20,000 DWT; Capital and maintenance dredging work and Cargo handling facilities including laying of pipelines from T-point

[Handwritten signature]

3. Chairman, JNPT presented the proposal. In response to a query raised by the Chair apropos the under designing of projects in comparison with traffic estimates, it was informed that with regard to the instant project, the project was conceived in two phases in order to cater to the growing design, traffic and other needs of the port. As initial traffic was perceived to require 4 berths, the same has been provided for in Phase I and for Phase II two more berths have been envisaged. Project's proposed overall capacity for both phases is 26.6MTPA¹, Phase I envisages 15 MTPA capacity with the balance to be catered in Phase II which envisages construction of two additional berths to accommodate 1,80,000 DWT liquid bulk carriers and breasting dolphins, mooring dolphins etc. The port authorities also stated that Phase-I is to be completed within three years from the Date of Award of Concession. Phase-II would commence as soon as the annual traffic at Phase I reaches 12 MTPA or 8 years from Date of Commissioning of Phase I, whichever is later and that Phase II is to be completed within two years from the date of commencement of construction.

4. Joint Secretary, DEA sought information with regard to the Master Plan and overall vision of the Port Trust in developing the Port facilities and the response to the bidding. Chairman, JNPT informed the PPPAC that in comparison with the DPR estimates, the present cargo handled at the Port is near the base case scenario only, which is 5.83 MPTA. Thus, projections for the facilities take into account this modified scenario and thereby phased planning has been proposed for the instant project along with development of other facilities. As regards, the bidding process, Chairman, JNPT stated that it was informed that during the RFQ stage, seven applications have been received, for which process of shortlisting is underway. **The Chair directed MoS/JNPT to ensure that the written responses to the appraisal notes of the members of PPPAC are submitted for the record of the PPPAC.**

(Action: MoS/JNPT)

5. Joint Advisor, Planning Commission (PC) sought information on the status of environmental and other clearances. Chairman, JNPT responded that environmental clearances have been obtained upto July 2018 JNPT has applied for obtaining security clearances from the Government for the applicants and the same is awaited.

6. Joint Secretary, DEA inquired whether ONGC is agreeable to undertake the responsibility of laying pipeline, and, whether the same shall be synchronised with the Projects implementation schedule. Chairman, JNPT responded that ONGC has agreed to undertake this responsibility dovetailed with the requirements for the

¹ MTPA=Million Tonnes per annum, DWT= Dead weight tonnage,

instant project. The Chair indicated that this reaffirmation on agreement by ONGC may be submitted in writing to the members of PPPAC with the implementation timelines. Chairman, JNPT added that ONGC is already catering to meet 2.5 MTPA traffic demand. On the evacuation of cargo by rail and/or road, the PPPAC was informed that the project is to be benefited by the Dedicated Freight Corridor (DFC) likely to be developed by the year 2017. Railway sidings already exists at JNPT and connectivity by rail up to the Port boundary for cargo evacuation is already a part of scope of work of another Concessionaire under the project titled 4th Container terminal. This proposal has been considered and approved by the PPPAC earlier. Road development works are already being carried out by a SPV² created in-between the NHAI and CIDCO, in particular for upgrading the 3 NH stretches that cater to the Port activities.

(Action: MoS/JNPT)

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

8. The PPPAC recommended grant of final approval to the project having estimated project cost (EPC) of Rs. 2496 crore, for award on highest 'Royalty' basis, subject to fulfilment of the following conditions:

- a. MoS/Jawaharlal Nehru Port Trust (JNPT) shall incorporate all the observations of Planning Commission and DEA with respect to corrections in the project's documents including Schedules of the DCAs as agreed to by MoS/JNPT in their responses.
- b. MoS/JNPT shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- c. MoS/JNPT shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- d. MoS/JNPT shall circulate the revised documents to the members of PPPAC for record.

(Action: MoS/JNPT)

² SPV= Special Purpose Vehicle, NHAI=National Highway Authority of India, CIDCO= City and Industrial Development Corporation of Maharashtra



Agenda Item II: Proposal from Ministry of Road, Transport and Highways (MoRTH) for grant of final approval: Four laning of Sultanpur-Varanasi Section of NH-56 from km 134.700 to km 271.30 in the State of Uttar Pradesh under NHDP - IV on DBFOT (Toll) basis.

Total length: 146.225 km; Total Project Cost: Rs. 1778 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 197.83 crore; Concession Period: 20 years including 2.5 years of construction period.

Land status: Total land required: 883.0499 ha, Land available: 251.3699 ha (28.46%), Land to be acquired: 631.68 ha, 3 (D) Published: 579.9324 ha (91.80% of land to be aquired).

Major development works/ structures: Major Bridge: 1; Minor bridges: 10; Flyover: 3; Bypass: 12 of 82.13 km, ROB: 4; Major road junctions: 31; Service roads: 1.84 km (5.5 m width) & 20.90 km (3.75 m) & 19.74 km (5.5 m); Realignment: 2.165 km, Toll plazas: 2 (km 173.45, & km 232.10); Vehicular underpasses: 4; Pedestrian&Cattle underpasses: 20; Culverts: 265; Truck laybys: 3; Bus-bays: 50; Culverts: 265; Realignments: 2.165 km

9. Joint Secretary, DEA stated that the instant project has already been considered by the PPPAC earlier in its 50th and 56th meetings when, and due to inadequate land acquisition (LA), the PPPAC had directed that the project be placed for consideration when compliance on LA was achieved. In the present instance, MoRTH has indicated conformity with the LA required as directed by the PPPAC, hence, the project is now presented for consideration by the members of PPPAC.

10. Joint Adviser, PC sought clarification on the increase of cost by around Rs. 411 crore in the proposal and on the reduction of length in the project by around 8 kms. It was stated that while the project length has reduced, the overall land required for the project has increased from 780 hectares to 883 ha and the cost has increased by around 38% in comparison from the earlier proposal. Member (PPP), NHAI in response to the above two queries, explained that with respect to the earlier proposal, the land estimated was not on actual basis but made when land was still under acquisition process. It was informed that for present proposal 3D has been published for around 92% of the required land and for Right of Way (Row) of 60m. Accordingly, based on the land acquired and the actual road alignments specifically on the bypasses, the project length has reduced. Apropos cost figures for the earlier proposal, these were based on estimates for the year 2010. Present estimates are for the year 2013 and take into account the inflation impacts on various components of costs over the 3 years and hence the upward revision in the TPC. It was reiterated that other than these aforementioned changes, project's scope of work remains unchanged when the last proposal was approved by the PPPAC earlier. **The Chair directed MoRTH/NHAI to submit a written response to the appraisal notes of the members of PPPAC, especially with regard to changes in scope of work since the last consideration by PPPAC, alongwith the justification on the same.**

(Action: MoRTH/NHAI)

