

**F. No. 2/16/2026-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

**4th Floor, STC Building,
Janpath, New Delhi
21st August, 2026**

Record of Discussion

Subject: Record of Discussion of 150th meeting of the PPPAC for considering three road project proposals by Ministry of Road Transport and Highways (MoRTH) on PPP mode.

Reference: 150th meeting of the PPPAC held on 08.08.2026

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 150th Meeting of the PPPAC held on 08.08.2026 under the Chairmanship of Secretary (EA), for information and necessary action.

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



(Jai Patil)

Deputy Secretary

E-mail ID: jai.patil@gov.in

To,

1. Secretary, Department of Expenditure, North block, New Delhi-01
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi-01
3. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi
4. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi-01

Copy to:

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

Subject: Record of Discussion of the 150th meeting of the PPPAC for considering the following three road project proposals:

- I. Construction of 4/6-Lane Greenfield Ludhiana–Rupnagar National Highway (NH205K), Package-2, including the Ludhiana Bypass, in the State of Punjab under Hybrid Annuity Mode (HAM).**
 - II. Construction of Six-Lane Access Controlled Amaravati Outer Ring Road, including the Chinakakani–Tenali Spur and Guntur–Narakodur Spur, in the State of Andhra Pradesh under Hybrid Annuity Mode (HAM).**
 - III. Six-Laning of the Hyderabad–Vijayawada–Machilipatnam Section of NH-65 in the States of Telangana and Andhra Pradesh.**
1. The 150th meeting of the PPPAC was held on 08.08.2026 at 12.00 hrs to consider the above-mentioned project proposals. List of attendees is placed in **Annexure-I**.
 2. With the permission of Secretary (EA) Joint Secretary (IFS) welcomed all the attendees to the meeting. NHAI officials made detailed presentations on the projects at S. No. I, II and III.

Project 1: Construction of 4/6-Lane Greenfield Ludhiana–Rupnagar National Highway (NH205K), Package-2, including the Ludhiana Bypass, in the State of Punjab under Hybrid Annuity Mode (HAM).

1. The details of the proposal are as given below:

SN	Item	Description
1.	Name of the Project	Construction of 4/6-Lane Greenfield Ludhiana–Rupnagar National Highway (NH205K), Package-2, including the Ludhiana Bypass, in the State of Punjab under Hybrid Annuity Mode (HAM).
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc)	Hybrid Annuity Mode (HAM)
3.	Location (State/ District/ Town)	State: Punjab District: Ludhiana
4.	Administrative Ministry/ Department	Ministry of Road, Transport and Highways, Government of India
5.	Name of Sponsoring Authority	Ministry of Road, Transport and Highways, Government of India
6.	Name of the Implementing Agency	National Highways Authority of India
7.	Details of Structure	The Ludhiana - Rupnagar corridor was identified as Feeder Route under Bharatmala Pariyojana along with Ludhiana

Bypass for decongestion of North-South corridor. The Ludhiana-Rupnagar corridor has been notified as NH-205K vide Gazette Notification S.O. 4363(E) dated 03.12.2020. Its primary objective is to strengthen connectivity from the inner regions of Punjab and Himachal Pradesh to the Delhi-Katra Expressway, thereby improving the efficiency of long-distance traffic movement and freight logistics across northern India. The total length of the Corridor is 128.20 Km & being developed in 3 packages, as under:

Package	Length (Km)	Status
Package-1 (From Km. 0.00 to Km. 37.70)	37.70	Work has been restarted by existing contractor M/s GR Infra Project Pvt. Ltd. And current progress is around 20%
Package-2 (From Km. 37.70 to Km. 66.44 & Ludhiana Bypass for 18.50 Km)	47.24	Concession Agreement terminated in March, 2024 due to non-handing over of land by the State Govt. Now to be re-awarded after obtaining fresh sanction from Competent Authority. (Instant Case)
Package-3 (From Km.66.44 to Km. 90.20 incl. Kharar spur 19.50 Km)	43.26	Under implementation (78% progress); Likely completion by 31.08.2026

The instant proposal pertains to Package-2 (47.24 km), The subject project (Package-2) was earlier approved under Bharatmala Pariyojana and awarded to M/s Ceigall India Limited on 31.12.2021 and Concession Agreement was signed with M/s Ceigall Ludhiana Rupnagar Greenfield Highways Pvt Ltd. on 08.07.2022. However, the Concession Agreement was terminated in March'2024 under Cl. 4.5 of the Concession Agreement as the Authority could not fulfil the Conditions Precedent relating to handing over of land even after 1.5 years from the date of signing of Concession Agreement leading to 'Deemed Termination upon delay'.

The proposed project along with Delhi-Katra Expressway & preceding Ludhiana-Rupnagar Package-1 and succeeding Southern Ludhiana Bypass will complete the ring road around Ludhiana.

To ensure completion of the overall corridor, the instant package is now proposed to be taken up under NH(O). Salient features of the project are detailed below:

S. No.	Project Features	Km. 37.700 to Km.66.440	Bypass Km0.000 to Km.18.500)

		1	Length (km)	28.74 Km	18.5 Km
		2	Pavement Type	Flexible	Flexible
		3	Major Bridge (No.)	0	0
		4	Minor Bridge/Minor Bridge/cum Underpass (No.)	1/5 Nos	0/1 Nos
		5	Interchanges (No.)	2 No. Flyover with at-grade Rotary at Km 54+512, 62+622 Elevated with service road	3 Nos. Single Trumpet at Km 0+455, Double Trumpet at Km 11+183, Double Dumbbell at Km 17+342
		6	ROB (No.)	0	2 Nos.
		7	VUP/LVUP	1/6	0/7
		8	SVUP/Mini Underpass	8 Nos / 20 Nos	06 Nos. 12 Nos
		9	Box Culvert (No.)	111 Nos.	77 Nos.
		10	Service/Slip Road	1.672 Km.	0 Km.
		11	Connecting Road (3.5 m)	2.836 Km.	5.203 Km.
		12	Elevated Viaduct	1 Location 55+600 LHS-1x35+1x50+1x30+11x25+1x30 RHS-1x35+1x50+1x25+ 1x33.65	1 location from 12+302 to 13+344-17x30 and 15x30
		13	Flyovers		1 No.s (1x30x5.5) at Km 8+740
		14	Structure Gas Pipeline	1 No. (1x45+1x21.5+1x45)	0
		15	Wayside amenities	2 Nos. of 2 Ha. Each at Km. 47+810 (RHS & LHS) (Approach Road, Levelling & Boundary wall in scope)	
8.	Estimated Capital Costs with breakup under major heads of expenditure. Also	As per MoRTH circular dated 13.03.2026			

