

F. No 2/08/2026-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

4th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
16th October, 2026

Record of Discussion

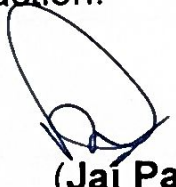
Subject: Record of Discussion of 152nd meeting of the PPPAC for considering "Construction of 6-lane Elevated Corridor from Maduravoyal Junction (Chainage Km 13+965) to Chennai Outer Ring Road (Chainage Km 22+100) including Junction Improvements at km. 22/368 of NH-48 (Old NH-4) in Tamil Nadu on Hybrid Annuity Mode" by Ministry of Road Transport and Highways (MoRTH) on PPP mode.

Reference: 152nd meeting of the PPPAC held on 26.09.2026

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 152nd Meeting of the PPPAC on the above mentioned subject held on 26.09.2026 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, PIU

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 152nd meeting of the PPPAC for considering "Construction of 6-lane Elevated Corridor from Maduravoyal Junction (Chainage Km 13+965) to Chennai Outer Ring Road (Chainage Km 22+100) including Junction Improvements at km. 22/368 of NH-48 (Old NH-4) in Tamil Nadu on Hybrid Annuity Mode"

1. The 152nd meeting of the PPPAC was held on 26.09.2026 at 12.45 PM to consider the project proposal "Construction of 6-lane Elevated Corridor from Maduravoyal Junction (Chainage Km 13+965) to Chennai Outer Ring Road (Chainage Km 22+100) including Junction Improvements at km. 22/368 of NH-48 (Old NH-4) in Tamil Nadu on Hybrid Annuity Mode".

2. List of attendees is placed at **Annexure-I**.

3. With the permission of Secretary (EA) Joint Secretary (IFS) welcomed all the attendees to the meeting. NHAI officials made detailed presentation on the project.

The details of the proposal are as given below:

SN	Item	Description
1.	Name of the Project	Construction of 6-lane Elevated Corridor from Maduravoyal Junction (Chainage Km 13+965) to Chennai Outer Ring Road (Chainage Km 22+100) including Junction Improvements at km. 22/368 of NH-48 (Old NH-4) in Tamil Nadu on Hybrid Annuity Mode (Project Length – 8.135 kms)
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc)	Hybrid Annuity Mode (HAM)
3.	Location (State/ District/ Town)	State: Tamil Nadu District: Chennai & Tiruvallur
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 Proposed Project	The project proposal is a part of old NH- 4 and new NH- 48 which included the Construction of 6-lane Elevated Corridor from Maduravoyal Junction (Chainage Km 13+965) to Chennai Outer Ring Road (Chainage Km 22+100) including Junction Improvements at km. 22/368 of NH-48 (Old NH-4). The project road lies on NH 4 and connects Chennai with Walajapet in the State of Tamil Nadu. The proposed project alignment is passing through heavily built-up section of Chennai city for a total length of ~23 Kms.

The project road starts from Maduravoyal Cloverleaf interchange and then passes over the existing Six lane at-grade road (Bengaluru Highway) and terminates before the Toll Plaza at Sriperumbudur

Salient features of the project are detailed below:

S. No.	Project Features	Details
1	Length (km)	8.135 Km
2	Carriageway width	2 x (0.5 CB + 2.50m PS + 11.0m CW including 0.5m shy) + 1.0m central median = Total 29.0m
3	Major Bridge (No)	Nil
4	Minor Bridge	Nil
5	Box Culvert (No.)	Nil
6	Cross road culverts	Nil
7	Median drain out culverts	26
8	Viaduct	Viaduct Length – 6.945 km for Main carriageway and 2.34 km for entry and exit ramps
9	Overpass (VOP)	Nil
10	VUP	Nil
11	LVUP	Nil
12	SVUP	Nil
13	AUP	Nil
14	ROB/RUB	Nil
15	Toll Arrangements	2+1 (either side)
16	Service Road	Nil
17	Slip Road	2.82 km
18	Connecting Road	Nil
19	Avg. Traffic considered (PCU)	Projected traffic in 2024-25 is 142409 PCU (as per 2025 survey).
20	Design Traffic (MSA)	125 MSA for Main Carriage way & entry and exit ramps and 20 MSA for slip roads

