

F. No. 2/24/2025 - PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

4th Floor, STCs Building,
Janpath New Delhi
Dated: 3rd March 2026

Record of Discussion

Subject: Record of Discussion of the 139th meeting of the PPPAC for considering four road project proposals of Ministry of Road, Transport & Highways (MoRTH) on PPP mode.

Reference: 139th meeting of the PPPAC held on 06th February 2026.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 139th meeting of the PPPAC held on 06th February 2026 under the chairmanship of Secretary (EA) for information and necessary action.

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

(Arya Balan Kumari)
Joint Director (PIU)
011-2370 1219

To,

1. Secretary, Department of Expenditure, 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.

Copy to:

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

Subject: Record of Discussion of the 139th meeting of the PPPAC for considering the following four road proposals:

- i. **Kanpur – Kabrai proposal:-** Section-1: Development of 4/6 Lane of access-controlled Kanpur - Kabrai greenfield highway, starting from design km 0+000 (Kanpur Ring road) to design km 117+700 (near village Kabrai in district Mahoba) in the State of Uttar Pradesh and, Section-2: Overlay/Strengthening, other road safety and improvement works on existing Kanpur - Kabrai section from km 7+430 to km 130+100 (Design chainage 0+000 to 123+860) of NH-34 (old NH-86) in the State of Uttar Pradesh on DBFOT pattern at BOT (Toll) Mode under NH(O).
- ii. **Anisabad-Deedargunj proposal:-** Construction of Six Lane Elevated Road Along with Six Lane At-Grade Road with Service Road in Anisabad-Deedargunj Section Of NH-22(Old NH-30) & NH-31(Old NH-30) Starting Near Saristabad (Existing Chainage Km.181+300, Junction Of NH-30(Old) & NH-83(Old)) and Terminating after Deedargunj Junction (Existing Chainage Km.195+420 of NH30(Old)) in the State of Bihar on Hybrid Annuity Mode
- iii. **Patna to Purnea proposal: -** Construction of 4-Lane Greenfield Expressway from Patna to Purnea (NE-9) (Design Ch. Km. 0.000 to Km. 244.960, Total Design Length – 244.960 Km.) in the state of Bihar on Hybrid Annuity Mode (HAM) under NH(O)
- iv. **Section of Varanasi-Ranchi-Kolkata Highway: -** Construction of 6-lane Greenfield Varanasi-Ranchi-Kolkata Highway from Konki Village to Lerua village from Km 0+000 to Km 41+955 under NH (O) in the State of Bihar on Hybrid Annuity Mode.

1. The 139th meeting of the PPPAC was held on 06th February 2026 at 11:15 hours to consider the above-mentioned four road proposals of MoRTH.
2. List of attendees is placed at **Annexure-I**.
3. With the permission of Secretary (EA), Adviser (Energy) welcomed all the attendees to the meeting. NHA made a detailed presentation on all the four PPPAC road project proposals.
4. ***The projects at serial no. ii, iii and iv are currently under cost revision as per MoRTH guideline on HAM dated 06.11.2025 and shall be presented again to the PPPAC for the approval in the next PPPAC meeting.***

I. Development of 4/6 Lane of access-controlled Kanpur - Kabrai greenfield highway and Overlay/Strengthening, other road safety and improvement works on existing Kanpur - Kabrai section on DBFOT pattern at BOT (Toll) Mode under NH(O).

1. The details of the project are given in the table below:

Table 1: Details of the project

Project Description	Section-1: Development of 4/6 Lane of access-controlled Kanpur - Kabrai greenfield highway, starting from design km 0+000 (Kanpur Ring road) to design km 117+700 (near village Kabrai in district Mahoba) in the State of Uttar Pradesh and,
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	Section-2: Overlay/Strengthening, other road safety and improvement works on existing Kanpur - Kabrai section from km 7+430 to km 130+100 (Design chainage 0+000 to 123+860) of NH-34 (old NH-86) in the State of Uttar Pradesh on DBFOT pattern at BOT (Toll) Mode under NH(O).		
PPP Model	DBFOT pattern at BOT (Toll) Mode		
Sponsoring Authority	Ministry of Road Transport and Highways, Government of India		
Implementing Agency	National Highways Authority of India (NHAI)		
Location	State: Uttar Pradesh District: Kanpur, Hamirpur & Mahoba		
Type of Pavement	Flexible Pavement except toll plaza		
Lane configuration	4/6 lane with PS		
Details of Structures	S. No	Description	Total Amount (Rs. in Crore)
	1	Length (Km)	117.700 km
	2	Carriageway	4-lane with Paved Shoulder (2x7.0m) + (2x3.5m) + (2x0.5m edge strip)
	3	Design Speed	100 Kmph
	4	Major Bridge / Major bridge cum Underpasses (Nos)	09/07 (Irrigation canal – 5, Nalla + road – 2)
	5	Minor Bridge / Minor bridge cum Underpasses (Nos)	29/46 (Irrigation canal – 24, Nalla + road – 22)
	6	Culverts (Nos)	Box Culverts – 308 (MCW-255, Interchange-46), Pipe Culverts - 07
	7	Flyover (Nos)	05
	8	Elevated Viaduct (Nos)	07
	9	ROB (Nos)	01
	10	VUP/LVUP/SVUP/Cross Road Box Structures	09/19/29/43
	11	Length of Service Road/Slip Road (Km) (Each Side)	12.002 Km
12	Interchange Locations (for Entry/Exit) (Nos)	08 locations	
Concession Period	20 years (including 30 months construction period)		
Estimated Capital Cost with Break-up under major	Sr. No.	Particulars	Total Amount