	indicate the basis of cost estimation	<table> <tr> <th>S.N.</th><th>Item</th><th>Amount (Rs. in Cr.)</th></tr> <tr> <td>A1</td><td>Estimated civil construction cost (excl. GST)</td><td>1,241.93</td></tr> <tr> <td>A2</td><td>Cost of overhead utility shifting (tentative)</td><td>49.04</td></tr> <tr> <td>A</td><td>Civil cost incl. utility shifting (A1 + A2)</td><td>1,290.97</td></tr> <tr> <td></td><td>GST @18% on civil construction cost</td><td>223.55</td></tr> <tr> <td>B</td><td>IC & pre-operative cost</td><td>12.91</td></tr> <tr> <td>C</td><td>Financing cost</td><td>4.86</td></tr> <tr> <td>D</td><td>Interest during construction</td><td>47.40</td></tr> <tr> <td>E</td><td>Estimated Project Cost as on bid due date (excl. GST)</td><td>1,356.14</td></tr> <tr> <td>E1</td><td>Estimated Project Cost incl. GST</td><td>1,579.69</td></tr> <tr> <td>F</td><td>Bid Project Cost (excl. GST)</td><td>1,542.56</td></tr> <tr> <td>G</td><td>Contingency</td><td>15.00</td></tr> <tr> <td>H</td><td>Price adjustment during construction</td><td>90.37</td></tr> <tr> <td>I</td><td>Maintenance charges incl. price escalation (nominal)</td><td>203.42</td></tr> <tr> <td>J</td><td>NPV of maintenance charges</td><td>83.39</td></tr> <tr> <td>K</td><td>Interest on annuity (nominal)</td><td>678.07</td></tr> <tr> <td>L</td><td>NPV of interest on annuity</td><td>269.13</td></tr> <tr> <td>M</td><td>Supervision charges</td><td>13.56</td></tr> <tr> <td>N</td><td>Agency charges</td><td>0.00</td></tr> <tr> <td>O</td><td>GST @18%</td><td>457.74</td></tr> <tr> <td>N1</td><td>LA cost incl. RR & compensation for structures</td><td>798.29</td></tr> <tr> <td>N2</td><td>Other cost (environment mitigation measures etc.)</td><td>10.00</td></tr> <tr> <td>P</td><td>LA and other pre-construction cost (N1 + N2)</td><td>808.29</td></tr> <tr> <td>Q</td><td>TOTAL CAPITAL COST</td><td>3,809.01</td></tr> <tr> <td>R</td><td>NPV OF TOTAL CAPITAL COST</td><td>3,182.38</td></tr> </table>	S.N.	Item	Amount (Rs. in Cr.)	A1	Estimated civil construction cost (excl. GST)	1,241.93	A2	Cost of overhead utility shifting (tentative)	49.04	A	Civil cost incl. utility shifting (A1 + A2)	1,290.97		GST @18% on civil construction cost	223.55	B	IC & pre-operative cost	12.91	C	Financing cost	4.86	D	Interest during construction	47.40	E	Estimated Project Cost as on bid due date (excl. GST)	1,356.14	E1	Estimated Project Cost incl. GST	1,579.69	F	Bid Project Cost (excl. GST)	1,542.56	G	Contingency	15.00	H	Price adjustment during construction	90.37	I	Maintenance charges incl. price escalation (nominal)	203.42	J	NPV of maintenance charges	83.39	K	Interest on annuity (nominal)	678.07	L	NPV of interest on annuity	269.13	M	Supervision charges	13.56	N	Agency charges	0.00	O	GST @18%	457.74	N1	LA cost incl. RR & compensation for structures	798.29	N2	Other cost (environment mitigation measures etc.)	10.00	P	LA and other pre-construction cost (N1 + N2)	808.29	Q	TOTAL CAPITAL COST	3,809.01	R	NPV OF TOTAL CAPITAL COST	3,182.38
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9.	Financial Viability	Equity IRR: 12.00% Project IRR: 10.31%																																																																											
10.	Clearances	Forest Clearance: 3.3329 Ha. Stage-1 obtained on 10.02.2022 Stage-2 obtained on 30.03.2022 Environment clearance: NA ROB GAD approval: 2No.s of ROB's. GADs of both approved by CBE, railway Authority on 17.05.2021																																																																											

		Land Acquisition: Total Land to be acquired: 337.27 Ha Land Acquisition Cost (including R&R and compensation structure) Rs. 798.3 Cr.
11.	Bidding Process	Single stage two- part system of bidding
12.	Bidding Parameter	Lowest Bid Project Cost

2. The proposed project is identified as Feeder Route under Bharatmala Pariyojana along with Ludhiana Bypass for decongestion of North-South corridor. The Ludhiana-Rupnagar corridor has been notified as NH-205K vide Gazette Notification S.O. 4363(E) dated 03.12.2020. Its primary objective is to strengthen connectivity from the inner regions of Punjab and Himachal Pradesh to the Delhi-Katra Expressway, thereby improving the efficiency of long-distance traffic movement and freight logistics across northern India.
3. The Authority would be responsible for land acquisition, statutory approvals and payment of 40% of the Bid Project Cost during construction, while the Concessionaire would undertake the design, financing and construction of the project. During the operations period, the Authority would make annuity and O&M payments. The Concessionaire would be responsible for maintaining the project assets, undertaking O&M. Bidder eligibility would be assessed based on both financial and technical capacity.
4. After and during the detailed presentation, the Chair and the PPPAC members made their observation. DoLA and DoE supported the proposal and stated that there were no further comments to offer.
5. The observations raised by the **PD, NITI Aayog** and the responses thereto by MoRTH / NHA officials are given below:

- i. **The reasons for the increase in the cost vis-à-vis the previously appraised cost may be explained.**

Response: The increase in civil cost is attributable to factors such as non usage of fly-ash, revision in cost of earth, revision in the number of structures, modified guidelines for clearance around structures, along with LA cost due to arbitration. Another reason is related to the change in modalities for deriving the total capital cost, for which MoRTH had issued a new template in 2025. Costs such as interest on annuity, maintenance charges, price adjustment during construction, etc., were previously considered implicitly but were not reflected in the sanctioned amount. Such costs are now required to be included in the appraised cost.

- ii. **It may be clarified whether the revised cost in the instant proposal is comparable to the awarded cost of the other two packages.**

Response: Considering the different time horizons in which Packages 1 and 3 have been awarded vis-à-vis the instant proposal, an accurate comparison of the costs may not be possible. While the per lane km cost of instant proposal has been assessed with other projects in the region, a comparative of the unit costs across the 3 packages will be carried out.

- iii. **Mini underpasses have been introduced in the instant proposal. It may be confirmed whether these are standard structures which conform to the IRC specifications against which their design will be verified.**

Response: These structures are standard box structures, which have been customised as per the project-specific requirements to optimise the earthwork requirements.

6. The observations raised by **JS, IFS** and the responses thereto by MoRTH / NHAI officials are given below:

- i. **A structure gas pipeline has been included as one of the features of the project. It may be clarified what is the scope of work of the Concessionaire in this regard.**

Response: A structure over the gas pipeline has been provided at Ch. 47+320. The Concessionaire will be required to construct only a structure over the pipeline as per conditions of the agency managing the pipeline.

7. The observations raised by the **Chair** and the responses thereto by MoRTH / NHAI officials are given below:

- i. **The road development in the region, including the instant proposal, has been taken up in multiple packages of relatively smaller sizes. The rationale for the same may be explained.**

Response: Multiple packages in this region were planned during the Bharatmala Pariyojana, wherein the package sizes were usually limited to road lengths up to 30 kms and contract values of INR 1,000-1,500 Cr. The package size of the instant proposal was decided accordingly during previous appraisal.

