

F.No.2/15/2025-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

4th Floor, STC Building,
Janpath New Delhi-01
Dated: 12th September 2025

Record of Discussion

Subject: Record of Discussion of the 134th meeting of the PPPAC for considering two road project proposals of the Ministry of Road, Transport & Highways (MoRTH) on PPP mode.

Reference: 134th meeting of the PPPAC held on 30th August 2025.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 134th meeting of the PPPAC held on 30th August 2025 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, 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.

Copy to:

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

Subject: Record of Discussion of the 134th meeting of the PPPAC for considering the following project proposals: -

(i) 4-laning from Dhamasiya (Km132+32) to Bitada/Movi (Km 179+78) section of NH-56 (Pkg-IV) and 4-laning from Nasarpore (Km 208+90) to Malotha (Km 269+11) section of NH-56 (Pkg-VI) on HAM under NH(O) in the State of Gujarat.

(ii) 4-laning of Jagtial (Km 0.000) to Karimnagar (Km 58.866) section of NH-563, Armoor (Km 29.100) to Jagtial (Km 92.700) section of NH-63, and Jagtial (Km 92.700) to Mancherial (Km 160.995) section of NH-63 under NH (O) on HAM in the State of Telangana.

(iii) 4-laning of NH-167 from Gudebellur at Design Km.182+930 to Mahabubnagar at Design Km 262+940 of Hyderabad-Panaji section (length 80.01km) under NH(O) on HAM in the state of Telangana

1. The 134th meeting of the PPPAC was held on 30th August 2025 at 11:00 hours to consider the above proposals of MoRTH.
2. List of attendees is placed at **Annexure-I**.
3. With the permission of Secretary (EA), Advisor (Energy), DEA welcomed all the attendees to the meeting. NHAI made a detailed presentation on the proposed road projects.

(i) 4-laning from Dhamasiya (Km132+32) to Bitada/Movi (Km 179+78) section of NH-56 (Pkg-IV) and 4-laning from Nasarpore (Km 208+90) to Malotha (Km 269+11) section of NH-56 (Pkg-VI) on HAM under NH(O) in the State of Gujarat.

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

Table 1: Details of the project

Project Description	<p>The proposed project includes upgradation of the following two packages of the Dhamasiya – Bitada/Movi and Nasarpore to Malotha of NH-56:</p> <ol style="list-style-type: none"> i) Upgradation/Strengthening of Existing Two/ Four Lane Carriageway to Four Lane Divided Carriageway from Ch. 132+32 (Existing Km. 454.5) in Dhamasiya Village in Naswade Taluka to Ch. 179+78 (Existing Km. 506.66) in Bitada/Movi Village in Netrang Taluka (Length 47.46 Km) Section of NH-56 in Gujarat on HAM (Pkg-IV) ii) Upgradation of Existing Two-Lane Carriageway to Four Lane Divided Carriageway from Ch 208+90 (Existing Km 535.93) in Nasarpore Village in
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	Umarpada Taluka to Ch 269+11 (Existing Km 608.51) in Malotha Village in Vyara Taluka (Length 60.21 Km) section of NH-56 in Gujarat on HAM (Pkg-VI)			
PPP Model	Hybrid Annuity Mode			
Sponsoring Authority	Ministry of Road Transport and Highways, Government of India			
Implementing Agency	National Highways Authority of India (NHAI)			
Location	State: Gujarat Districts of Gujarat: Vadodara, Narmada (Pkg-IV), Surat & Tapi (Pkg-VI)			
Type of Pavement	Flexible			
Lane configuration	4-lane			
Details of Structures	Sl. No.	Description	Package-IV	Package-VI
	1.	Length	47.46 km	60.21 km
	2.	Major Bridges	09	03
	3.	Minor Bridges	18 + 4 (Service Road Bridges)	23 + 10 (service road bridges)
	4.	Culverts	208	265
	5.	Flyover	03	09
	6.	VUP	05	10
	7.	LVUP	03	04
	8.	Elevated Structure/ ROB	<ul style="list-style-type: none">612.2 M (ROB + Elevated - Main Carriageway)782 M (Interchange Loop 1 No.)1007 M (Interchange Ramp 2 Nos.)	<ul style="list-style-type: none">01 (Flyover cum ROB)01 (Retained on NH-53)
	9.	Length of Service/ Slip Road	<ul style="list-style-type: none">Service Road: 2.581 Km (Both Sides)Slip Road: 0.86 Km (Both Sides)	<ul style="list-style-type: none">Service Road: 3.215 Km (Both Sides)Slip Road: 13.147 Km (Both Sides)
	10.	Tunnel	<ul style="list-style-type: none">Tunnel 1 – 840 m (167+565 to 168+ 405)Tunnel 2 – 650 m (170+970 to 171 +620)	Nil
	11.	Bypasses	1 No. (Total Length - 3.10 km)	4 Nos. (Total Length - 31.39 km)
	12.	Realignment	4 Nos. (Total Length - 12.90 Km)	1 No. (Total Length - 1.36 Km)
	13.	Bus bays	38 Nos.	48 Nos.
	14.	Truck Lay byes	06 Nos.	02 Nos.
	15.	Toll Plaza	Nil	01 No. (4+4)
	16.	Rest Area / Wayside amenities	2 Nos.	2 Nos.
17.	No of Homogenous sections	HS- I – 132.32 to 139 HS-II – 139 to 157.7 HS-III – 157.7 to 179.78	HS-I – 208.9 to 215.8 HS-II – 215.8 to 242 HS-III – 242 to 260.35 HS-IV – 260.35 to 269.11	

	18.	Design Traffic	185 MSA /132 MSA	132 MSA/ 80 MSA/ 110 MSA
	19.	Crust Composition	<ul style="list-style-type: none"> ○ Subgrade – 500 mm ○ CTSB – 200 mm ○ WMM – 150 mm ○ DBM –120/ 115/ 110mm ○ BC – 50 mm 	<ul style="list-style-type: none"> ○ Subgrade – 500 mm ○ CTSB – 200 mm ○ WMM – 150 mm ○ DBM – 100 / 80/ 75/ 90 mm ○ BC – 50 mm
Concession Period		17 years (including 2 years for construction and 15 years of O&M) ¹		
Estimated Capital Cost with Break-up under major heads of expenditure	S. N	Description of work	Pkg-IV (Rs in crore)	Pkg-VI (Rs in crore)
	A	Cost of Civil Works	1314.02	1276.83
	B	Utility Shifting Cost	41.82	25.0
	1	Total Civil Construction Cost (including cost of Utility Shifting)	1355.84	1301.83
	2	I/C & Pre-Operative Expenses	13.56	13.02
	3	Financing Cost	5.04	4.81
	4	Interest during construction	65.84	62.75
	5	Estimated Project Cost (1+2+3+4)	1440.28	1382.41
	6	Bid Project Cost	1675.62	1620.32
	7	GST @ 18 % on Total Civil Construction Cost	244.05	234.33
	8	Contingency @ 1% on Civil Cost (Excluding Utility Shifting)	13.14	12.77
	9	Escalation during construction incl GST	191.76	185.43
	10	O&M for 15 years including escalation & GST	325.44	314.71
	11	Supervision Charges on Utility Cost (2.5% of Utility Shifting Cost)	1.045	0.63
	12	Land Acquisition Cost	96.64	98.65
	13	Environmental Cost	20.09	22.27
	14	Total Capital Cost (5+7+8+9+10+11+12+13)	2332.44	2251.2
Land Acquisition Status	Sr. No.	Description	Package-IV	Package-VI
	1.	Greenfield/ Brownfield (ROW)	Total Length – 47.46 Km (Greenfield/realignment Length – 16 km Brownfield Length – 31.41 km)	Total Length – 60.21 Km (Greenfield/realignment Length – 32.75 km Brownfield Length – 27.46 km)
	2.	Total Land Required (Ha)	227.54 Ha.	251.44 Ha
	3.	Existing ROW (Ha)	62.01 Ha. (State NH Division GoG has handed over existing RoW of NH-56 to NHAI)	38.5148 Ha. (State NH Division GoG has handed over existing RoW of NH-56 to NHAI)

¹ The PPPAC has recommended for a construction period of 2.5 years and the concession period of 17.5 years (Recommendation Para 13. (c)).