heads of expenditure		(Rs. in Crore)
i	Total Civil Construction Cost including Utility Shifting Cost for (FY 2025-26)	4082.32
ii	Escalation up to Appointed Date @ 4% for 6 months from 01.04.2026	80.85
1	Total Civil Construction Cost including Utility Shifting Cost up to Appointed Date	4163.17
2	Escalation during Construction @ 4%	244.24
3	IC & pre-operative expenses @1% of (C)	41.63
4	Financing charges 0.75% of debt	16.63
5	Interest during Construction (IDC) @ 10.17% p.a.	213.40
6	O&M during Construction on existing highway	15.41
7	Estimated Project Cost (without GST) (1+2+3+4+5+6)	4694.48
8	Estimated Project Cost per km	39.88
9	GST@18% on Civil Construction Cost (Sr no. 1, 2&6)	796.11
10	GST@18% on Sr. No. 3&4	10.49
11	Total Project Cost (with GST) (7+9+10)	5501.06
12	Pre-Construction Cost	
(i)	Land Acquisition Cost	1643.14
(ii)	Environmental Cost	20.00
(iii)	Total Cost of Pre-Construction Activities	1663.14
13	Total Capital Cost [11+12 (iii)]	7164.22

Land Acquisition and other clearance	S. No.	Description	Kanpur- Kabrai (Greenfield)		
	1	Total Land to be Required (Ha.)	821.7976 Ha		
	2	Diversion of Forest Land (Ha.)	12.401 Ha. (Protected Forest)		
	3	3A Status	Sr. No.	Area (Ha.)	Gazetted Date
			1	316.530	Notified vide SO No 3428 dt 25/07/2025
2			266.85	Notified vide SO No 2916 dt 01/07/2025	
3	252.542	Notified vide SO No2938 dt 01/07/2025			
4	3D Status	Draft 3D is ready			
S. No.	Activity	Status	Target Completion		

	1	Environmental Clearances	TOR for EIA/ EMP study has been approved from the MoEF&CC, and Environmental clearance is in progress.	15 th March, 2026
	2	Forest Proposal	The Forest land diversion proposal has been uploaded on Parivesh Portal and Stage-I Forest clearance is in progress.	15 th March, 2026
	3	Shifting of utilities	<ul style="list-style-type: none"> Estimates obtained. Details of Existing Utility specified in Schedule A and its shifting is under the scope of Concessionaire 	February 28, 2026
	4	GAD Approval of ROB from the Ministry of Railways	<ul style="list-style-type: none"> Proposal uploaded on Railroad Crossing GAD Approval System. Joint site inspection has been completed. GAD submitted to railways for approval. 	February 28, 2026
	5	IWAI Clearance	Approval under progress	February 28, 2026
	6	NOC for Namami Gange program	Approval under progress	February 28, 2026
	7	Wildlife clearance	Not Applicable	NA
Financial Viability	PIRR	12.95%		
	EIRR	14%		
Concession Agreement	The project is proposed to be implemented as per Model Concession Agreement uploaded on MoRTH web site.			
Bidding parameter	Lowest Grant or highest premium			
Bidding process	Single Stage two-part system of bidding			

2. The primary purpose of the proposed project is to enable de-congestion in Kanpur, Ghatampur, Hamirpur & Kabrai. The proposed project section is part of the Bhopal–Kanpur Economic Corridor and the region around Kabrai has significant aggregate mining activity (serving both Kanpur on one side and Bhopal on the other) which make it necessary to upgrade the existing 2-lane road to a 4-lane access-controlled with 6-lane structures along a stretch of 117.7 kilometres. The projected traffic on the proposed greenfield corridor is about 18,069 PCUs in 2028 and is expected to cross 24,997 PCUs by 2035 and 41,240 PCUs by 2050.