- ii. **The progress for Package 1 has been quite limited at 15%, which has remained unchanged since the last PRAGATI review. Reasons for the same, other than those related to land acquisition, may be explained and whether such reasons are likely to affect the instant proposal as well.**

Response: The limited progress of projects can be majorly attributable to the land acquisition issues due to dissent from the land owners and limited availability of earth material which has been a challenge across Punjab. While there has been no construction progress during this period in Package 1, earthwork excavation through dredging in Satluj has been proceeding based on which embankment development has progressed. In this regard, Package 3 has progressed relatively quicker due to better availability of earth material. Therefore, the timely completion of the instant proposal will be subject to availability of earth material for which possible measures are being undertaken by MoRTH / NHAI.

Recommendations

8. After the detailed deliberations, the PPPAC unanimously, recommended the proposal "Construction of 4/6-Lane Greenfield Ludhiana–Rupnagar National Highway (NH205K), Package-2, including the Ludhiana Bypass, in the State of Punjab under Hybrid Annuity Mode (HAM)" for consideration of the Competent Authority for giving Administrative Approval subject to following recommendations:

- i. The appraised Total Capital Cost of the project is INR 3,809.01 crore. The Estimated Project Cost excluding GST is INR 1,356.14 crore.
 - ii. The project should be taken up on HAM under the NH(O) scheme.
 - iii. The project shall be taken up in a single package.
 - iv. Land acquisition and necessary clearances to be obtained in a timebound manner to avoid delay in the project.
9. Revalidation of its recommendation by the PPPAC is not required for following post-recommendation changes in the project costs/bid documents:
 - i. Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period etc.
 - ii. Non-substantial change in risk-allocation.
 - iii. Any other changes/modification in the project proposal with the overall objective of making project successful.
 - iv. Further, MoRTH 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 Secretary MoRTH, without any further need of revalidation by the PPPAC and shall proceed with the approval process accordingly.

Project 2: Construction of Six lane Access Controlled Amaravati Outer Ring Road including Spur from Guntur to Narakodur- 4 lane on Hybrid Annuity Mode in the state of Andhra Pradesh

1. The details of the proposal are as given below:

SN	Item	Description																								
1.	Name of the Project	Construction of Six lane Access Controlled Amaravati Outer Ring Road including Spur from Guntur to Narakodur- 4 lane on Hybrid Annuity Mode in the state of Andhra Pradesh																								
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc)	Hybrid Annuity Mode (HAM)																								
3.	Location (State/ District/ Town)	State: Andhra Pradesh Districts: NTR, Eluru, Krishna, Guntur & Palnadu																								
4.	Administrative Ministry/ Department	Ministry of Road, Transport and Highways, Government of India																								
5.	Name of Sponsoring Authority	Ministry of Road, Transport and Highways, Government of India																								
6.	Name of the Implementing Agency	National Highways Authority of India																								
7.	Brief description of the project	The details of the Project Road are as under: The Salient features of the Project Highway are:<table><tr><th>SN</th><th>Project Features</th><th>Pkg-1 (Km. 0+000 to Km. 27+000 & Km. 189+000 to Km. 189+93)</th><th>Pkg-2 (Km. 27+000 to Km. 83+000)</th><th>Pkg-3 (Km. 83+000 to Km. 133+500)</th><th>Pkg-4 (Km. 133+500 to Km. 189+000)</th></tr><tr><td>1</td><td>Length (km)</td><td>27.93</td><td>56</td><td>50.5</td><td>55.5</td></tr><tr><td>2</td><td>Construction Period (in months)</td><td>36</td><td>36</td><td>36</td><td>36</td></tr><tr><td>3</td><td>Major bridge (No.)</td><td>1 no. (9 x 30 = 270 m)</td><td>2 nos. (19x30 = 570 m; 1x20 + 8x42 + 1</td><td>1no. (84x60+1x 50+1x30+ 1x6 0+2x30+1</td><td>1 no. (48x60+1 x20= 2900 m Krishna</td></tr></table>	SN	Project Features	Pkg-1 (Km. 0+000 to Km. 27+000 & Km. 189+000 to Km. 189+93)	Pkg-2 (Km. 27+000 to Km. 83+000)	Pkg-3 (Km. 83+000 to Km. 133+500)	Pkg-4 (Km. 133+500 to Km. 189+000)	1	Length (km)	27.93	56	50.5	55.5	2	Construction Period (in months)	36	36	36	36	3	Major bridge (No.)	1 no. (9 x 30 = 270 m)	2 nos. (19x30 = 570 m; 1x20 + 8x42 + 1	1no. (84x60+1x 50+1x30+ 1x6 0+2x30+1	1 no. (48x60+1 x20= 2900 m Krishna
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					x 20 =378 m)	x60 = 5300m Krishna bridge)	bridge) Cable Stayed Bridge {Span Arrangement: 19 x 60 + 1 x 190 + 1 x 350 + 1 x 190 + 17 x 60 + 1 x 50}
		4	Tunnels	2 nos. (T1: 2.780 km & T2: 1.690 km)	Nil	Nil	1 no. (T3: 0.510 km)
		5	ROB	2 nos. (1x20+1x3 7.280+1x2 0 = 77.280m and 1x35+1x3 7.28+1x19 .08+1 x20.0= 111.36 m)	2 nos. (1x20+1 x19.08+ 1x37.28 + 1x19.08 +1x20.0 =115.44 m 1x30+1x 37.28+ 1x19.08 +1x30.0 =116.3)	2nos. (1x20+1x3 7.28+1x19 .08 +1x20.0 = 96.36 m and 1x20+1x3 7.28+1x25 = 82.28 m)	2nos. (1x20+1x 37.28+ 1x20.0 = 77.28 m 1x30+1x 37.28+1x 19.08+1x 30.0 = 116.36 m)
		6	Number of Structures (VUP, MNB, LVUP, Box Culverts, Structure at Interchange	130	240	185	203
		7	Via Duct (No)	Nil	Nil	Nil	Nil
		9	SVUP (No)	Nil	Nil	Nil	Nil
		10	AUP (No)	Nil	Nil	Nil	Nil
		11	PUP (No)	Nil	Nil	Nil	Nil
		13	FOB (No.)	Nil	Nil	Nil	Nil
		17	Major	Nil	Nil	Nil	Nil