	4.	Private Land Required (Ha)	74.46 Ha.	146.64 Ha.
	5.	3(A) Status	74.46 Ha	146.64 Ha
	6.	3(D) Status	74.46 Ha	123 Ha
	7.	3(G) Status	74.46 Ha	58.6 Ha
	8.	3(H) Status	Nil	Nil
	9.	Balance 3(A)	Nil	Nil
	10.	Balance 3(D)	Nil	23.64 Ha. (Likely by October 2025)
	11.	Balance 3(G)	Nil	Likely by December 2025
	12.	LA Cost	Rs 96.64 crore	Rs 98.65 crore
Financial Viability	Particulars		Package-IV	Package-VI
	PIRR		11.31%	11.29%
	EIRR		15%	15%
Concession Agreement	The project is proposed to be implemented as per Model Concession Agreement uploaded on MoRTH web site in November 2020 with subsequent amendments issued thereafter.			
Bidding parameter	Lowest Bid Project Cost			
Bidding process	Single Stage Two Envelop Process			

- The project involves upgrading the existing 2-lane carriageway to a 4-lane carriageway for the two packages viz., Package-IV and Package-VI, of the Dahod-Bodeli-Vapi corridor. The Dahod-Bodeli- Vapi Corridor starts at the junction with Delhi – Vadodara Expressway near Dahod and ends at NH – 48 in Vapi, spanning entirely within the State of Gujarat. The Dahod-Bodeli -Vapi corridor is divided into ten packages, out of which package IV and VI are proposed in the instant proposal for upgradation into a 4-lane corridor. The Package-III and Package-V are awarded and is under construction. Rest of the packages were dropped due to land acquisition, upcoming Delhi-Mumbai Expressway etc.
- The primary purpose of the Dahod-Bodeli-Vapi corridor is to provide connectivity to Bodeli, Devaliya, Rajpipla, Netrang, Vyara, and further Southwards towards Mumbai via Vadodara-Mumbai Expressway (which is under implementation). The proposed project packages traverse the Narmada district, an aspirational district, thereby providing vital connectivity to tribal areas and the Statue of Unity, a prominent tourist destination located in Kevadia Village, approximately 11 kilometers from the project site. Thus, the proposed project plays a crucial role in providing connectivity to the backward and tribal regions of Southern Gujarat and thereby helping in economic growth and development of the region.
- Traffic surveys on the existing project packages were carried out in 2019- 2020 which was 15,093 PCUs for package-IV and 16323 PCUs for package-VI. Considering average 6.76% CAGR for traffic growth, the projected traffic for 2024-25 is 20,936

PCUs for package-IV and 22608 PCUs for package-VI. With the proposed corridor, the travel time shall be reduced by around 2.5 hours between Bodeli and Vyara thus reducing Vehicle Operating Cost.

5. The project will be executed under the HAM model with a Total Capital Cost of Rs. 2,332.44 crore for package-IV and Rs. 2,251.2 crore for package-VI under the NH(O) scheme. The financial assessment indicates that the project IRR for Package-IV and Package-VI is 11.31% and 11.29%, respectively, while the equity IRR is estimated at 15% for both the packages.
6. After the detailed presentation, the Chair asked the PPPAC members for their observations.
7. Director, DoE raised the following observations:
 - a) It may be clarified under which scheme the project is proposed to be taken up?
 - b) The per kilometre civil construction cost appears to be on the higher side. MoRTH may provide a cost comparison of the proposed project with nearby projects and recently awarded similar projects. Additionally, since there are no normative costs for tunnels, a cost comparison with similar tunnel projects may also be provided.
 - c) What is the rationale for including maintenance charge in both the packages?
8. PD, NITI Aayog raised the following observations:
 - a) The PPPAC memo indicates a projected traffic level for 2024-25 of 20,936 PCUs for Package-IV and 22,608 PCUs for Package-VI. According to the BOT (Toll) analysis, the tollable traffic level for Package-IV is 10,771 PCUs and for Package-VI is 7,344 PCUs. The reason for substantial variation between the total PCUs and the tollable PCUs may be provided. Further, MoRTH may review the calculation of BOT (Toll) analysis and undertake the project in BOT (Toll) Mode, if the project is viable.
 - b) As per the proposed project documents, there are two highways (i.e. Delhi-Mumbai Expressway and NH-48) running parallel to the proposed project highway. MoRTH may provide the details of any contractual issues that may arise with respect to competing road projects in existing highway contracts.
 - c) In Package-VI, there are 05 major intersections with median openings even after having 10 VUPs and 4 LVUPs. MoRTH may review the provision of median openings as it will impact the safety of operations.

- d) The proposed RoW indicated for Package-IV is varying between 30m to 60m and for Package-VI is 26.5m to 60m. What is the justification for such variation in the proposed RoW ?.
 - e) In Package-IV, the design speed is restricted to 50/65/80 kmph at six specific chainages (141+641, 157+699, 157+924, 158+292, 166+840, and 167+117). What is the rationale behind these speed restrictions?
 - f) The escalation charges during the construction phase appear to be on the higher side. The Authority may clarify the basis for the escalation considered in the proposed project.
 - g) The proposed construction period of two years appears to be on the higher side. The PSA may review and revise the same.
9. Deputy Leader Advisor, DoLA raised the following observations:
- a) In the presentation, it was mentioned that land values are lower in tribal areas. Whether any market assessment of land cost have been done to ascertain land acquisition cost?
10. Advisor (Energy), DEA highlighted the following observations:
- a) Whether the proposed project packages are access-controlled or not. It was mentioned in the documents that the packages are partially access-controlled.
 - b) Traffic surveys on the project highway were conducted during 2019–2020, whether a traffic revalidation exercise has been taken up to ensure accuracy and relevance of the projected traffic data?
 - c) The project has high number of structures. The option of optimising the structures may be explored.
 - d) The Debt-to-equity ratio considered is 75:25 which is a deviation from the standard 70:30 ratio.
11. The Chair made the following observations:
- a) The rationale for upgrading the existing Dahod-Bodeli-Vapi corridor which runs parallel to the Delhi Mumbai Expressway may be clearly justified.
12. MoRTH submitted the following to the queries raised by the PPPAC Members: -
- a) The instant project is proposed under NH(O) scheme of MoRTH.

