

F.No.1/4/2025-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

STC Building, Janpath, New Delhi
Dated: 4th August 2025

Record of Discussion

Subject: Record of Discussion of the 131st meeting of the PPPAC for considering the proposal for the “Development of Integrated Multi Modal Logistic Hub at Nangal Chaudhary in Haryana” on PPP mode.

Reference: 131st meeting held on 28th July 2025.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 131st meeting of the PPPAC held on 28th July 2025, under the Chairmanship of the Secretary (Economic Affairs), for information and necessary action.

2. This issues with the approval of the Competent Authority.


Rahul Singh
(Director)

To,

1. Secretary, Department of Expenditure, North Block, New Delhi
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi
3. Secretary, Department for Promotion of Industry and Internal Trade, Vanaja Bhawan, New Delhi
4. Secretary, Ministry of Road, Transport and Highways, Transport Bhawan, New Delhi
5. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi
6. CEO, National Industrial Corridor Development Corporation Limited, Jeevan Bharti Building, 8th Floor, Tower 1, LIC, Connaught Place, New Delhi

Copy to:

1. Sr. PPS to Secretary (EA)
2. Sr. PPS to JS (ISD)

Subject: Record of Discussion of the 131st meeting of the PPPAC for considering the Development of Integrated Multi Modal Logistic Hub (IMLH) Project at Nangal Chaudhary in Haryana under PPP mode on DBFOT model

1. The 131st meeting of the PPPAC was held on 28th July 2025 at 17:00 Hours to consider the above-mentioned project.
2. List of attendees is placed at **Annexure I**.
3. Joint Secretary (JS) (ISD) welcomed the attendees to the meeting and informed that as the project proposal does not have the RfQ stage and follow a single stage, two envelope bidding process, the PPPAC may consider the proposal for 'In-Principle' and 'Final Approval' simultaneously. With the permission of the Chair, JS (ISD) requested the Chief Executive Officer (CEO), National Industrial Corridor Development Corporation (NICDC), to make a presentation to the PPPAC. The CEO (NICDC) made a detailed presentation on the Development of IMLH, Nangal Choudhary project proposal submitted to the PPPAC.
4. The basic details of the project are given in the table below:

Table 1: Details of the project

Project Description	Development of Greenfield Integrated Multi Modal Logistics Hub on Design, Build, Finance, Operate and Transfer basis at Nangal Choudhary, Haryana
PPP Model	Design Build Finance Operate Transfer
Sponsoring Authority	Department for Promotion of Industry and Internal Trade
Implementing Agency	NICDC Haryana Multi Modal Logistic Hub Project Ltd.
Location	Nangal Chaudhary, Haryana
Project Components and Capacity	<p>The proposed IMLH, Nangal Choudhary, is spread over an area of 408 acres.</p> <p>The proposed development is characterized as a freight handling facility comprising of world-class facilities such as mechanized warehouses, specialized storage solutions and mechanized handling & intermodal transfer of container/bulk/break-bulk cargo.</p> <p>The IMLH is also expected to additionally provide value-added services such as cross-docking, customization, stacking and labelling.</p> <p>The Capacity of major components is as follows:</p> <ul style="list-style-type: none"> • Containerized: 1.96 million TEUs (in II phases) • Warehousing: 0.20 million square feet (in II phases)