			junctions (No.)																																																					
		18	Minor junctions (No.)	Nil	Nil	Nil	Nil																																																	
		19	Bus bays/ Bus Shelter (No.)	Nil	Nil	Nil	Nil																																																	
		20	Truck lay bye (No.)	Nil	Nil	Nil	Nil																																																	
		21	Wayside amenities (No.)				4																																																	
		22	Interchanges	3	6	4	4																																																	
		23	Toll Plaza	(MLFF is proposed)																																																				
		The project is scheduled to be completed in 1095 days (36 months) from the appointed date																																																						
8.	Estimated Capital Costs with breakup under major heads of expenditure. Also indicate the basis of cost estimation	<table><tr><th colspan="2">Description</th><th>Pkg-1</th><th>Pkg-2</th><th>Pkg-3</th><th>Pkg-4</th><th>Total (in Cr)</th></tr><tr><td>Civil Construction Cost</td><td>A1</td><td>2724.23</td><td>2589.17</td><td>2534.39</td><td>2594.3</td><td>10442.09</td></tr><tr><td>Utility shifting cost</td><td>A2</td><td>33.39</td><td>66.96</td><td>87.53</td><td>66.35</td><td>254.23</td></tr><tr><td>Total Cost including Utility shifting</td><td>A=(A1+A2)</td><td>2757.62</td><td>2656.13</td><td>2621.92</td><td>2660.65</td><td>10696.32</td></tr><tr><td>Civil Construction Cost GST@18%</td><td>0.18 X A1</td><td>3,253.99</td><td>3,134.23</td><td>3,093.87</td><td>3,139.57</td><td>12,621.66</td></tr><tr><td>IC/ Pre-operative Expenses</td><td>B = 1% of A</td><td>27.58</td><td>26.56</td><td>26.22</td><td>26.61</td><td>106.96</td></tr><tr><td>Financing Cost</td><td>C = 0.75% of Debt Amount if A1 is less than INR 2000 Cr., 0.5% of</td><td>15</td><td>15</td><td>15</td><td>15</td><td>60</td></tr></table>						Description		Pkg-1	Pkg-2	Pkg-3	Pkg-4	Total (in Cr)	Civil Construction Cost	A1	2724.23	2589.17	2534.39	2594.3	10442.09	Utility shifting cost	A2	33.39	66.96	87.53	66.35	254.23	Total Cost including Utility shifting	A=(A1+A2)	2757.62	2656.13	2621.92	2660.65	10696.32	Civil Construction Cost GST@18%	0.18 X A1	3,253.99	3,134.23	3,093.87	3,139.57	12,621.66	IC/ Pre-operative Expenses	B = 1% of A	27.58	26.56	26.22	26.61	106.96	Financing Cost	C = 0.75% of Debt Amount if A1 is less than INR 2000 Cr., 0.5% of	15	15	15	15	60
Description		Pkg-1	Pkg-2	Pkg-3	Pkg-4	Total (in Cr)																																																		
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			Debt Amount if A1> INR 2000 Cr. subject to Minimum INR 15 Cr.					
	Interest during construction	D (as per Financial Model)	167.99	160.03	157.94	160.36	646.32	
	Estimated Project Cost (EPC)	E (ΣA:D)	2,968.18	2,857.72	2,821.08	2,862.61	11,509.60	
	Bid Project Cost (BPC)	F =As per Financial Model	3,386.70	3,299.23	3,257.77	3,303.74	13,247.44	
	Contingencies	G = 1% of A1 subject to minimum of INR15 Cr.	27.24	25.89	25.34	25.94	104.42	
	Price Escalation during construction period	H =% of A defined below	248.19	239.05	235.97	239.46	962.67	
	15 years Maintenance period (flexible pavement)	15% of E	445.23	428.66	423.16	429.39	1726.44	
	NPV of Maintenance charges including escalation	J	141.37	136.11	134.36	136.34	548.17	
	Interest on Annuity	K = 50% of E	1,484.09	1,428.86	1,410.54	1,431.31	5754.8	
	NPV of Interest on Annuity	L	464.13	446.86	441.13	447.62	1799.73	

		Supervision charges	M = 1% of E	29.68	28.58	28.21	28.63	115.1																					
		GST	N = 18 % of (F + G+ H+I+K+ M)	1,011.80	981.05	968.58	982.52	3943.96																					
		LA and other pre-construction charges	O	774.77	1,553.42	1,447.22	1,539.55	5314.96																					
		Total Capital Cost	P = F+G+H +I+K+(M+N+ O)	7,407.70	7,984.74	7,796.81	7,980.54	31276.73																					
		NPV of Total Capital Cost	Q = {(F+G+ H+J+L +M) *1.18} +O	5,845.59	6,480.76	6,312.11	6,473.99	25112.45																					
9.	Financial Viability	<table><tr><td></td><td>Pkg-I</td><td>Pkg-II</td><td>Pkg-III</td><td>Pkg-IV</td></tr><tr><td>PIRR</td><td>10.47%</td><td>10.47%</td><td>10.47%</td><td>10.47%</td></tr><tr><td>EIRR</td><td>12%</td><td>12%</td><td>12%</td><td>12%</td></tr></table>								Pkg-I	Pkg-II	Pkg-III	Pkg-IV	PIRR	10.47%	10.47%	10.47%	10.47%	EIRR	12%	12%	12%	12%						
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10.	Clearances	<table><tr><td>SN</td><td>Approvals/Clearances</td><td>Status</td></tr><tr><td>1</td><td>Land Acquisition Status</td><td>3A Completed</td></tr><tr><td>2</td><td>Environmental clearance</td><td>Yet to be Initiated</td></tr><tr><td>3</td><td>Status of ROB clearance</td><td>In progress</td></tr><tr><td>4</td><td>Cutting of Live Trees</td><td>Yet to be Initiated</td></tr><tr><td>5</td><td>Utility Shifting Estimates</td><td>In-progress</td></tr><tr><td>6</td><td>Forest Clearance</td><td>Yet to be Initiated</td></tr></table>							SN	Approvals/Clearances	Status	1	Land Acquisition Status	3A Completed	2	Environmental clearance	Yet to be Initiated	3	Status of ROB clearance	In progress	4	Cutting of Live Trees	Yet to be Initiated	5	Utility Shifting Estimates	In-progress	6	Forest Clearance	Yet to be Initiated
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11.	Bidding Process	Single stage two- part system of bidding																											
12.	Bidding Parameter	Lowest Bid Project Cost																											

- Member NHAI explained that the proposed project, the Outer Ring Road (ORR) is a greenfield infrastructure project being developed to improve regional connectivity around the capital city of Amaravati and the major urban centres of Vijayawada, Guntur and Tenali. The project includes 189.93 km of the ORR main corridor and a 5.20 km four-lane Narakodur spur road, with connectivity to six National Highways, seventeen interchanges, twenty major bridges, ninety-five minor bridges, one hundred and five underpasses, and will pass through five districts, namely NTR, Eluru, Krishna, Guntur and Palnadu.
- The Authority would be responsible for land acquisition, statutory approvals and payment of 40% of the Bid Project Cost during construction, while the Concessionaire would undertake the design, financing and construction of the project. During the operations

period, the Authority would make annuity and O&M payments. The Concessionaire would be responsible for maintaining the project assets, undertaking O&M. Bidder eligibility would be assessed based on both financial and technical capacity.

4. After and during the detailed presentation, the Chair and the PPPAC members made their observation. DoLA and DoE supported the proposal and stated that there were no further comments to offer.
5. The observations raised by the **PD, NITI Aayog** and the responses thereto are given below:
 - i. **Considering that it is a circular road with an approximate radius of 60 km and the area within is not densely populated, the basis for the proposed alignment may be elucidated.**

Response: The proposed alignment has been provided by the State Government based on the anticipated future growth and development of Amaravati. The alignment has been finalised with reference to the Amaravati Regional Development Plan, which considers the planned development and future growth of the region.

- ii. **For a six-lane highway, approximately 70 m of the proposed 140 m RoW would be utilised, leaving around 35 m of land on either side. There is a risk that this vacant land may be encroached upon over time, particularly when widening or upgrading the corridor after 20–30 years. The mechanisms proposed to protect and preserve this land for future use may kindly be detailed.**

Response: NHAI officials explained that a similar approach was adopted for the Hyderabad Outer Ring Road, where land was acquired for a 150 m RoW. The corridor was developed as an eight-lane facility comprising the main carriageway and two-lane service roads on either side. The space between the main carriageway and the service roads was retained for future transportation requirements. For instance, a metro system is currently being developed within this reserved space.