- b) The cost of the instant project has been compared with nearby projects and found to be on a lower side. While MoRTH's circular dated 19.01.2022 does not specify normative costs for tunnels, a comparative analysis has been done with similar NHAI tunnel projects. For instant, the twin-tube tunnel (3.5 km) in the Pathankot-Mandi section costs Rs. 735 crore (Rs. 210 crore/km), whereas the proposed tunnel (1.49 km) costs Rs. 304.5 crore (Rs. 204.36 crore/km), which is within the reasonable range.
- c) The per km cost of the instant proposals are high due the inclusion of various structures including tunnels and bridges. In the recently awarded projects of the same corridor viz., Packages III and V, the per km costs were Rs. 21.52 and Rs. 18.23 crore/km respectively. In the proposed corridor, the per km civil cost is Rs. 27.69 crore for Package-IV and Rs. 21.21 crore for Package-VI.
- d) As per clause 23.7 of the DCA, in HAM project all O&M Expenses shall be borne by the Concessionaire and for the performance of its Maintenance obligations, a lump sum financial support in the form of biannual payments shall be due and payable by the Authority. For flexible pavement including structures, no maintenance charges shall be paid for the first year; 0.40% of the Bid Project Cost each for the second, third and fourth year, 0.80% of the Bid Project Cost each for the subsequent years till laying of the renewal layer or end of concession period, whichever is earlier. Therefore, MoRTH has mandated the inclusion of maintenance charges in the Total Capital Cost. Accordingly, the same is included in the Total Capital Cost.
- e) As per fresh traffic surveys held in July'2025, Total traffic in PCU per day comes out to be 13949 for Pkg-IV & 11906 for Pkg-VI. The corresponding vehicles per day comes out to be 11,865 for Pkg-IV & 10,066 for Pkg-VI. Out of the total number of vehicles, the non-tollable traffic comes out to be 5328 (45% of total traffic) for Package-IV and 4681(47% of total traffic) for Package-VI . This variation in non-tollable traffic is due to the high number of two-wheelers, three wheelers, tractors etc. Additionally, even with revised traffic figures.
- f) The project is not financially viable under BOT (Toll) mode due to high VGF requirement.
- g) There are no contractual issues identified with respect to the presence of parallel highways (Delhi-Mumbai Expressway and NH-48) in relation to the proposed project highway.

- h) The proposed locations do not warrant for provision of grade separated structures. Median openings have been proposed based upon site specific requirements with all safety provisions.
- i) The variation in the proposed RoW for Package IV (30m to 60m) and Package VI (26.5m to 60m) is based on technical and practical considerations. A RoW of up to 60m has been proposed at locations where major structures are planned, ensuring sufficient space for construction and future development. In other stretches, the minimum proposed RoW has been adopted keeping in view the feasibility of land acquisition.
- j) The design speed restrictions at the mentioned locations are due to site-specific constraints and geometric limitations. These includes factors such as terrain, existing structures, and safety considerations, which necessitate reduced speeds to ensure safe and efficient traffic movement.
- k) The escalation has been considered strictly as per the applicable model provisions. However, the figures will be reviewed in detail, and necessary clarifications or adjustments will be provided, if required.
- l) Initially, a construction period of two years for both packages have been considered and the same was included in the documents submitted to PPPAC. However, given the complexity of the project—which includes the construction of two tunnels in Package-IV and a bridge over the river Narmada in Package-VI—a construction period of 2.5 years is deemed necessary. These structures require specialized engineering, extended execution timelines, and careful sequencing to ensure safety and quality. However, in order to ensure that the concessionaire is not benefiting from extended concession period, the bonus on early completion provision (Clause 23.5) shall be deleted from the Draft Concession Agreement.
- m) The land valuation is carried out in accordance with applicable norms and guidelines and the same estimates have been arrived for land acquisition cost.
- n) The proposed project packages are not access-controlled and the terminology of “Partially Access-controlled” has been inadvertently mentioned.
- o) A three-days traffic survey has been done from 28.07.2025 to 31.07.2025 for the proposed project packages. The total traffic obtained for package-IV is 13,949 PCU/ day and for package-VI is 11,906 PCU/ day, both have exceeded the triggering PCUs of 10,000. Therefore, the 4-laning of the project packages needs to be carried out.

- p) The proposed major and minor bridges in the project packages are based on the hydrological requirements at stream/river crossing locations. Additionally, out of the total 473 culverts, 184 culverts of dia. 1.2 m are for crossroad locations and 289 culverts have been provided based on the hydrological requirements to maintain cross drainage and effective storm water management in the project vicinity.
- q) The debt-to-equity ratio shall be standardised with the approval for Secretary, MoRTH for all the future road proposals.
- r) Considering the development of Delhi – Mumbai Expressway, it has been decided to terminate package-VII onwards near junction with NH – 53. However, the upgradation of the proposed Packages IV and VI are necessary because it provides connectivity to tribal area and also to Statue of Unity in Kevadia. Additionally, the traffic on subject corridor is more than 10,000 PCUs and as per IRC SP :73 – 2018, four-laning must be carried out after level of service exceeds 10,000 PCUs in plain terrain. Therefore, the proposed project qualifies for four-laning.

Recommendations

13. After detailed deliberations, the PPPAC unanimously recommended the proposal for “4-laning from Dhamasiya (Km132+32) to Bitada/Movi (Km 179+78) section of NH-56 (Pkg-IV) and 4-laning from Nasarpore (Km 208+90) to Malotha (Km 269+11) section of NH-56 (Pkg-VI) on HAM under NH(O) in the State of Gujarat,” subject to following recommendations, for consideration of the competent authority for giving administrative approval.
 - a) The combined appraised Total Capital Cost for package-IV & VI is Rs. 4,583.64 crore (i.e. Rs. 2332.44 crore for Package IV and Rs. 2251.2 crore for package VI).
 - b) The project should be taken up on HAM mode under the NH(O) scheme.
 - c) Both the Packages shall be executed in 2.5 years. Accordingly, the concession period of both the packages will be 17.5 years, i.e., the O&M period of 15 years and 2.5 years construction period.
 - d) The Bonus clause (Clause 23.5-Bonus on early completion) shall be deleted from the Draft Concession Agreement.
 - e) For all future project, the debt-to-equity ratio may be standardised in-line with the awarded projects of MoRTH/NHAI from the last three years.
14. 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.

(ii) 4-Laning of Jagtial (Km 0.000) to Karimnagar (Km 58.866) section of NH-563, Armour (Km 29.100) to Jagtial (Km 92.700) section of NH-63, and Jagtial (Km 92.700) to Mancherial (Km 160.995) section of NH-63 under NH (O) on HAM in the State of Telangana.

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

Table2: Details of the project

Project Description	<p>The proposed project includes development of the following three sections:</p> <ul style="list-style-type: none"> • Four laning of Armour -Jagtial Section of NH-63 from Km.29.100 to Km. 92.700 km (Design Length 63.600 km) • Four laning of Jagtial Mancherial Section of NH-63 from Km.92.700 to Km. 160.995 km (Design Length 68.295 km) in the State of Telangana • Four laning of Jagtial Karimnagar Section of NH-563 from Km.0.000 to Km. 58.866 km (Design Length 58.866 km) 				
PPP Model	Hybrid Annuity Mode				
Sponsoring Authority	Ministry of Road Transport and Highways, Government of India				
Implementing Agency	National Highways Authority of India (NHAI)				
Location	<p>State: Telangana District: Nizamabad, Jagtial, Mancherial, Karimnagar,</p>				
Type of Pavement	Flexible				
Lane configuration	4 Lane with PS				
Details of Structures	Sr. No.	Particulars	Armour - Jagtial	Jagtial- Mancherial	Jagtial- Karimnagar
	1.	Length	63.600 Km.	68.295 Km.	58.866 Km.