8.	Estimated Capital Costs with breakup under major heads of expenditure. Also indicate the basis of cost estimation	Details of Total Project Cost are as given below:		
		S.N.	Item	Amount (Rs. in Cr.)
		A1	Estimated civil construction cost (excl. GST)	1,018.12

		A2	Cost of overhead utility shifting (tentative)	14.43
		A	Civil cost incl. utility shifting (A1 + A2)	1,032.45
		B	IC & pre-operative cost	10.32
		C	Financing cost	3.27
		D	Interest during construction	32.47
		E	Estimated Project Cost as on bid due date (excl. GST)	1,078.51
		E1	Estimated Project Cost incl. GST	1,264.36
		F	Bid Project Cost (excl. GST)	1,228.87
		G	Contingency	15.00
		H	Price adjustment during construction	82.60
		I	30 months construction period	82.60
		J	Maintenance charges including price escalation	75.50
		K	15 years Maintenance period (structure)	75.50
		L	Interest on Annuity	539.26
		M	GST	349.42
		N	Agency charges	12.00
		O	Supervision Charges including GST	10.79
		N	LA and other pre-construction charges	157.29
		Q	Total Capital Cost	2470.71
9.	Financial Viability	Equity IRR: 12.00% Project IRR: 10.27%		
10.	Clearances	Total Land Required (Ha): 54.896 Ha Existing ROW (Ha): 52.89 Ha Land Required (Ha): 2.006 Ha		
11.	Bidding Process	Single stage two- part system of bidding		
12.	Bidding Parameter	Lowest Bid Project Cost		

5. The Chennai Port-Maduravoyal Elevated Corridor is approximately 23 km long and has been envisaged as a multi-level transportation corridor. The elevated road is proposed along the Cooum River, with a two-tier elevated configuration to optimize the available right-of-way in the densely populated project area. Under the proposed arrangement, the metro system will be accommodated at the second level, the elevated road corridor at the first level, and local traffic will continue to operate at ground level. A uniform deck width of 29 m has been considered for both the spine and wing configurations. The elevated structure is proposed to be constructed along the median of the existing highway, with precast structural components proposed to facilitate faster and more efficient construction.

6. The project has a total length of 8.135 km, comprising 6.944 km of elevated road and 2.339 km of up and down ramps. The toll collection to be implemented through Multi-Lane Free Flow (MLFF) tolling and no physical toll plaza is proposed. The proposed construction period is 30 months, with a total estimated capital cost of ₹2,175.9 crore. The traffic at the at-grade level is estimated at approximately 1,40,000 PCU/day, while the traffic on the elevated road is estimated at 55,242 PCU/day (2025). It was further discussed that traffic would transition from the at-grade level to the elevated section through the proposed ramps.

7. The Maduravoyal-Sriperumbudur section, was originally envisaged under the Bharatmala Pariyojana to provide connectivity between the Chennai Port Elevated Road and the Chennai-Bengaluru Expressway. The section is proposed to be developed in two phases, namely Phase 1 from Maduravoyal to CORR (8.14 km) and Phase 2 from CORR to Sriperumbudur (12.9 km). It was noted that Chennai Metro Rail Limited (CMRL) is also planning to utilize NHAI land from CORR onwards, and accordingly, the development of Phase 2 is currently under discussion between CMRL and NHAI. 26.09.2029

8. After and during the detailed presentation, the Chair and the PPPAC members made their observation. DoLA supported the proposal and stated that there were no further comments to offer.

9. The observations raised by the PD, NITI Aayog and the responses thereto by MoRTH / NHAI officials are given below:

i. What is the basis for the projected traffic of approximately 55,000 PCU/day on the elevated road, considering that port-bound traffic alone may not account for this volume?

Response: The projected 55,000 PCU/day comprises not only port-bound traffic but also significant through traffic. The project corridor serves as a key junction connecting the Chennai Bypass, Chennai Outer Ring Road, and Chennai Peripheral Ring Road, along with substantial Bengaluru-Chennai traffic. It was further noted that traffic at Sriperumbudur is approximately 1,40,000 PCU/day, indicating the significant traffic potential of the corridor.

ii. Is the traffic currently using the at-grade road subject to tolling?