Similarly, the additional land within the proposed 140 m RoW for the Amaravati ORR would be preserved for future transportation and other infrastructure requirements. To prevent encroachment and protect the land, NHAI would provide appropriate fencing and boundary walls along the corridor. The cost of such fencing and boundary protection measures has already been factored into the overall project cost.

- iii. **Whether the vacant land available within the additional 35 m on either side of the proposed 140 m RoW could be utilised for solar power generation or other productive purposes was discussed. It was suggested that, if the land is required to be preserved for future development, its interim utilisation should be explored in a manner consistent with its intended long-term purpose.**

Response: NHAI officials informed that provision for solar energy generation has already been made at certain interchanges. The possibility of extending and scaling up solar energy generation to utilise the available land would be examined further.

Whether the two tunnels proposed on the northern side of the project could be avoided by exploring an alternative alignment was raised for consideration.

Response: NHAI officials explained that the northern side of the proposed alignment is close to the Telangana State boundary. The terrain in this area is hilly, and the proposed tunnels are required to negotiate the difficult terrain and maintain the overall alignment. Accordingly, avoiding the tunnels may not be feasible

6. The observations raised by **JS, IFS** and the responses thereto are given below:

- i. **The contribution of the State Government towards the project, and the corresponding cost saving for the project were sought.**

Response: The State Government's contribution/support towards the project comprises a GST waiver of approximately INR 2,000 crore, waiver of seigniorage charges amounting to approximately INR 590 crore, and contribution towards Land Acquisition (LA) costs of approximately INR 1,000 crore, subject to the provision of 140 m Right of Way (RoW). Accordingly, the total contribution/support from the State Government is estimated at approximately INR 3,562.35 crore.

7. The observations raised by **DS, PIU** and the responses thereto are given below:

- i. **The details of cost optimisation and rationalisation measures undertaken in the project, and their impact on the overall project cost may be described**

Response: NHAI officials stated that several project components have been rationalised to optimise the project cost, including reduction of the median width from 12 m to 5 m, reduction of tunnel width from 8 m to 6 m, removal of the Tenali Spur from the project scope, reduction in the extent of proposed service roads, and revision of the embankment slope from 2:1 to 1.5:1. These optimisation measures have resulted in savings of approximately INR 3,178 crore, thereby reducing the total project cost from approximately INR 13,620 crore to INR 10,442 crore.

8. The observations raised by the **Secretary MoRTH** and the responses thereto are given below:

- ii. **The Hon'ble CM had indicated that fly ash available at the site would be provided by the State Government. Has the corresponding cost been factored into the State's contribution? Has the financial impact of this provision been assessed?**

Response: NHAI officials stated that the cost implication of the fly ash to be made available by the State Government is being assessed. NHAI will undertake the assessment and submit the details of the associated cost and its impact on the State's contribution.

9. The observations raised by the Chair and the responses thereto are given below:

- i. **The rationale for structuring the project into four packages was sought, considering that the total length of the ORR is approximately 189 km and NHAI has previously implemented project packages of 75–90 km in length.**

Response: The project has been divided into four packages, primarily considering the large number of structures, including two major bridges and three tunnels involved in the project. The construction of these structures may take more than three years if the number of

packages is reduced. Accordingly, the project has been structured into multiple packages to facilitate effective construction and completion within the stipulated timelines.

- ii. **The project envisages a Peacock Feather-themed iconic bridge design. Is such an iconic design necessary for the project? What would be the difference in cost and functionality compared with a conventional bridge, and what other design alternatives have been considered?**

Response: The proposed Peacock Feather-themed iconic bridge is a requirement put forth by the State Government. It is estimated to cost approximately INR 220 crore more than a conventional bridge, representing a 149% increase over the normative cost of the bridge. The additional cost is attributable to the architectural and aesthetic features associated with the iconic design, which are intended to enhance the visual appeal for traffic approaching from the Amaravati side.

- iii. **Clarification was sought on whether the second bridge is also comparable in cost to the proposed Peacock Feather-themed iconic bridge, including the respective lengths and estimated costs of both bridges, considering the significant expenditure of public funds involved.**

Response: NHAI officials explained that the second bridge is a conventional bridge with a length of approximately 5.4 km and an estimated cost of around INR 700 crore. The proposed Peacock Feather-themed iconic bridge is approximately 3 km long and has an estimated cost of around INR 900 crore. The higher cost of the iconic bridge is primarily due to its specialised architectural and structural design.

- iv. **The rationale for implementing the project under the Hybrid Annuity Model (HAM), instead of the Build-Operate-Transfer (BOT) model, despite the project's financial viability, was sought.**

Response: NHAI officials cited that the project is proposed under HAM for the following key reasons:

- **Uncertainty in traffic growth:** Amaravati is a new city that is still under development, and the future traffic growth is expected to be significant but is difficult to predict at this stage. Implementing the project under BOT at present may result in the Government foregoing the potential future value of the asset. It is therefore considered more appropriate to develop the project under HAM and consider monetisation through Toll-Operate-Transfer (TOT) after 5-7 years, once sufficient visibility on traffic growth is available. As an example, the Western Peripheral Expressway (KMP Expressway) in Haryana was inaugurated in 2018. An offer for TOT monetisation in 2020-21 valued the asset at approximately INR 2,000 crore. Considering the expected increase in traffic, the valuation subsequently increased to approximately INR 5,000 crore in 2024 and is currently estimated at around INR 9,000 crore. This illustrates the potential for significant appreciation in asset value once traffic matures.
- **Package structure and traffic risk:** Under the BOT model, the number of packages would need to be reduced, potentially to two packages. This could create a traffic availability risk if one package is completed while the other remains under construction. Similar concerns have been observed in projects such as the Nashik–Akalkot Highway, where staggered completion of packages can affect traffic availability and consequently the financial viability of the project.

- v. **If the project is implemented under HAM, the project cost is essentially borne by the Government. Therefore, greater prudence is required in determining the structures and design elements to be included in the project. In this context, the inclusion of an expensive iconic or specialised bridge may need to be reconsidered. Under BOT, the private concessionaire brings in the required capital and recovers the investment through toll revenues. However, under HAM, there is a need to exercise greater cost discipline and optimise the project cost.**

Response: NHAI agreed with the observation and acknowledged the need for greater cost prudence under the HAM structure. NHAI further indicated that the asset could be considered for monetisation through TOT after approximately 5-7 years of operation, once sufficient traffic data is available, and the traffic growth potential of the corridor has been assessed.

- vi. **What is the typical Right of Way (RoW) considered for a six-lane highway? The proposed RoW of 140 m appears to be on the higher side and may have significant implications for the Union Budget, particularly considering the State Government's limited capacity to fund the associated costs. Can the proposed RoW be reconsidered?**

Response: The typical RoW for a six-lane highway is generally in the range of 75-80 m. However, the proposed 140 m RoW has been discussed at the highest level within the State Government, considering the long-term and futuristic development requirements of Amaravati.