	2.	Major Bridges	10 Nos.	08 Nos.	6 Nos.
	3.	Minor bridge	39 Nos.	62Nos.	27 Nos.
	4.	Bypass	04 Nos. Total length 43.100 Km.	02 Nos. Total length 65.305 Km.	04 Nos. Total length 31.166 Km.
	5.	Realignment	3 Nos. & 2.555 Km.	1 No. & 0.800 Km.	5 Nos. & 3.800 Km.
	6.	Flyover	-	-	1 No. (1.005km)
	7.	ROB & RUB	1No. / 1No. (Both retained)	-	3Nos. / Nil
	8.	Other Major Structures (VUP/ LVUP/SVUP/AUP/AOP)	32 Nos. (13/ 09/ 06/ 04/ 0)	25 Nos. (11/ 04/ 09/ 0/ 01)	33 Nos. (15/ 12/ 06/ 0/ 0)
	9.	Length of Service Road/Slip Road	34.24 km including both sides	22.34 km including both sides	38.33 km including both sides
	10.	Toll Plaza / Ramp Toll Booths	01 No. at Km. 41.100 having 4+4 lanes.	01 No. at Km. 111.500 having 4+4 lanes.	01 No. at Km. 22.100 having 4+4 lanes.
Concession Period		17 years (Incl. construction period of 2 years and O&M period of 15 years) ²			
Estimated Capital Cost with Break-up under major heads of expenditure	S.N	Description of work	Armoor- Jagtial (Rs in crore)	Jagtial - Mancherial (Rs in crore)	Jagtial Karimnagar (Rs in crore)
	1.	Length	63.600 Km.	68.295 Km.	58.866 Km.
	2.	Civil Construction Cost including utility (without GST)	1266.58	1477.17	1455.01
	3.	I/C and Pre-operative Expenses (1% Civil Construction Cost)	12.67	14.77	14.55
	4.	Financing Charges	4.69	5.475	5.45
	5.	Interest during construction (IDC)	61.08	71.015	71.02
	6.	Estimated Project Cost excl. GST (2+3+4+5)	1345.02	1568.43	1546.03
	7.	Total Land Acquisition Cost	490.98	422.88	387.15
	8.	EMP Cost	11.69	12.56	4.73
	9.	Contingencies @1% of	12.67	14.77	14.55

² The PPPAC has recommended the construction period of 2.5 years and the concession period of 17.5 years for Armoor-Jagtial and Jagtial-Mancherial Sections. For Jagtial-Karimnagar, the construction period is 2.5 years and the O&M period is 17.5 years and will be implemented on BOT (Recommendation Para 11).

		Civil Cost			
	10.	Supervision charges @2.5% on the Utility Cost	1.59	1.49	2.65
	11.	Total Pre-Construction Cost (7+8+9+10)	516.93	451.70	409.08
	12.	GST 18% on (2)	227.98	265.89	261.90
	13.	Estimated Project Cost incl. GST (6+12)	1573.00	1834.32	1807.93
	14.	Bid Project Cost on Bid Due Date (excl. GST)	1580.30	1837.7	1803.95
	15.	Escalation @5% per year for Bid Due Date to Construction on civil cost incl. utilities	122.84	143.15	141.11
	16.	O&M Cost for 15 years as per Ministry OM dated 23.05.2022: Incl. Escalation	258.99	301.55	294.01
	17.	Total Capital Cost {11+13+15+16}	2471.76	2730.72	2652.13
	18.	Per Km Civil Cost	19.91	21.63	24.72
	19.	Per Km Capital Cost	38.86	39.98	45.05
Land Acquisition Status	Sr. No	Description	Armoor- Jagtial	Jagtial - Mancheria	Jagtial Karimnagar
	1.	Greenfield/Brownfield	Total Length – 63.6 Km (Greenfield Length – 45.655 km Brownfield Length – 17.945 km) (Open tolling with provisions of Toe Wall)	Total Length – 68.295 Km (Greenfield Length – 66.105 km Brownfield Length – 2.19 km) (Open tolling with provisions of Toe Wall)	Total Length – 58.866 Km (Greenfield Length – 34.966 km Brownfield Length – 23.90 km) (Open tolling with provisions of Toe Wall)
	2.	Total Land Required (Ha)	288.32	315.66	307.45
	3.	Existing ROW (Ha)	41.05	8.80	56.64
	4.	Addl. Land Required (Ha)	247.27	306.86	250.81
		(i) Forest Land	5.7200 Ha.	11.6800 Ha.	0.00 Ha
		(ii) Govt. Land	8.5142 Ha.	19.9820 Ha.	71.77 Ha.

	(iii) Pvt. Land	233.03 Ha.	275.198 Ha.	179.04 Ha.
5.	3(A) Status	100% completed	100% completed	100% completed
6.	3(D) Status	92.31% completed	100% completed	100% completed
7.	3(G) Status	49.08% completed	37.77% completed	60.47% Completed
Financial Viability	Particulars	Jagtial Karimnagar	Armoor- Jagtial	Jagtial -Mancheria
	Equity IRR	15%	15%	15%
	Project IRR	11.29%	11.29%	11.30%
Concession Agreement	The project is proposed to be implemented as per Model Concession Agreement uploaded on MoRTH web site in November 2020 with subsequent amendments issued thereafter.			
Bidding parameter	Lowest Bid Project Cost			
Bidding process	Single Stage Two- envelop bidding			

- The primary purpose of the 4-lanning of the **Armoor–Jagtial–Mancheria** corridor is to provide enhanced connectivity to NH-44 (Nagpur–Hyderabad section), NH-363 (Chandrapur–Mancheria), and NH-163G (Nagpur–Vijayawada corridor). The 4-lanning of the **Jagtial–Karimnagar** corridor shall provide enhanced connectivity between Jagtial, Karimnagar, and further extends to Warangal and Khammam in Telangana, as well as Vijayawada in Andhra Pradesh. The extended section from Karimnagar to Warangal is under construction and nearing completion. Once completed, this project will establish a seamless link between NH-63 and NH-163.
- The traffic for the year 2024 on the Armoor–Jagtial section is 14,949 PCUs per day; Jagtial–Mancheria section is 12,083 PCUs per day and Jagtial–Karimnagar section is 20,446 PCUs per day. All these sections record traffic of more than 10,000 PCUs per day, thereby meeting the Ministry's prescribed norms of upgradation to 4-lane. The development of these sections is part of a broader initiative to enhance the Nagpur–Vijayawada corridor, improving inter-state connectivity between Maharashtra, Telangana, and Andhra Pradesh. The 4-lane configuration and modern design standards will reduce accidents and improve road safety for all users. The corridor shall be a prime link between three important District Headquarters of Telangana.
- The project will be executed under the HAM model with a combined Total Capital Cost of Rs. 7,854.61 crore under the NH(O) scheme. The financial assessment indicates the project IRR of 11.29% for both Armoor Jagtial & Jagtial- Mancheria and 11.30% for Jagtial – Karimnagar. The equity IRR of all the three sections is 15%.
- 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.