	<ul style="list-style-type: none"> • Cold Storage: 0.07 million square feet 		
Concession Period	<p>45 years (Including 2 years of construction period for Phase-I and 43 years of O&M). The project will be executed in 3 phases.</p> <ul style="list-style-type: none"> • Phase I: 2 years from Appointed Date. • Phase II: 10th year after COD or 80% of Phase I capacity, whichever is earlier. 		
Total Project Cost	INR 765 crore		
Estimated Capital Cost with Break-up under major heads of expenditure	S. N	Major Project Components	Concessionaire Cost (INR in crore)
	1	Land development	51
	2	Roads and Signage and Utility Buildings	251
	3	Equipment costs, warehouse and commercial area	157
	4	Other Capex items	86
	5	Other costs including general consultancy, project management services, quality control, construction safety, contingency, IDC and equipment replacement costs	220
	Total cost for the MMLH Project		765
Revenue Streams of the Project	<ul style="list-style-type: none"> • Domestic Cargo • EXIM Cargo • Warehousing • Cold Storage • Leasing of Commercial Space 		
Source of Financing	<ul style="list-style-type: none"> • Funding towards construction costs is to be done by Concessionaire, except for land acquisition (for the entire land area), land levelling for rail yard, external connectivity, boundary wall & power connectivity to the project boundary. The Concessionaire will meet the expenses of the Project in the debt-equity ratio of 70:30. • Funding towards the above aspects, such as land acquisition (for the entire land area), land levelling for rail yard, external connectivity, boundary wall & power connectivity to the project boundary to be borne by the SPV-IMLH. 		

Land Acquisition Status	100% Land Acquisition completed.
Financial Viability	Project IRR: 16% Equity IRR: 19% Project NPV: INR 539.4 crore
Bidding parameter	Highest Minimum Guaranteed Revenue Share (in INR) (on XNPV basis adjusted on the Appointed Date)
Bidding process	Single stage Two Envelop Bid

5. The proposed IMLH at Nangal Choudhary, Haryana, is strategically located near the Haryana-Rajasthan border and is designed to serve as a world-class logistics facility. The site lies along the Western Dedicated Freight Corridor (WDFC), offering direct access to high-capacity rail freight movement. In addition to its rail connectivity, the site is well-connected to National Highways, State Highways, and is in proximity to regional airports, ensuring seamless multimodal transport integration. The facility is expected to enhance operational efficiency for existing industries, attract new investments, and facilitate efficient storage, transition, and movement of goods. The proposed IMLH will provide comprehensive logistics services, including container storage, aggregation, import/export handling, and value-added services such as banking, insurance, and light assembly operations. The proposed project shall be implemented on a Design Build Finance Operate Transfer (DBFOT) basis. The site proposed for the IMLH spans an area of 408 acres. The land has already been acquired and is free from any litigation. It will be made available to the concessionaire on a license basis. The concession period is 45 years, which includes a construction period of 2 years for Phase I.
6. Under this logistics facility, the concessionaire will develop, operate, maintain, and manage the entire logistics hub, including the commercial area and ancillary facilities. Beyond standard container handling, the hub will offer value-added services. The Total Project Cost (TPC) is estimated at INR 765 crore, with the bidding parameter being the Highest Minimum Guaranteed Revenue Share.
7. After the presentation, the Chair asked the PPPAC members for their observations. Ministry of Road Transport & Highways (MoRTH) supported the proposal and stated that they have no further comments to offer.
8. Department of Legal Affairs supported the proposal and sought clarification on the status of the proposed site.
9. Director, Department of Expenditure (DoE) raised the following observations:
 - a) NICDC Haryana Multi Modal Logistic Hub Project Ltd (SPV) is developing both rail and road connectivity. Whether these works will be carried out at once or in line with the Concessionaire's phase-wise development of the IMLH?

10. PD, NITI Aayog raised the following observations:

- a) The road and rail connectivity are intrinsic to the project proposal. However, they are not part of the Condition Precedent. Furthermore, whether these connectivity components will be extended to support potential future development on the land parcel adjacent to the proposed IMLH?
- b) Schedule B (i.e. scope of work) and Schedule D (specifications and standards) of the Draft Concession Agreement (DCA) are broadly defined, which need to be properly defined to save the project from potential gold plating and disputes between the Authority and the Concessionaire.
- c) Out of the estimated TPC of INR 765 crores, only INR 157 crores is for core developments such as equipment, warehouse and commercial area. It may be clarified whether this proposed expenditure on the core development commensurate with the planned storage facilities in the IMLH?
- d) MoRTH is currently reviewing the Model Concession Agreement (MCA) for the Multi Model Logistics Park (MMLP). It is recommended that the relevant changes be incorporated into the bidding documents prior to their issuance.