Response: Yes, the traffic using the at-grade road is currently being tolled. It was clarified that the toll rate for the elevated section is expected to be significantly higher than the toll applicable to the at-grade road. Despite the higher toll on the elevated section, some traffic may still prefer to use the at-grade road, depending on factors such as the toll differential and travel requirements.

iii. What is the rationale for imposing 80 kmph speed restrictions at four locations over approximately 1 km of the 8.14 km corridor, and can the corridor be designed for 100 kmph?

Response: The 80 kmph restrictions are required due to horizontal alignment constraints, as the elevated corridor follows the existing road median. Modifying the

alignment would require additional land acquisition, which is difficult in the densely built-up area. Accordingly, the restrictions have been provided at the identified locations.

iv. The proposed junction arrangements at both end of the project may be presented to PPPAC, including the measures proposed to facilitate smooth traffic entry and exit.

Response: At both ends of the project, traffic will transition to the at-grade road through entry and exit ramps. Accordingly, junction improvements will be required at the entry/exit ramps to facilitate smooth traffic movement. Traffic modelling will be undertaken to assess and optimize the proposed junction arrangements and entry/exit movements.

10. The observations raised by Director, DoE and the responses thereto are given below:

i. The project's FIRR of 9.80% is below the benchmark hurdle rate of 10%, and any increase in project cost or reduction in revenue could further impact the project's financial viability. The financial viability of the project may therefore be reviewed.

Response: The Equity IRR is 12%, while the Project IRR is 10.5%. Further, considering the high traffic volumes and prevailing congestion, the development of the elevated corridor is considered necessary to improve traffic movement and corridor capacity.

ii. The cost of site clearance and dismantling has been estimated at ₹1.58 crore. The realizable scrap value of the dismantled materials may be assessed and deducted from the dismantling cost to reduce the Total Project Cost (TPC).

Response: It was clarified that salvage value is not considered in project cost estimates, as the dismantled materials are disposed of on an "as-is-where-is" basis.

iii. An escalation amount of ₹82.60 crore, equivalent to 8% of the civil cost including utility shifting, has been provided on an ad hoc basis. The escalation should instead be calculated based on the annual expenditure profile and applicable escalation rates to avoid potential overestimation.

Response: The 8% escalation provision is for the entire 2.5-year construction period and is not an annual escalation rate. As per the standard approach, 7% escalation is considered for a 2-year construction period, with an additional 1% provision for the 2.5-year construction period, resulting in an overall escalation provision of 8%.

iv. The project is proposed to be implemented in accordance with the Model Concession Agreement (MCA) dated 09.12.2016. However, similar MoRTH projects are being implemented under the MCA 2020. Accordingly, the latest applicable MCA may be adopted, with necessary updates to reflect the prevailing policy and contractual framework.

Response: The latest applicable MCA has been adopted, incorporating the current policy requirements and contractual framework.

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

i. The instant project is part of Bangalore-Chennai expressway which is divided into 4 different packages. What is the rationale for dividing the projects in 2 different packages?

Response: The instant proposal is of 8 Km (out of total 23Km length of Sriperumbadur -Maduravoyal length) and is proposed to be executed in single package only. The remaining length (13Km) will be taken up separately after consolidating that stretch proposal with CMRL

ii. As per the PATSC minutes, the civil construction cost of the project is Rs.947.63 Cr. However, as per the instant proposal, the same is Rs. 1032 Cr. Why is the cost different from the PATSC minutes?

Response: The PATSC meeting for the project was held on 11.07.2025 wherein the project with 6 lanes without paved shoulder configuration having total deck width of 25m with civil construction cost of Rs.947.63 Cr was appraised and recommended to PPPAC for approval. A preparatory review meeting was chaired by Secretary, MoRTH on 10.09.2025 before deciding to finally put up the proposal before PPPAC, wherein it was decided to revise the TCS of elevated corridor from 6L without PS (25m overall deck width) to 6L with PS (29m overall deck width) as per the standard 6L manual & specifications IRC SP 87-2019. Accordingly, after changing the configuration to 6 lane paved shoulder with deck width of 29 m, the cost estimates were revised to Rs.1032.45 Cr

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

i. What proportion of the existing traffic is expected to shift to the proposed elevated road?