The Hyderabad Outer Ring Road (ORR), which was developed with an RoW of approximately 150 m, was cited as an example. Despite the wider RoW, the capacity has been found to be inadequate over a period of around 20 years due to the city's growth and increasing traffic. Accordingly, considering Amaravati as a futuristic city with significant anticipated growth, the higher RoW has been proposed to cater to long-term development requirements.

- vii. **The details of the tunnels and bridges proposed under the project was sought, including their package-wise distribution and the corresponding estimated costs.**

Response: The project area is located close to the sea and has several irrigation channels and watercourses, resulting in a significant number of bridge structures. The project comprises approximately 20 major bridges, 88 minor bridges, and 77 underpasses. The details of these structures, including their package-wise allocation and corresponding costs, were presented during the meeting.

- viii. **The Chair requested that a detailed presentation be prepared covering the overall project cost, the key factors contributing to the additional cost, and the rationale for implementing the project under the Hybrid Annuity Model (HAM). The presentation should also clearly highlight the financial implications for the Union Government, the contribution and support being provided by the State Government, and the various cost optimisation measures undertaken. The presentation may incorporate all the key issues and points discussed during the meeting.**

Recommendations:

After detailed deliberations, the PPPAC recommended that the proposal for “Construction of Six-Lane Access Controlled Amaravati Outer Ring Road, including a four-lane spur from Guntur to Narakodur, on Hybrid Annuity Mode (HAM) in the State of Andhra Pradesh” may be further examined, particularly with respect to the overall project cost and the associated financial implications.

Following such examination and resolution of the issues discussed during the meeting, the proposal may thereafter be reconsidered by PPPAC.

Project 3: Six-Laning of the Hyderabad–Vijayawada–Machilipatnam Section of NH-65 in the States of Telangana and Andhra Pradesh.

1. The details of the proposal are as given below:

S N	Item	Description																				
1.	Name of the Project	Six-laning of Hyderabad – Vijayawada - Machilipatnam Section of NH-65 [from design Ch. 39.850 to Ch. 266.150 (Hyderabad – Vijayawada Section) & from design Ch. 4.000 to Ch. 63.695 (Vijayawada - Machilipatnam Section), total length 285.995 Km] in the States of Telangana & Andhra Pradesh The instant project is part of Pune – Machilipatnam Corridor (NH-65). <table><tr><th>Pkg</th><th>Project/NH no.</th><th>Length (Km)</th><th>Total Capital Cost (Rs in Cr.)</th></tr><tr><td>1</td><td>Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15</td><td>181.300</td><td>7,321.97</td></tr><tr><td>2</td><td>Hyderabad – Vijayawada Ch. 221.15 to Ch. 266.15</td><td>45.000</td><td>2,965.11</td></tr><tr><td>3</td><td>Vijayawada – Machilipatnam Ch. 4.00 to Ch. 63.695</td><td>59.696</td><td>1,786.91</td></tr><tr><td></td><td>Total (Hyderabad – Vijayawada – Machilipatnam)</td><td>285.995</td><td>12073.99</td></tr></table>	Pkg	Project/NH no.	Length (Km)	Total Capital Cost (Rs in Cr.)	1	Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15	181.300	7,321.97	2	Hyderabad – Vijayawada Ch. 221.15 to Ch. 266.15	45.000	2,965.11	3	Vijayawada – Machilipatnam Ch. 4.00 to Ch. 63.695	59.696	1,786.91		Total (Hyderabad – Vijayawada – Machilipatnam)	285.995	12073.99
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	Total (Hyderabad – Vijayawada – Machilipatnam)	285.995	12073.99																			
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc)	Hyderabad – Vijayawada Section (Pkg-1 & Pkg-2): BOT (Toll) Vijayawada - Machilipatnam Section (Pkg-3): Hybrid Annuity Mode																				
3.	Location (State/ District/ Town)	State: Telangana & Andhra Pradesh District: Yadadri Bhuvanagiri, Nalgonda & Suryapet Districts of the Telangana State and NTR & Krishna District of the Andhra Pradesh State																				
4.	Administrative Ministry/ Department	Ministry of Road, Transport and Highways, Government of India																				
5.	Name of Sponsoring Authority	Ministry of Road, Transport and Highways, Government of India																				

6.	Name of the Implementing Agency	National Highways Authority of India				
7.	Brief of the Project	S. No	Details	Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15 (181.30 Km) Pkg-1	Hyderabad – Vijayawada Ch. 221.15 to Ch. 266.150 (45.00 Km) Pkg-2	Vijayawada – Machilipatnam Ch. 4.00 to Ch. 63.695 (59.695 Km) Pkg-3
		1	Length	181.300	45.000	59.695
		2	Carriageway Width	6-Lane with Paved Shoulders	6-Lane with Paved Shoulders	6-Lane with Paved Shoulders/ 4-lane with Service Roads
		3	Major Bridges	3 Nos.	5 Nos.	3 Nos.
		4	Minor Bridges	40 Nos.	7 Nos.	4 Nos.
		5	Culverts	328 Nos.	109 Nos.	89 Nos.
		6	Flyover/Viaduct	1 No.	1 Nos.	1 Nos.
		7	Overpass	Nil.	Nil.	Nil.
		8	VUP	16 Nos.	6 Nos.	7 Nos.
		9	LVUP	30 Nos.	7 Nos.	4 Nos.
		10	SVUP	3 Nos.	3 Nos.	Nil.
		11	CUP/PUP	13 Nos.	2 Nos.	Nil.
		12	ROB/RUB	Nil.	Nil.	Nil.
		13	Major/ Minor Junctions	33 Nos./104 Nos.	15 Nos./21 Nos.	26 Nos./28 Nos.
		14	Interchanges	Nil	Nil	Nil
		15	Length of Service/ Slip Road	336.46 Km	69.20 Km	114.005 Km
		16	Length of Ramps & Loops	Nil.	Nil.	Nil.

		17	Toll Plaza	Close Tolling is proposed. MLFF Toll collection system is proposed on entry-exits at 23 locations (BHS) and at start & end point of the package	Close Tolling is proposed. MLFF Toll collection system is proposed on entry-exits at 6 locations (BHS) and at start & end point of the package	Close Tolling is proposed. MLFF Toll collection system is proposed on entry-exits at 6 locations (BHS) and at start & end point of the package
		18	Avg. Traffic considered (PCU)	45725	35811	31181
		19	Design Traffic (MSA)	200 MSA/ 90 MSA	90 MSA	150 MSA
8.	Estimated Capital Costs with breakup under major heads of expenditure. Also indicate the basis of cost estimation	Hyderabad-Vijayawada Section of NH-65				
		S. No	Details	Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15	Hyderabad – Vijayawada Ch. 221.15 to Ch. 266.15	
		i	Civil Construction Cost including Utility Shifting Cost without Escalation (Base year 2025-26)	5,035.05	1,512.68	
		1	Total Civil Construction Cost including Utility Shifting Cost up to Appointed Date	5,035.05	1,512.68	
		2	Escalation during Construction @ 4% (As per Financial Model)	295.39	88.74	
		3	IC/Pre-Operative Expenses @ 1% (As per Financial Model)	50.35	15.13	
		4	Financing charges 0.75% of debt (As per Financial Model)	35.66	10.71	
		5	Interest During Construction (IDC) @ 10.97% p.a.	401.11	120.51	
		6	O&M during Construction on existing highway	0	0	