11. JS (ISD) raised the following observations:

- a) As per the current proposal, Phase II of the project appears to be mandatory even if there is no demand for capacity augmentation. It may be clarified whether this is a prudent condition as it could result in capital expenditure without commensurate demand.
- b) The per sqm cost considered for the Admin and Custom building is more than the CPWD rates 2024. This has led to an inflated capital cost of ~ INR 70 crore. The same may be revisited.
- c) The financial model has not considered escalation on the CAPEX during the pre-construction period (i.e. from the base year to the beginning of the construction). It is recommended to consider the same.
- d) The design life of the assets considered in the financial model is not in line with the Income Tax (IT) guidelines. The financial model assumes a design life of 50 years for both roads and civil/building structures. However, as per IT guidelines, the design life should be 20 years for roads and 60 years for civil/buildings, which was followed in the case of Dadri MMLH. The same may be revisited.
- e) Debt and interest of Phase II development have not been considered in the DSCR calculation. The same may be revisited.

- f) Generally, the financial model considers 2 years (i.e. till COD) moratorium period for Debt repayment, as was done in the case of MMLH Dadri also. However, the financial model has considered a moratorium period for 4 years (i.e. additional 2 years from the COD). The same may be revisited.
- g) The Phase-wise capacity development is not clearly outlined in Schedules A (site of the project) and Schedule G (project milestones). It is recommended to clearly outline the same.
- h) In the need assessment report, the Authority has indicated a feeder line connecting the Eastern Dedicated Freight Corridor to the WDFC. It is requested to provide the current status of the same.

12. The Chair made the following observations:

- a) How is the connectivity of the proposed IMLH?
- b) What are the unique features and strategic advantages of the proposed IMLH?
- c) What is the status of land acquisition for Phase II development? Will the land be fully handed over to the Concessionaire at the Appointed Date, or will it be transferred only upon reaching the required threshold?
- d) The Authority has indicated that the Concessionaire will be granted the Right of First Refusal in the event of future development on the adjacent land parcel. The Right of First Refusal may potentially discourage prospective bidders for future development and could also prevent the Authority from fully discovering the market value of the asset. Therefore, this mechanism requires reconsideration.

13. CEO (NICDC) submitted the following to the queries raised by the PPPAC Members: -

- a) **Land Acquisition status:** NICDC Haryana Multi Modal Logistic Hub Project Ltd (SPV) has acquired a total of 886.78 acres of land, out of which 408 acres litigation-free land is allocated for the proposed IMLH, covering both phases of development. This 408-acre parcel will be handed over to the Concessionaire at the time of the Appointed Date.
- b) **Rail and Road connectivity:** NICDC Haryana Multi Modal Logistic Hub Project Ltd (SPV) is undertaking the development of rail and road connectivity for the proposed IMLH. Both components are being developed in a single phase, and the work is nearing completion. In light of this, the rail and road connectivity may be included as part of the Conditions Precedent for the proposed IMLH. Furthermore, the said connectivity is solely for the proposed IMLH and separate external connectivity will be developed to support any future development on the adjacent land parcel, in line with the approved master plan.