6. Director, DoE raised the following observations:
 - a) The civil cost per km for the project sections of Armoor -Jagtial, Jagtial-Mancherial and Jagtial - Karimnagar are Rs. 19.19 crore, Rs. 21.63 crore, and Rs. 24.72 crore, respectively. What is the reason for variation in per km civil cost in adjacent project sections?
7. PD, NITI Aayog raised the following observations:
 - a) As the project sections have high traffic, it is recommended that the project may be development under BOT (Toll) mode with a 30-year concession period for each package, with permissible VGF to ensure viability.
 - b) The NOC from the Irrigation Department is critical for project execution and is currently pending in the project sections. What is the expected timeline by which NOC from Irrigation Department shall be obtained?
8. Advisor (Energy), DEA highlighted the following observations:
 - a) The proposed alignments run parallel to NH-63 and NH-563 along its entire stretch with 59%, 72% and 97% of greenfield alignment for Jagtial-Karimnagar, Armoor to Jagtial and Jagtial to Mancherial sections respectively. It may be clarified why the option of upgrading or augmenting the existing NHs was not considered?
 - b) Whether the need for the augmentation has been triggered for all the three sections? Also, the tollable traffic provided is significantly lesser than the total traffic. What is the reason for the variation in total traffic and tollable traffic?
 - c) As per the tolling plan provided, the distance between the toll plaza at Jagtial-Karimnagar section and Jagtial-Mancherial section is only 34 km. However, as per the Fee Rule, the distance between the toll plaza should not be less than 60 km. The justification for placing toll plaza within a span of 34 km may be provided.
 - d) Details of the project costs appraised in the PIB, as compared to those submitted to the PPPAC, may be provided along with the rationale for any differences observed.
 - e) The construction period of 2.5 year is mentioned in the presentation. However, the proposal was circulated with a construction period of 2 years for all the three sections. MoRTH may confirm the construction period of all the three sections.
9. The Chair made the following observations:
 - a) As per the proposal, boundary wall is provided in all the three sections. The rationale for the same to be provided.

- b) The traffic for Jagtial-Karimnagar is more than 20,000 PCUs. MoRTH may explore if the section can be taken up on BOT (Toll)?

10. MoRTH submitted the following to the queries raised by the PPPAC Members: -

- a) The variation in per km civil construction cost across the three sections are primarily due to the complexity and number of structures involved. The Jagtial–Karimnagar section has 03 ROBs, 01 flyover, 06 major bridges, and 146 box culverts. Structural components account for 32.94% of the cost (Rs. 8.30 crore/km). The Armoor–Jagtial section have 01 ROB, 01 RUB, 10 major bridges, and 159 box culverts with the structural share of 24.41% of the cost (Rs. 5.07 crore/km). The Jagtial–Mancherial, section includes 08 major bridges, 62 minor bridges and 170 box culverts with a structural share of 30.73% (Rs. 6.96 crore/km). Therefore, irrespective of similar package lengths, the cost per km varies.
- b) The financial analysis of the project sections has been carried out under the BOT(Toll) model. Considering a 30-year concession period and an equity IRR of 15%, the VGF required for Armoor to Jagtial section is 33.85%, for Jagtial to Mancherial section is 69.30% and for Jagtial to Karimnagar section is 29.80%. However, MoRTH is not of the opinion to provide a concession period beyond 20 years as it involves lots of uncertainties with such a longer concession period. Also, the traffic for Armoor-Jagtial and Jagtial-Mancherial is relatively lower. Therefore, the project sections of Armoor-Jagtial and Jagtial-Mancherial needs to be upgraded on HAM only. The Jagtial – Karimnagar section has relatively higher traffic and therefore could be taken up on BOT (Toll) mode.
- c) The NOC from the Irrigation Department has been obtained for all 52 crossings in the Armoor–Jagtial and Jagtial –Mancherial sections. However, for the Jagtial–Karimnagar section, the process is currently in progress, and necessary follow-ups are being undertaken to expedite approval.
- d) A combination of brownfield and greenfield (bypasses and realignment) has been considered because the existing routes traverses through towns/villages which are typically congested due to local traffic, pedestrians, markets, and built-up areas. Also, existing roads have poor geometry such as sharp curves, steep grades, bottlenecks, etc. Wherever existing highway stretch is available without above hindrances, it is utilized. Additionally, a cost comparison has been made between the upgradation of the existing route and the proposed alignment and it was observed that the upgradation of the existing route is more costly and complicated due to the non-availability of Right of Way (ROW), as it involves displacement of people, demolition of structures, relocation of utilities, traffic management during construction, loss of livelihoods etc.

- e) For all the three sections, the traffic exceeds 10,000 PCUs, warranting upgradation to a four-lane corridor as per IRC SP:73–2018 (LoS-B for plain terrain). The variation in total traffic and tollable traffic is due to the presence of large number of two-wheelers, three-wheelers, tractors etc. The non-tollable traffic in Armoor-Jagtial section is 53.72%; in Jagtial -Mancherial section is 62.39% and in Jagtial-Karimnagar section is 48.99%.
- f) The proposed toll plazas are not on the same NH but are on different NHs. The toll plazas proposed in the NH-63 are 70km apart and the toll plaza proposed in the NH-563 are 68 Km apart from the proposed location of Toll Plaza on Karimnagar-Warangal Section which is presently under construction. Additionally, the toll plaza location has been finalised as per Rule 8 of the NH Fee Rules, which says “No two user fee plazas shall be within 60 km of one another on the same section of a highway unless there is a separate expressway or bypass.” The road users will pay toll whenever they cross a toll plaza, and open tolling system will be adopted for toll collection.
- g) The Armoor – Jagtial – Mancherial section project was not mentioned in the PIB approval list. For the Jagtial – Karimnagar section, there is an increase of 72.21% in the total capital cost as compared to the PIB cost. The breakup for the increase in the capital cost is due to (i) 2.88% (Rs. 37 Cr) increase due to the provision of additional Structures & service Roads (ii) 4.43% (Rs. 57 Cr) increased due to Toe Wall, Traffic Signage, Utility, etc (iii) 27.57% (Rs.335 Cr) increased due to change in SOR from 2019-20 to 2024-25 (iv) 7.6% (Rs. 93 Cr) increased due to change in GST rates from 12% to 18% (v) 61% (Rs. 155 Cr) increased due to underestimated cost of Land Acquisition since 3D was not completed for the project at the time of PIB.
- h) The proposal was circulated with 2 years construction period. However, due to the presence of high number of structures such as bridges, ROBs etc., it is assessed that a period of 2.5 years is required to complete the project. To make sure that the concessionaire would not get undue benefit from the extended concession period, the bonus provision of early completion of the project shall be deleted from the draft concession agreement.
- i) Boundary wall is provided along the project sections to protect the Right of Way (ROW) of the road sections.
- j) Considering the traffic, the Jagtial-Karimnagar section can be taken up on BOT (Toll) mode for a period of 20 years including construction period. *(MoRTH has given the revised cost estimate for the Jagtial-Karimnagar Section on BOT (Toll) which is placed at Annexure-II).*