		7	Estimated Project Cost (without GST) (1+2+3+4+5+6)	5,817.56	1,747.77
		8	Estimated project cost per km	32.09	38.84
		9	GST @18% on Civil Construction Cost (Sno. 1, 2 & 6)	959.48	288.26
		10	GST @18% on Sno. 3 & 4	15.48	4.65
		11	Total Project Cost (with GST) (7+9+10)	6,792.52	2,040.68
		12	Pre-Construction Cost		
		(i)	Land Acquisition Cost	529.45	924.43
		(ii)	Environmental Cost	0	0
		(iii)	Total Cost of Pre-Construction Activities	529.45	924.43
		13	Total Capital Cost [11+12 (iii)]	7,321.97	2,965.11
		Vijayawada-Machilipatnam Section of NH-65			
		A1	Civil Construction Cost		751.36

A2	Utility Shifting Cost		15.03
A	Total Civil Cost i/c Utility Shifting (A1+A2)		766.39
	Civil Construction Cost + 18% GST (A1+B)		886.60
B	IC/Pre-operative Expense (B= 1% of A) (As per Ministry's Circular dated 06.11.2025)		7.66
C	Financing Cost (C=0.75% of debt) (as per Financial Model) (subject to minimum Rs 4 Cr)		4
D	Interest during Construction (as per Financial Model)		28.72
E	Estimated Project Cost (EPC) (Sum: A to D)		806.77
F	Bid Project Cost (BPC) (as per Financial Model)		883.89
G	Contingencies (1.5% of A1 subject to minimum of Rs. 10 Cr.)		11.27
H	Price Escalation during construction period (for 2 years) (7% of A)		53.65

		I	Maintenance Charges including price escalation (15% of E)			121.02																														
		J	NPV of Maintenance charges including price escalation			43.90																														
		K	Interest on Annuity (50% of E)			403.39																														
		L	NPV of Interest on Annuity			144.22																														
		M	Supervision Charges (1% of E)			8.07																														
		N	Agency Charges (1.5% of A, subject to minimum Rs 8 Cr. and maximum of 12 Cr.) (No agency charge for NHAI)			0.00																														
		O	GST [18% of (F+G+H+I+K+M+N)]			266.63																														
		P	LA and other pre-construction charges			39.00																														
		Q	Total Capital Cost (F+G+H+I+K+M+N+O+P)			1786.91																														
		R	NPV of Total Capital Cost			1390.09																														
8.																																				
9.	Financial Viability	<table><tr><td>S. No</td><td>Particulars</td><td>Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15 (Pkg-1)</td><td>Hyderabad – Vijayawada Ch. 221.15 to Ch. 270.88 (Pkg-2)</td><td>Vijayawada – Machilipatnam Ch. 4.00 to Ch. 63.695 (59.695 Km) (Pkg-3)</td></tr><tr><td>1.</td><td>Equity IRR</td><td>14%</td><td>14%</td><td>12%</td></tr><tr><td>2.</td><td>Project IRR</td><td>12.15%</td><td>12.18%</td><td>10.20%</td></tr><tr><td>3.</td><td>Civil Construction Cost incl Utility (Rs. in Cr.)</td><td>5,035.0</td><td>1,513.0</td><td>766.39</td></tr><tr><td>4.</td><td>Estimated Project Cost (Rs. in Cr.)</td><td>5817.57</td><td>1747.77</td><td>806.77</td></tr><tr><td>5.</td><td>Estimated Bid Project Cost for 12.00% Equity IRR (Rs. in Cr.)</td><td>NA</td><td>NA</td><td>883.89</td></tr></table>					S. No	Particulars	Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15 (Pkg-1)	Hyderabad – Vijayawada Ch. 221.15 to Ch. 270.88 (Pkg-2)	Vijayawada – Machilipatnam Ch. 4.00 to Ch. 63.695 (59.695 Km) (Pkg-3)	1.	Equity IRR	14%	14%	12%	2.	Project IRR	12.15%	12.18%	10.20%	3.	Civil Construction Cost incl Utility (Rs. in Cr.)	5,035.0	1,513.0	766.39	4.	Estimated Project Cost (Rs. in Cr.)	5817.57	1747.77	806.77	5.	Estimated Bid Project Cost for 12.00% Equity IRR (Rs. in Cr.)	NA	NA	883.89
S. No	Particulars	Hyderabad – Vijayawada Ch. 39.85 to Ch. 221.15 (Pkg-1)	Hyderabad – Vijayawada Ch. 221.15 to Ch. 270.88 (Pkg-2)	Vijayawada – Machilipatnam Ch. 4.00 to Ch. 63.695 (59.695 Km) (Pkg-3)																																
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10	Clearances	1. Status of Land Acquisition is as under:																																		

		S. No	Description	Present Status (Hyderabad – Vijayawada Section)	Present Status (Vijayawada – Machilipatnam Section)
		1	Total Land Required (Ha)	1387.628	351.185
		2	Land Available (Ha)	1174.295	344.685
		3	Addl. Land Required (Ha)	213.333	6.50
		A	Forest Land (Ha)	0.0	0.0
		B	Private Land (Ha)	213.333	6.50
		4	3A Status (Ha)	Under Verification with CALA Office	Under Verification with CALA Office
		5	3D Status (Ha)	-	-
		6	3G Status (Ha)	-	-
		2. Status of various clearances is as below:			
		SI No	Approvals/ Clearances	Concerned Agencies	Status
		1	Forest Diversion		Not Applicable
		2	Wildlife Clearance		Not Applicable
		3	Environment Clearance		Not Applicable
		4	Tree Felling Permissions	Forest Department	Tree enumeration is under progress
		5	Electrical Utilities	TGSPDCL, APSPDCL, TGTRANSCO, APTRANSCO, Power Grid	Approval under progress. Shifting is under the scope of Concessionaire
		6	Water Supply Utilities	Mission Bhagiratha, RWS, Municipal Water Supply	Approval under progress. Shifting is under the scope of Concessionaire
		7	ROB GAD		Not Applicable
		8	Canal Crossing GAD	State Irrigation Dept.	Approval under progress
		11	Bidding Process	Single stage two- part system of bidding	
12	Bidding Parameter	Lowest Bid Project Cost			

- 2 The proposed project is a 6-lane access-controlled highway with paved shoulders and service roads, aimed at upgrading the existing 4-lane Hyderabad– Vijayawada– Machilipatnam corridor to meet the present and anticipated traffic demand, strengthen strategic connectivity between Telangana and Andhra Pradesh, and ensure safe and congestion-free movement.

- 3 The Authority would be responsible for land acquisition, statutory approvals. The Hyderabad–Vijayawada Section (Packages 1 & 2) is proposed to be implemented under the BOT mode, with the project cost to be arranged by the Concessionaire through a combination of debt and equity. For the Vijayawada–Machilipatnam Section (Package 3), NHAI will pay 40% of the Bid Project Cost, adjusted by the applicable Price Index Multiple, representing 40% of the Completion Cost, while the remaining 60% will be paid to the Concessionaire in the form of annuities.
- 4 After and during the detailed presentation, the Chair and the PPPAC members made their observation. DoLA and DoE supported the proposal and stated that there were no further comments to offer.