Response: The traffic expected to use the proposed elevated road would primarily comprise through traffic and port-bound traffic, including traffic originating from Bengaluru and the Bengaluru-Chennai Expressway (~ 55000 PCUs/ day). The remaining traffic is expected to continue using the existing 6-lane at-grade road, along with the service roads on either side.

ii. Why are the land acquisition costs for the project relatively high?

Response: The project is located within a densely developed urban area of the city, where land values are comparatively high. Accordingly, the cost of land acquisition is significant. For approximately 2 hectares of land, the estimated land acquisition cost is ₹157.29 crore.

iii. Why is the project being proposed under the HAM mode instead of BOT (Toll), considering that the project appears to be financially viable under BOT (Toll)?

Response: From a viability perspective, the project could potentially be developed under the BOT (Toll) mode. However, the successful implementation of the BOT model would depend on the projected 55,000 PCU/day traffic shifting to the elevated corridor. Further, the Chennai Port Elevated Road is being developed on EPC, while the Bengaluru-Chennai Expressway is being developed under HAM. Developing the intervening 8 km section under BOT (Toll) could potentially affect the overall monetization strategy for the corridor. Accordingly, it was proposed that the project be developed under HAM initially, followed by monetization through TOT after completion of the entire corridor. Moreover, if the anticipated traffic does not materialize after completion, a BOT (Toll) concession could potentially lead to disputes and may require the Authority to consider a buyback arrangement. Therefore, completing the corridor first and subsequently undertaking monetization was considered a more appropriate approach.

iv. How much higher is the estimated project cost compared to the normative cost?

Response: The estimated cost of the 6-lane elevated Maduravoyal-CORR section (8.14 km) is ₹1,032.45 crore, which is ₹105.19 crore (11.34%) higher than the normative cost of ₹927.26 crore. The higher cost is primarily attributable to the structure component, owing to the use of 2025–26 SOR rates, longer spans, M50 grade concrete, and greater average pile lengths compared with the normative assumptions.

v. How and where will toll collection be carried out, and will the proposed system help prevent revenue leakage?

Response: The toll collection will be implemented through a Multi-Lane Free Flow (MLFF) system, with no physical toll plaza. The system will identify and capture the vehicle at the entry and exit points of the elevated road and calculate the toll based on the distance travelled. The corresponding toll amount will then be deducted from the applicable account. The MLFF system is also expected to help minimize revenue leakage by enabling automated tracking and toll collection of vehicles using the facility.

13. Recommendations

After the detailed deliberations, the PPPAC unanimously recommended the proposal “Construction of 6-lane Elevated Corridor from Maduravoyal Junction (Chainage Km 13+965) to Chennai Outer Ring Road (Chainage Km 22+100) including Junction Improvements at km. 22/368 of NH-48 (Old NH-4) in Tamil Nadu on Hybrid Annuity Mode” 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 2,470.71 crore. The Estimated Project Cost excluding GST is INR 1,078.51 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. The Concession period for the project is 2.5 years.
- v. Land acquisition and necessary clearances to be obtained in a timebound manner to avoid delay in the project.

14. 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.

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

Annexure-I

List of the attendees

A. Department of Economic Affairs, Ministry of Finance

- i. Ms. Anuradha Thakur, Secretary (EA)
- ii. Ms. Laya Madduri JS (IFS)
- iii. Shri. Rahul Singh, Director, (ISD)
- iv. Shri. Jai Patil, Deputy Secretary (PIU)
- v. Ms. Shraddha D Narwade, Assistant Director (PIU)
- vi. Shri. Deepak Meena, ASO (PIU)

B. Department of Expenditure

Ms. Bhumika Verma, Director (*online*)

C. NITI Aayog

Shri. Partha Sarathi Reddy, Programme Director, NITI Aayog

D. Department of Legal Affairs

Shri. Satish , Deputy Legal Adviser

E. Ministry of Road Transport and Highways

- i. Shri. V. Umashankar, Secretary MoRTH
- ii. Shri. Puneet Aggarwal, AS & FA
- iii. Shri. Manoj Kumar, Chief Engineer (BP&SP)

F. National Highway Authority of India

- i. Shri. Santosh Kumar Yadav, Chairman, NHAI
- ii. Shri. K Venkataramana, Member (PPP), NHAI
- iii. Shri. P N Gawasane, GM (T), NHAI
- iv. Shri. Shantanu, Manager (T), NHAI