Recommendations

11. After detailed deliberations, the PPPAC unanimously recommended the proposal for “4-Laning of Jagtial (Km 0.000) to Karimnagar (Km 58.866) section of NH-563, Armoor (Km 29.100) to Jagtial (Km 92.700) section of NH-63, and Jagtial (Km 92.700) to Mancherial (Km 160.995) section of NH-63 in the State of Telangana” subject to following recommendations, for consideration of the competent authority for giving administrative approval.
- a) The appraised combined total capital cost of the Armoor-Jagtial & Jagtial-Mancherial sections is Rs. 5,202.48 crore (i.e. Rs. 2471.76 crore for Armoor-Jagtial section & Rs. 2730.72 crore Jagtial-Mancherial section). The appraised Total Project cost of Jagtial – Karimnagar section is Rs. 1985.60 crore and Total Capital Cost including land acquisition cost is Rs.2394.68 crore.
 - b) The Jagtial – Karimnagar section shall be taken up on BOT (Toll) for a concession period of 20 years including the construction period of 2.5 years.
 - c) As per the BOT analysis, the Jagtial-Karimnagar section is viable on BOT (Toll) with a VGF grant of 47.83%. Given that recent projects awarded under BOT (Toll) have secured grants of less than 40%, PPPAC assess that Jagtial-Karimnagar section may also secure a VGF of less than 40%. Accordingly, in case the project bids on VGF grant, MoRTH shall give up to 40% of VGF under the NH(O) Scheme.
 - d) The project section of Armoor-Jagtial & Jagtial-Mancherial shall be taken up on HAM model for a concession period of 17.5 years including the construction period of 2.5 years under NH (O) scheme.
 - e) The Bonus clause (bonus on early completion) shall be deleted from the Draft Concession Agreement of all the three sections.
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.

(iii) Mode and cost validation in the project “4-laning of NH-167 from Gudebellur at Design Km.182+930 to Mahabubnagar at Design Km 262+940 of Hyderabad-Panaji section (length 80.01km) in the State of Telangana”.

1. The proposal for four-laning of NH-167 from Gudebellur to Mahabubnagar (80.01 km) in Telangana under NH(O) on HAM was initially considered in the 132nd PPPAC meeting held on 8th August 2025. As per Para 11(a) of the RoD of the 132nd PPPAC meeting, “The mode and accordingly appraised capital cost of the project shall be recommended in the next PPPAC meeting subject to the submission of the revised BOT analysis by MoRTH.” Accordingly, MoRTH has shared the revised BOT analysis and the reply to the PPPAC comments on 19.08.2025 and the same is placed at **Annexure-III**.
2. In the present 134th PPPAC meeting, NHAI presented a detailed reassessment of the Gudebellur–Mahabubnagar project, focusing on its viability under the BOT (Toll) model, integration of access-controlled design feature, revision of the overall project cost and the justification for increase in cost as compared to the PIB appraised cost (**Annexure-III**).
3. NHAI has reassessed the proposal under BOT(Toll) considering the:
 - a) additional traffic from the Surat-Chennai corridor, which increase the total traffic from 17,991 to 18,058 PCUs;
 - b) revised cost of debt by reducing it to 10.87%; and
 - c) revised civil cost from Rs. 1,708.90 crore to Rs. 1,868.90 crore due to the addition of the access-controlled design estimated at Rs. 160 crore.
4. As per the BOT (Toll) reassessment, for achieving an equity IRR of 15% across all scenarios, the significant grant is required. A VGF grant of 38.70% is required for 30 years, 45.50% for 25 year and 53.75% for 20 years—making the model financially unviable. Also, MoRTH do not favour a concession period which is beyond 20 years as it involves lots of uncertainties with such a longer concession period. Based on the above reassessment, it was found that the project is still not viable under BOT (Toll) mode.

5. Therefore, it is proposed that the project may be executed under the HAM model with a total civil construction cost of Rs. 1868.90 crore and a total capital cost of Rs. 3175.08 crore (*The cost breakup is given at Annexure-III*) under the NH(O) scheme.
6. After the detailed presentation, the Chair asked the PPPAC members for their observations. NITI Aayog, DoLA and DoE supported the proposal and stated that no further comments to offer.
7. JD (PIU) raised the following questions:
 - a) DEA has evaluated the project's viability under BOT (Toll) mode with a 40% Viability Gap Funding (VGF), resulting in a Project IRR of 12.75% and an Equity IRR of 13.41% over a 25-year concession period. The PSA may clarify whether the project can be taken up under BOT (Toll) mode for a 25-year duration.
 - b) Given that the corridor is access-controlled, toll leakages of 10% for cars and 5% for other vehicles considered can potentially be optimized. Post leakage adjustment, the IRR improves to 13.37% and Equity IRR to 14.65% for 25 years on BOT (Toll) mode.
 - c) Additionally, there is a scope for reducing the cost of debt, which is currently assumed at 10.87% throughout the concession period in the BOT (Toll) analysis. In comparison, the HAM model assumes 10.33% during construction and 9.83% during O&M. A lower debt rate may be considered during operation period for BOT analysis.
 - d) The per km cost of the project is Rs. 23.36 crore. In a recently appraised greenfield project (Sirhind-Sehna) with similar configurations is Rs. 22.3 crore only. PSA may explore the possibility to optimize the per km civil cost to improve the viability of the project on BOT.
8. MoRTH submitted the following to the queries raised by the PPPAC Members: -
 - a) MoRTH do not favour the concession period beyond 20 years as it involves uncertainties related to traffic forecasting, policy shifts, and long-term financial risks. Therefore, a 25-year concession period is not considered appropriate by the Ministry.
 - b) As per NHAI Circular No. NHAI/11033/CGM(Fin/2011) dated 25.11.2011, traffic leakage assumptions are based on vehicles that may avoid the highway once tolling begins. Currently, there is no toll plaza on the project highway, and once toll

operations commence, a certain percentage of vehicles is expected to divert, making leakage assumptions essential for accurate financial assessment.

- c) For HAM projects, the cost of debt is calculated as the average of one-year MCLR of top five banks plus 1.25% during construction and plus 0.75% during O&M. For BOT (Toll) projects, the rate is fixed at the average of one-year MCLR plus 2.00% for the entire concession period, as per NHAI's standard assumptions. For Q2 of FY 2025–26, the applicable MCLR average is 8.87%, resulting in a BOT (Toll) interest rate of 10.87% p.a.
- d) The project-specific components such as the length of structures, the type & design of super-structure/sub-structure/foundation, height of embankment, access control requirements including length of service roads, Change in SOR (Applicable SOR for Telangana is 2024 and that of Punjab state is 2020), has led to increase in the cost of the project. The Civil cost of the project has been estimated based on the bare-minimum site-specific requirements of the project with access-controlled provisions which has already been optimized.

Recommendations

- 9. After detailed deliberations, the PPPAC unanimously recommended that the project “4-laning of NH-167 from Gudebellur at Design Km.182+930 to Mahabubnagar at Design Km 262+940 of Hyderabad-Panaji section (length 80.01km) in the State of Telangana” shall be taken on HAM with a Total Capital Cost of Rs.3175.08 crore for the consideration of the competent authority for giving administrative approval. All the other recommendation as mentioned in the Para 11 & 12 of the RoD of 132nd PPPAC dated 3rd September, 2025 shall be applicable.

Annexure-I

List of the participants of the 129th meeting of the PPPAC

a) Department of Economic Affairs, Ministry of Finance

1. Ms. Anuradha Thakur, Secretary, EA- In Chair
2. Shri Chunilal Ghosh, Advisor (Energy)
3. Ms. Arya Balan Kumari, Joint Director
4. Shri Rajender Singh, SO (PIU)

b) Department of Expenditure

1. Shri Ranganath Audam, Deputy Director

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 Vinay Kumar, AS(H)
3. Shri Puneet Agarwal AS&FA
4. Shri Manoj Kumar, CE

f) National Highway Authority of India (NHAI)

1. Shri Santosh Kumar Yadav, Chairman
2. Shri Anil Chaudhary, Member
3. Shri K Venkatramana, Member (PPP)

Annexure-II

Details of cost estimate for four laning of Jagtial Karimnagar Section of NH-563 from Km.0.000 to Km. 58.866 km (Design Length 58.866 km) on BOT(Toll) mode.