- c) **Schedules of the DCA:** The Authority has taken note of the observations pertaining to Schedules A, B, D, and G of the DCA. These will be revisited, and necessary changes will be incorporated.
- d) **Capital Expenditure on core development:** The proposed capital expenditure on core development is commensurate with the planned storage facilities within the IMLH. Notably, the proposed IMLH accounts for approximately 96% of container storage in open areas, which do not require significant investment in built-up infrastructure such as warehouses or covered storage structures.
- e) **Changes in MCA of MMLP:** Two changes, i.e. Definitions and Third-Party Transactions, have already been incorporated in the DCA in line with the amendments proposed in the MCA for MMLP. Additionally, any further changes will be incorporated into the DCA upon finalisation and approval of the revised MCA.
- f) **Phase II development:** The phase-wise development has been proposed based on the demand analysis and market sounding exercise, and follows the approach adopted in the MCA of MMLP and Dadri MMLH. Based on the market outreach for the project, the Authority and the market both are in agreement on the proposed capacity of the project. However, as the MCA for MMLP is currently under revision, any modifications related to phase-wise development will be appropriately incorporated into the DCA for the proposed IMLH.
- g) **Financial Analysis:** The Authority has taken note of the DEA's observations pertaining to the financial analysis. The same will be revisited, and necessary changes will be incorporated.
- h) **Status of Feeder Line:** The Feeder Line is an operational Indian Railway line; however, it is not expected to have any impact on the proposed IMLH.
- i) **Connectivity of proposed IMLH:** The proposed IMLH at Nangal Chaudhary offers strategic advantages through integrated connectivity across major transport modes. It is located in close proximity to the WDFC and approximately 7 kilometers from the New Dabla Railway Station. Additionally, the hub has direct access to key road networks including NH-11, NH-148B, MDR-128, and NH-48, enhancing its regional and national connectivity.
- j) **IMLH unique proposition:** The proposed IMLH at Nangal Chaudhary is located approximately 200 kilometers from the MMLH at Dadri. While MMLH Dadri primarily caters to non-container and bulk cargo, IMLH Nangal Chaudhary is designed to handle approximately 96% containerized cargo. Based on demand assessment, the IMLH offers strategic advantages by serving as a key node for first-mile and last-mile transportation, particularly benefiting Haryana, western Rajasthan, and the surrounding hinterlands.

- k) **Right of First Refusal:** Noted. The same will be suitably taken up internally and updated in the bidding documents.

Recommendations:

14. After detailed deliberations, the PPPAC unanimously recommended the proposal for “Development of Integrated Multi Modal Logistic Hub Project at Nangal Chaudhary in Haryana under PPP mode on DBFOT model” for consideration of the Competent Authority for giving administrative approval. The overall recommendation is subject to the following specific recommendation.
- a) The appraised Total Project Cost is INR 765 crore. The Total Capital Cost, including the Authority cost, is INR 1,142 crore.
 - b) The Authority shall ensure that the necessary changes are incorporated in the DCA and financial analysis before bidding.
 - c) The Authority will ensure to incorporate provisions which discourage gold plating and recognition of incurred TPC at the Commercial Operation Date.
 - d) The Authority will ensure that the eligibility criteria promote wider participation and optimal competition.
15. Revalidation of its recommendation by the PPPAC is not required for the following post recommendation changes in the project costs/bid documents: -
- a) Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period etc.
 - b) Non-substantial change in risk-allocation.
 - c) Any other changes/modifications in the project proposal with the overall objective of making the project successful.
 - d) Further, NICDC may decide whether the changes proposed post recommendations of the project proposal by the PPPAC fall within the threshold criteria as stated above. All such changes falling within the threshold criteria shall be appraised at the level of the CEO (NICDC) / Secretary (DPIIT) as the case may be, without any further need of revalidation by the PPPAC and shall proceed with the approval process accordingly.

List of the participants of the 131st meeting of the PPPAC

a) Department of Economic Affairs, Ministry of Finance

- i. Ms. Anuradha Thakur, Secretary (EA)
- ii. Shri Baldeo Purushartha, JS (ISD)
- iii. Shri Rahul Singh, Director (PIU)
- iv. Shri Rajender Singh, SO (PIU)

b) NITI Aayog

- i. Shri. Partha Reddy, Programme Director

c) Department of Expenditure

- i. Ms. Bhumika Verma, Director

d) Department of Legal Affairs

- i. Shri Hemant Kumar, Deputy Legal Adviser

e) Ministry of Road, Transport and Highways

- i. Shaikh Aminkhan, Director

f) NICDC

- i. Shri Rajat Saini, CEO, NICDC
- ii. Dr. Amit K Agrawal, Commissioner & Secretary, Industries & Commerce Dept., Haryana
- iii. Dr. Yash Garg, MD-HSIIDC
- iv. Shri P K Agarwal, CFO, NICDC
- v. Shri Sanjeet Singh, COO, NICDC