3. The instant proposal is divided into two sections: **Section-1** includes development of a 4-lane access-controlled greenfield corridor with 6-lane structures from Kanpur to Kabrai and **Section-2** includes operation and maintenance of the existing alignment with two toll plaza (i.e. Aliyapur & Khanna) from Kanpur to Kabrai. The existing road is at present a 2-lane+PS which was under BOT mode and concession got over on 20.01.2025 and is taken over by NHAI. The existing road shall also be handed over to the concessionaire for operation and maintenance which will act as a sweetener to carry out the project on BOT (Toll) mode.

4. The proposed connectivity will reduce the travel time between Kanpur and Kabrai from existing 3.5 hrs to 1.5 hrs (58% reduction in travel time). The proposed alignment, designed for a speed range of 80–100 km/h compared to the existing 2-lane road's average speed of 30-50km/h. The proposed highway will also enhance the freight movement and will ensure, smooth and safe traffic flow and will result in substantial gain in terms of reduced Vehicle Operating Cost (VOC) and reduced delays.

5. The project will be executed under the BOT (Toll) model with a Total Capital Cost of Rs. 7164.22 crore and an Estimated project cost (EPC) of Rs. 4694.48 crore. The project is included under the NH(O) scheme. The financial assessment indicates the project IRR as 12.95% and the equity IRR as 14%.

6. After the detailed presentation, the Chair asked the PPPAC members for their observations. DoLA supported the proposal and stated that no further comments to offer.

7. PD, NITI Aayog raised the following observations:

- a. Will the tolling rates for the existing 2-lane and the proposed 4-lane highway be same or different? In case of different toll charges, there would be an incentive for the traffic to use the 2-lane. How will the over-crowding of 2-lane highway be managed? Also, what if the concessionaire neglects the 2-lane road as toll collection charges are less and focus only on the 4-lane road?
- b. What is the need for providing a boundary wall of length 204 km in the proposed project?
- c. There are two wayside amenities planned in Section-1 of the proposed project. The minimum facilities including O&M requirement, KPIs etc. required for wayside amenities need to be clearly specified in DCA and investment towards these facilities need to be duly recognized under the Concession Agreement.

8. AS, DoE raised the following observations:

- a. As per the PPPAC Memorandum, 821.79 ha of land is to be acquired for the project. The contract should be awarded after completing land acquisition to avoid cost and time overruns. Also, the DPR shows a cost of Rs. 19.04 crore for site clearance and dismantling. The realizable/salvage value of dismantled materials should be deducted from the estimated project cost to reduce the overall project cost.

9. The Chair made the following observations:

- a. The project includes two parallel sections, one greenfield and one brownfield which are connecting the same start and end points. What is the rationale for creating two simultaneous corridors to the same destination?
 - b. The proposed project is viable under the BOT (Toll) mode. Whether this viability is primarily due to the provision of sweeteners in the financing structure?
 - c. The project involves a very high number of structures, including 9 major bridges, 7 major bridge-cum-underpasses, 29 minor bridges, 47 minor bridge-cum-underpasses, 5 flyovers, 7 elevated viaducts, and 308 box culverts. MoRTH may confirm if it is essential to provide these number of structures?
 - d. As per the financial analysis, the project requires a VGF of 42.43% for a 20-year concession period. With the proposed optimization such as replacing boundary walls with toe walls the project should be viable with an upper VGF cap of 40%.
10. MoRTH submitted the following to the queries raised by the PPPAC Members: -
- a. The toll charges for the 2-lane and 4-lane highway would be different. The existing road traffic has already crossed its capacity and is presently operating at LOS-D/E resulting in congestion. The travel time using the proposed road will be reduced to 1.5 hours from present 3.5 hours. Therefore, the end-to-end traffic will consider the savings in time the proposed 4-lane is going to offer and hence prefer the greenfield alignment. Additionally, if the concessionaire does not maintain 2-lane road, the suspension clause from the DCA will get triggered.
 - b. As the proposed corridor is access-controlled, boundary walls were proposed. However, the same shall be removed and replaced by Toe walls with tree plantation.
 - c. The scope of Concessionaire for Wayside amenities would involve only construction of boundary wall with provision of entry and exit ramps. The same has been specified in Schedule-C of DCA. Further development of way side amenities will be done in separate Contract as per NHA policy by Competent Authority (NHLML).
 - d. The project shall be bided out only after completing of 90% of the land acquisition. An amount of Rs.19.04 crore, which is part of civil cost, has been considered towards site clearance (Clearing and Grubbing) only. As the subject project is a greenfield alignment, there are no existing bridge/ underpass structures requiring dismantling; therefore, no realizable or salvage value of dismantled materials has been considered.
 - e. The existing alignment has an available ROW of about 30 m, whereas the proposed access-controlled highway requires a ROW of about 60 m, necessitating acquisition of an additional 30 m. Land costs along the existing alignment are high, and upgrading the existing 2-lane highway to 4-lane highway with 6-lane structure would require demolition of more than 800 building structures. Although the option of using the existing alignment with bypasses was examined during the alignment study, the alignment passes through densely populated areas, leading to large-scale demolition and substantially high Capital cost due to higher land acquisition and R&R costs. Additionally, the development of the proposed 4-lane greenfield corridor would result in a combined 6-lane facility at an estimated cost of Rs. 6,601.98 crore, whereas upgrading the existing 2-lane brownfield corridor delivers only a 4-lane capacity at a higher cost of Rs. 7,137 crore. This clearly indicates that the greenfield option provides