Cost abstract for Jagtial - Karimnagar Section of NH-563		
S.No.	Description	
1	Length	58.866 Km
2	Concession period	20 Years
3	Civil Construction Cost including utility (without GST)	1455.01
4	GST 18% on (2)	261.90
5	Civil Construction cost incl. GST(3+4)	1716.91
6	Civil Construction cost with Escalation upto 01.04.2026 (Construction Date)	1785.59
7	I/C and Pre-operative Expenses (1% of (5))	17.86
8	Financing Charges	6.42
9	Interest during construction (IDC)	82.88
10	Escalation in EPC during Construction	92.85
11	Total Project Cost (6+7+8+9+10)	1985.60
12	Total Land Acquisition Cost	387.15
13	EMP Cost	4.73
14	Contingencies @1% of Civil Cost	14.55
15	Supervision charges @2.5% on the Utility Cost	2.65
16	Total Pre-Construction Cost (12+13+14+15)	409.08
17	Total Capital Cost {11+16}	2394.68
	PIRR	13.93%
	VGF	47.83%

Annexure-III

Details of the Revised cost and BOT analysis for "4 laning of NH-167 from Gudebellur to Mahabubnagar of Hyderabad-Panaji section under NH(O) in the State of Telangana"

Project Cost

Sr. No.	Details	Gudebellur – Mahabubnagar
1	Length	80.01 km
2	Civil Construction Cost including utility (without GST)	1868.9
3	IC and Pre-operative Expenses (1% Civil Construction Cost)	18.69
4	Financing Charges	6.89
5	Interest During Construction (IDC)	64.44
6	Estimated Project Cost excl. GST	1958.92
7	Total Land Acquisition Cost	446.58
8	EMP Cost	9.68
9	Contingencies @1% of Civil Cost	17.51
10	Supervision charges @2.5% on the Utility Cost	2.85
11	Total Pre-Construction Cost (7+8+9+10)	476.62
12	GST 18% on (2)	336.40
13	Estimated Project Cost incl. GST	2295.32
14	Bid Project Cost on Bid Due Date	2278.38
15	Price Escalation during Construction Period	166.19
16	O&M Cost for 15 years	236.95
17	Total Capital Cost {6+11+12+15+16}	3175.08
	Civil Construction Cost per Km	23.36
	Total Capital cost per km	39.68

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Compliance to Observations raised during PPPAC meeting held on 08.08.2025

Gudebellur at Design Km.182+930 to Mahabubnagar at Design Km 262+940

Sl. No.	Comments/ Observations on PPPAC proposal	Reply																		
I.	The Civil Cost break-up for Access control provisions may be provided	The component wise break-up of the Civil Work cost is attached as Annexure-I , considering access control provisions for the project.																		
II.	The impact of traffic for Surat-Chennai Corridor is to be taken in financial model.	The traffic impact due to Surat-Chennai corridor has already been taken in PCU calculation. The BOT (Toll) financial model calculation been done accordingly.																		
III.	The rate of interest applicable for BOT(Toll) projects may be reviewed as per extant guidelines	<p>The rate applicable for BOT (Toll) Projects – Average of one-year MCLR of Top 5 banks plus 2.00% (as per New proposed Standard Assumptions for Financial analysis in PPP projects vide NHAI Letter to MoRT&H dated 24.11.2022)</p> <p>Interest rate applicable for 2nd Qtr of FY 2025-26 (01.07.2025 to 30.09.2025) has been computed as 8.87 % p.a. and issued by NHAI vide NHAI Policy circular dated 03.07.2025. Copy enclosed as Annexure-II.</p> <p>Thus, the rate of interest has been computed as 10.87% p.a., and the same has been used in the BOT (Toll) Financial Model with inputs of impact due to Surat-Chennai corridor and PCU calculation.</p>																		
IV.	The BOT (Toll) Financial Model may be modified for the change in rate of interest	<p>The Financial Model for BOT (Toll) has been accordingly modified.</p> <table><tr><th rowspan="2">S. No.</th><th rowspan="2">Particulars</th><th colspan="3">Results</th></tr><tr><th>30 Years</th><th>25 Years</th><th>20 Years</th></tr><tr><td>1.</td><td>Equity IRR</td><td>15.00%</td><td>15.00%</td><td>15.00%</td></tr><tr><td>2.</td><td>Grant (in %)</td><td>38.70%</td><td>45.50%</td><td>53.75%</td></tr></table> <p>Since 20/25 yrs concession period under BOT (Toll) Model is not viable, HAM Model is proposed for the project work.</p> <p>The Summary of BOT (Toll) Financial Analysis has been attached as Annexure-III & IV.</p> <p>The BOT (Toll) Financial Model for 30 yrs, 25 yrs and 20 yrs are also enclosed. The G-link of calculation of Financial Model is enclosed as below.</p> <p>https://drive.google.com/drive/folders/1N_HNh0jxkRM00jB32Q80WU21c8aWmX8t?usp=drive_link</p>	S. No.	Particulars	Results			30 Years	25 Years	20 Years	1.	Equity IRR	15.00%	15.00%	15.00%	2.	Grant (in %)	38.70%	45.50%	53.75%
S. No.	Particulars	Results																		
		30 Years	25 Years	20 Years																
1.	Equity IRR	15.00%	15.00%	15.00%																
2.	Grant (in %)	38.70%	45.50%	53.75%																
V.	The increase in the Project cost vis-à-vis the PIB cost may be justified	The PIB cost has been arrived after considering the entire Hyderabad-Panaji Economic Corridor-10. However, the project-specific requirements of the Additional structures, access control requirements including service roads, road furniture, toll booths etc, Change in SOR, increase in the cost of Land Acquisition since 3D was not completed for the project & increase in guidance value, change in GST rates from 12% to 18% has led to increase in the cost of the project. The comparison of Cost vis-à-vis PIB, component-wise break up is attached as Annexure-V																		



Civil Work Cost

Sr. No.	Description	Total Amount in Cr.	
		Gudebellur - Mahabubnagar	
1	Site Clearance and Dismantling	4.97	
2	Earth Work and Sub Grade Courses	214.12	
3	Cement Treated Granular Sub-Base and Base Courses	291.32	
4A	Bituminous Works (SMA & DBM)	210.33	
5	Culverts	110.69	
6	Bridges & Structures (Bridges, Underpasses, ROB, RUB, Viaduct)	372.33	
6A	RE Wall	175.71	
7A	Drainage & Protection Works (Lined Drain, Unlined Drains, Uncovered Drains, Slope Protection, Turfing, Thrie Beam Crash Barrier & Rain Water Harvesting etc.)	81.40	
7B	Protection Works (Crash Barrier, Retaining Wall, Catch Water Drain, Toe Wall, Breast Wall, Antiglare, Service Road)	190.57	
8	Traffic Signs, Road Marking & Road studs, Junctions, Bus Shelter, Truck Lay Bye, Etc.,	13.41	
11	Miscellaneous (Electrical Works, Highway Lighting)	42.88	
12	Toll Plaza Construction (Inc. Road Works, ETC Lane, Toll Plaza Equipment's Crane and Highway Patrol) & Toll booths at Entry/Exit locations	43.25	
13	Utility Shifting Cost (Electrical and PHE)	117.92	
14	Seignorage Charges (waived off by State Govt)	0.00	
	TOTAL CIVIL COST including utility Excl. GST	1868.90	(TG-SOR-YR:2024-25)