5 The observations raised by the **PD, NITI Aayog** and the responses thereto are given below:

- i. **It is being assumed that some part of the present traffic coming from Choutuppal, Chitiyala will get diverted to the service roads being proposed. However, considering the limited speed of travel in the service roads and the possibility of the same being encroached upon, there may be a risk of local traffic continuing to use the main carriageway leading to congestion.**

Response: Generally, it has been seen that around 10-20% traffic gets diverted to service roads from the main carriageway in similar other projects. This may be attributed to the service roads being toll-free as well as the good quality of road construction. Therefore, a substantial diversion of local traffic to the service roads has been assumed in the instant proposal as well.

- ii. **Package 2 of the instant proposal, proposed to be implemented under the BOT (Toll) mode, would function as a radial road to the Amaravati ORR, which is proposed to be implemented under the HAM mode. From the perspective of future TOT monetisation, the possibility of clubbing Package 2 with the Amaravati ORR was discussed, considering that traffic may be distributed between the radial road and the ORR, potentially resulting in leakage of toll once both corridors become operational.**

Response: It was clarified that Package 2, having a length of approximately 45 km, has a relatively lower project cost and lower traffic projections, resulting in comparatively lower project risk. Further, appropriate traffic mitigation measures have been incorporated to address potential traffic diversion concerns. It was explained that long-distance traffic bound towards Machilipatnam is expected to utilise the Amaravati ORR, while traffic bound towards Amaravati, Vijayawada or Guntur is expected to primarily utilise the Package 2 radial road. The bidders for Package 2 would also be informed about the proposed Amaravati ORR so that the upcoming ORR and its potential impact on traffic may be suitably factored into their bids.

- iii. **In a BOT (Toll) project, there is a provision for trigger traffic. Once the Amaravati ORR is operationalised, there is a possibility of traffic in Package 2 being lower vis-a-vis the present traffic. The target traffic based on the projections may therefore be rationalised to minimise the possibility of dispute / litigation at a later stage.**

Response: The target traffic for Package 2 will be suitably defined by incorporating the possibility of traffic diversion due to the Amaravati ORR. The bidder will be provided adequate visibility of the traffic in this regard.

- iv. **The alignment passes through regions which have seen severe floods in recent years. It may be clarified whether suitable disaster-resilience measures have been incorporated in the structural design.**

Response: The design has been finalised after consideration of such factors.

- 6 The observations raised by **JS, IFS** and the responses thereto are given below:

- i. **In Part 2 of the instant proposal, the existing traffic appears to be significant. The traffic is already peaking at approximately 60,000 PCUs. In this context, the adequacy of the proposed six-lane configuration may be a concern, and it may appear that further capacity augmentation could be required beyond COD.**

Response: The existing traffic between Hyderabad and Vijayawada is approximately 60,000 PCUs. However, the proposed facility is an access-controlled six-lane highway with dedicated service roads, which will have a higher traffic-handling capacity than the existing highway. The proposed access-controlled facility can cater to traffic of up to approximately 95,000 PCUs. Further, the service roads and controlled entry and exit points will segregate local traffic, including a sizeable proportion of two-wheelers, from through traffic, thereby improving the operating speed and optimising the capacity of the main carriageway. Accordingly, the proposed six-lane configuration is considered adequate to cater to the anticipated traffic demand beyond COD, without requiring immediate further widening. Any further widening at a later stage would also require additional RoW, which may not be feasible due to habitation along the alignment.

- 7 The observations raised by the **Chair** and the responses thereto by MoRTH / NHAI officials are given below:

- ii. **Considering the limited project length of Package 2, it may be clarified whether the possibility of undertaking Packages 1 and 2 as a single package has been assessed.**

Response: While the overall project length is 285 km, it has been broken down into different packages from a viability and land acquisition perspective. Considering the traffic as well as the limited land acquisition requirement in the Hyderabad to Vijayawada stretch, Package 1 has been found to be viable on BOT (Toll) mode. For Package 2, the existing stretch is already under BOT (Toll) till 2031 and the buyback of the same has been initiated. Further this package has some land acquisition requirement, owing to connecting bypasses, for which additional duration of time is expected. As a result, this has been proposed as a separate package. Considering the limited traffic envisaged in the Vijayawada-Machilipatnam stretch, it has been proposed as a separate package under HAM model.

Recommendations

- 8 After the detailed deliberations, the PPPAC unanimously, recommended the proposal “Six-Laning of the Hyderabad–Vijayawada–Machilipatnam Section of NH-65 in the States of Telangana and Andhra Pradesh.” for consideration of the Competent Authority for giving Administrative Approval subject to following recommendations:

The appraised project cost details are as below: **Amount (in INR Crore)**

SN	Details	Package-1	Package-2	Package-3
1.	Estimated Project Cost (without GST)	5,817.56	1,747.77	806.77
2.	Total Capital Cost	7,321.97	2,965.11	1,786.91

- i. The project should be implementation under the BOT (Toll) mode for Packages 1 and 2 and under the HAM for Package 3

- ii. The concession period of the projects

SN	Details	Package-1	Package-2	Package-3
1.	Concession Period	20 Years including 2.5 years of construction period	17 Years including 2 years of construction period	

- iii. Land acquisition and necessary clearances to be obtained in a timebound manner to avoid delay in the project

9 Revalidation of its recommendation by the PPPAC is not required for following post-recommendation changes in the project costs/bid documents:

- i. Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period etc.
- ii. Non-substantial change in risk-allocation.
- iii. Any other changes/modification in the project proposal with the overall objective of making project successful.
- iv. Further, MoRTH 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 Secretary MoRTH, without any further need of revalidation by the PPPAC and shall proceed with the approval process accordingly.

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

List of the attendees of the 150th meeting of the PPPAC for considering the proposal

a. Department of Economic Affairs, Ministry of Finance

1. Ms. Anuradha Thakur, Secretary (EA)
2. Ms. Laya Madduri JS (IFS)
3. Shri. Jai Patil, Deputy Secretary (PIU)
4. Ms. Shraddha D Narwade, Assistant Director (PIU)
5. Shri. Deepak Meena, ASO (PIU)

b. Department of Expenditure

1. Shri. Bharat Indora, Under Secretary

c. NITI Aayog

1. Shri. Partha Sarathi Reddy, Programme Director, NITI Aayog

d. Ministry of Road Transport and Highways

1. Shri. V. Umashankar, Secretary MoRTH (*Online*)
2. Shri. Manoj Kumar, Chief Engineer (BP&SP) (*Online*)

e. National Highway Authority of India

1. Shri. Vipnesh Sharma, Member (P)
2. Shri. Rupesh Kr. Srivastava, GM (T)-PB&HR - NHAI
3. Shri. Devesh Goyal, DGM (T) -PB&HR - NHAI
4. Shri. Aryaman, Manager (T) -PB&HR - NHAI
5. Shri. Vipin Mangla, GM -NHAi
6. Shri. Prashant S Sagar, Deputy Manager- NHAI
7. Shri. Ramlakhan, Manager-NHAI
8. Shri. Anil Kumar- Almonds Securities- FC, NHAI
9. Ms. Ila Dobhal- FC, NHAI
10. Shri. Aditya Sharma, DPR Consultant, M/s SA infra
11. Shri. Bhavik Bhardwaj, Financial Consultant, M/s Resurgent