greater capacity at a significantly lower investment, making it a more efficient and cost-effective solution.

- f. The project's viability under the BOT (Toll) framework is partly supported by the proposed sweetener. In addition, the corridor benefits from factors such as minimal traffic leakages and the absence of competing routes, which further enhance tolling potential and overall project viability.
- g. The high number of structures is necessitated by the large number of waterbody intersections, as the natural drainage channels in the project area predominantly flow from north to south, requiring appropriate cross-drainage works. Additionally, as per standard engineering practice, culverts are provided at intervals of approximately 200–300 meters.
- h. With the optimization of boundary wall provisions, the project viability can be improved, and an upper VGF cap of 40% is achievable. Further, during the bidding process, it is typically observed that bidders offer a discount of 20% to 30%. Therefore, setting the upper VGF ceiling at 40% is appropriate.

Recommendations

11. After detailed deliberations, the PPPAC unanimously recommended the proposal for “Development of 4/6 Lane of access-controlled Kanpur - Kabrai greenfield highway, starting from design km 0+000 (Kanpur Ring road) to design km 117+700 (near village Kabrai in district Mahoba) in the State of Uttar Pradesh and, Overlay/Strengthening, other road safety and improvement works on existing Kanpur - Kabrai section from km 7+430 to km 130+100 (Design chainage 0+000 to 123+860) of NH-34 (old NH-86) in the State of Uttar Pradesh on DBFOT pattern at BOT (Toll) Mode under NH(O)” subject to following recommendations, for consideration of the Competent Authority for giving Administrative Approval.

- a. The appraised Total Capital Cost of the proposed Kanpur – Kabrai proposal is Rs. 7164.22 crore with a total estimated project cost (excluding GST) of Rs. 4694.48 crore.
- b. The project should be taken up on BOT (Toll) under the NH(O) scheme.
- c. The boundary wall component to be removed and replace with Toe wall with tree plantation along the proposed project. Cost of the project as mentioned at 11 (a) above to be adjusted accordingly.
- d. PPPAC assess that the project would be viable with a VGF support of 40%. Hence, the grant requirement is capped at a maximum of 40% for a concession period of 20 years, including a construction period of 3 years.
- e. The MoRTH shall fund the grant requirement under NH(O) scheme.
- f. Land acquisition and necessary clearances to be obtained in a time bound manner before the bid due date so as to avoid any delay in the project.

12. Revalidation of its recommendation by the PPPAC is not required for 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/modification in the project proposal with the overall objective of making project successful.
- d. Further, MoRTH/NHAI 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 (RTH)/BoD of NHAI 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 139th meeting of the PPPAC

a. Department of Economic Affairs, Ministry of Finance

1. Ms. Anuradha Thakur, Secretary (EA)
2. Shri Chuni Lal Ghosh, Adviser (Energy)
3. Ms. Arya Balan Kumari, Joint Director (PIU)
4. Shri Rajender Singh, SO (PIU)
5. Shri Manjeet Yadav, ASO (PIU)

b. Department of Expenditure

1. Shri D. Anandan, Additional Secretary, Public Finance Central- I

c. NITI Aayog

1. Shri. Partha Reddy, Programme Director

d. Department of Legal Affairs

1. Shri Jagat Prakash, Assistant Legal Adviser

e. Ministry of Road Transport and Highways

1. Shri V Umashankar, Secretary (RTH)
2. Shri Puneet Agarwal- AS&FA
3. Shri Manoj Kumar, CE

f. National Highway Authority of India (NHAI)

1. Vishal Chauhan, Member (Admin)
2. Naveen Kumar, CGM(T) NHAI HQ
3. Sunil Kumar, GM(T)
4. Prashant Mahajan, DGM(T)