The Civil Cost has increased due to increase in the services road length, increase in the length of Minor Bridge & culverts, lined drain, toe wall, toll booth & equipment

RP



सत्यमेव जयते

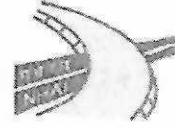
भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय, भारत सरकार)

National Highways Authority of India

(Ministry of Road Transport and Highways, Government of India)

जी-5 एवं 6, सेक्टर-10, द्वारका, नई दिल्ली - 110 075 • G-5 & 6, Sector-10, Dwarka, New Delhi-110075
दूरभाष/Phone : 91-11-25074100 / 25074200



NHAI/ Policy Guidelines/ HAM Project/ 2025 Policy Circular No. 8.4.51/2025 dated 03rd July, 2025 {Decision taken on E-Office File No. NHAI/GM(F)/HAM/-Interest/2020 (Comp. No.46658)}

Sub: Interest Rate Applicable for HAM Projects - Interest under clause 23.6.4-reg.

This is with reference to the amended Model Concession Agreement for Hybrid Annuity Model Projects. As per the requirement of Article 23.6.4.

"Interest shall be due and payable on the reducing balance of Completion Cost at an interest rate equal to the average of one year MCLR of top 5 Scheduled Commercial Banks plus 1.25%". The foot note specifies that "The Authority shall declare the list of Top 5 Scheduled Commercial Bank on 1st September every Calendar Year based on the Balance Sheet size as declared in their Annual Reports. The 1-year MCLR of the top 5 Scheduled Commercial Banks shall be taken at the start of every quarter".

2. Accordingly, the Authority hereby declares the Top 5 Scheduled Commercial Banks along with one-year MCLR (Rate of Interest) applicable for 2nd Quarter of FY 2025-26 (01.07.2025 to 30.09.2025). The list of Banks shall be next reviewed on 1st September, 2025 and the rates shall be published for 1st day of every Quarter.

3. The rates for the top 5 Commercial Banks are as below:

Sr. No.	Bank's Name	1 Year MCLR in % (As on 01.07.2025)	Rate Applicable for the 2 nd Quarter of FY 2025-26 (01.07.2025 to 30.09.2025)
1	State Bank of India	9.00	8.87% p.a. (i.e. Average of Top 5 Scheduled Commercial Bank) Plus 1.25%
2	HDFC Bank	9.05	
3	ICICI Bank	8.50	
4	Bank of Baroda	8.90	
5	Punjab National Bank	8.90	

4. This issue with the approval of Competent Authority.

(CS. Sanjay Kumar Patel)
I/c Chief General Manager (Coord.)

To:

All Officers of NHAI HQ/ ROs/ PIUs/ CMUs/ Site Offices

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BOT (Toll) Analysis - Summary

Four laning of NH-167 from Gudebellur at Design Km.182+930 to Mahabubnagar at Design Km 262+940 of Hyderabad-Panaji section (Length 80.01km) under NH(O) on BOT (Toll) in the state of Telangana

Civil Cost: Rs. 1868.90 Crore (With Access Control) (Proposed)

Rate of Interest on Loan: 10.87%

S. No.	Particulars	Results		
		30 Years	25 Years	20 Years
1.	Equity IRR	15.00%	15.00%	15.00%
2.	Project IRR	13.78%	13.67%	13.51%
3.	Grant (in %)	38.70%	45.50%	53.75%
4.	Grant (in Rs. Cr.)	982.07	1148.34	1347.62
5.	Total Project Civil Cost (Rs. in Cr.)	2537.65	2523.83	2507.20

Civil Cost: Rs. 1708.90 Crore (With Partial Access Control)

Rate of Interest on Loan: 10.87%

S. No.	Particulars	Results		
		30 Years	25 Years	20 Years
1.	Equity IRR	15.00%	15.00%	15.00%
2.	Project IRR	13.78%	13.67%	13.51%
3.	Grant (in %)	33.15%	40.55%	49.50%
4.	Grant (in Rs. Cr.)	772.66	939.53	1138.68
5.	Total Project Civil Cost (Rs. in Cr.)	2330.78	2316.95	2300.37

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BOT (Toll) Analysis
(Civil Cost: Rs 1868.90 Cr. With Access Control)

Project		Gudebellur - Mahabubnagar		
BOT Analysis		30 Yrs.	25 Yrs.	20 Yrs.
Length (Km)		80.01 Km	80.01 Km	80.01 Km
Traffic in PCU/day at the end of Concession Period		Total TP1: 74247 PCU/day; TP2: 97791 PCU/day Tollable TP1: 57816 PCU/day TP2: 72222 PCU/day	Total TP1: 58175 PCU/day; TP2: 76622 PCU/day Tollable TP1: 45301 PCU/day TP2: 56588 PCU/day	Total TP1: 45581 PCU/day; TP2: 60035 PCU/day Tollable TP1: 35494 PCU/day TP2: 44338 PCU/day
Construction Period		2 Yrs.	2 Yrs.	2 Yrs.
Concession Period		30 Yrs.	25 Yrs.	20 Yrs.
Civil Const. Cost (Incl. GST)		Rs. 2293.51 Cr.	Rs. 2293.51 Cr.	Rs. 2293.51 Cr.
EPC (incl. GST)		Rs. 2535.00 Cr	Rs. 2535.00 Cr	Rs. 2535.00 Cr
VGf (40%)		Rs. 1014.00 Cr.	Rs. 1014.00 Cr.	Rs. 1014.00 Cr.
Equity IRR		15.30%	13.41%	9.57%
Project IRR		13.96%	12.75%	10.63%
VGf for Equity IRR of 15%		Rs. 982.07 Cr. (38.70%)	Rs. 1148.34 Cr. (45.50%)	Rs. 1347.62 Cr. (53.75%)

B

Cost Comparison of Gudebellur – Mahabubnagar section with PIB

Description	Lane	Length (km)	Civil + Centages (Rs Cr.)	LA + Pre-construction Cost (Rs Cr.)	Total Capital Cost (incl. GST) (Rs Cr.)
PIB appraised cost (Deosugur (Gudebellur) – Marikal) (Sr No. 24.2)	4	48	Rs. 849 Cr.	Rs. 62 Cr.	Rs. 911 Cr
PIB appraised cost [Marikal – Jadcherla (Mahabubnagar)] (Sr No. 24.1)	4	59	Rs. 1044 Cr.	Rs. 77 Cr.	Rs. 1121 Cr.
Total PIB Appraised Cos:	4	107	Rs 1893 Cr	Rs 139 Cr	Rs 2032 Cr
Cost arrived by interpolation for instant Project Length i.e. 80.01 km against 107 km length mentioned in PIB	4	80.01	Rs. 1416 Cr.	Rs. 104 Cr.	Rs. 1520 Cr.
PPPAC proposal	4	80.01	Rs. 2295.32 Cr. (62.1% increase w.r.t PIB cost)	Rs. 476.62 Cr. (358.2% increase w.r.t PIB cost)	Rs. 2771.94 Cr. (82.36% increase w.r.t PIB cost)

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