

F. No. 2/23/2025 - 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: 9th January 2026

Record of Discussion

Subject: Record of Discussion of the 138th meeting of the PPPAC for considering a road project proposal of Ministry of Road, Transport & Highways (MoRTH) on PPP mode.

Reference: 138th meeting of the PPPAC held on 06th January 2026.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 138th meeting of the PPPAC held on 06th January 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)

Subject: Record of Discussion of the 138th meeting of the PPPAC for considering the proposal, “Construction of 4-Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O)” in the following two packages:

- a. **Package-1:** Construction of 4 Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) from Badnawar Bypass Ch. 70+400 to Village Temaria Ch. 114+400 in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O)
- b. **Package-2:** Construction of 4 Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) from Village Temaria Ch. 114+400 to Timarwani Interchange of Delhi Mumbai expressway (NE-4) Ch. 150+850 in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O)

1. The 138th meeting of the PPPAC was held on 06th January 2026 at 12:00 hours to consider the above-mentioned proposal of MoRTH.
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 made a detailed presentation on the proposed road project.
4. The details of the project are given in the table below:

Table-1: Details of the project

Project Description	Construction of 4-Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O) in the following two packages: Package-1: Construction of 4 Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) from Badnawar Bypass Ch. 70+400 to Village Temaria Ch. 114+400 in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O) Package-2: Construction of 4 Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) from Village Temaria Ch. 114+400 to Timarwani Interchange of Delhi Mumbai expressway (NE-4) Ch. 150+850 in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O)
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: Madhya Pradesh District: Dhar and Jhabua				
Type of Pavement	Flexible Pavement				
Lane configuration	4-Lane divided highway				
Details of Structures	S. No	Description	Package-1	Package-2	Total
	1.	Length	44.000 km	36.450 km	80.45 km
	2.	Lane configuration	4 Lane with paved shoulder	4 Lane with paved shoulder	4 Lane with paved shoulder
	3.	Major Bridge	03 Nos	03 Nos	06 Nos
	4.	Minor Bridges	12 Nos.	22 Nos.	34 Nos
	5.	Culverts	117 Nos.	92 Nos.	209 Nos
	6.	Flyover/Overpass/ROBs/RUB	Nil	1 Nos.-RUB	1 Nos.-RUB
	7.	Grade Separated Structures	04 Nos. – VUP 13 Nos.- LVUP 01 Nos.- SVUP 00 Nos.- VOP	05 Nos. – VUP 16 Nos. – LVUP 03 Nos. – SVUP 02 Nos. – VOP	09 Nos. – VUP 29 Nos – LVUP 04 Nos – SVUP 02 Nos – VOP
	8.	Structure over Gail Pipeline	01 No.	-	01 Nos.
	9.	Major Junctions	03 Nos.	09 Nos.	12 Nos.

	10. Minor junctions	24 Nos.	35 Nos.	59 Nos.
	11. Length of Slip Road	34.118 (incl. BHS)	36.720 (incl. BHS)	70.838 (incl. BHS)
	12. Length of Service Road	5.276 (incl. BHS)	2.386 (incl. BHS)	7.662 (incl. BHS)
	13. Bypass	-	03 Nos.	03 Nos.
	14. Bus Shelter	33 Nos.	38 Nos.	71 Nos.
	15. Truck Lay-byes	02 Nos.	02 Nos.	04 Nos.
	16. Rest Area	Nil	Nil	Nil
	17. Traffic in PCU (2025)	15128	15128	15128
	18. IRR with LA cost	8.69%	9.68%	Nil
	19. IRR without LA cost	9.86%	10.66%	Nil
	20. Toll Plaza	1 nos.	Nil	1nos.
Concession Period	17 years (including 02-year construction period)			
Estimated Capital Cost with Break-up under major heads of expenditure	S. No	Details	Package-I	Package-II
			(Amount in crore)	
	1.	Civil Construction Cost	737.99	766.51
	2.	Utility Shifting Cost	42.17	30.44
	3.	Civil Construction Cost (i/c Utility Shifting)	780.17	796.95
	4.	IC & Pre-Operative Exp @ 1%	7.80	7.97
	5.	Financing Cost (0.75% of debt amount subject to Min Rs. 4 crore)	4.00	4.00
	6.	Interest During Construction	31.76	32.68
	7.	Estimated project cost (Excl. GST) (3+4+5+6)	823.73	841.60
	8.	GST @ 18% on Civil Construction cost	140.431	143.451

9.	Estimated project cost (incl. GST) (7+8)	964.16	985.05
10.	BPC (excl GST)	928.20	940.78
11.	Contingencies @ 1.5% of Civil Cost	11.07	11.50
12.	Escalation during construction @ 7% of (3)	54.61	55.79
13.	Maintenance Cost for 15 Years @ 15% of (7)	123.56	126.24
14.	Interest on Annuity @ 50% of (7)	411.87	420.80
15.	18% GST on (10+11+12+13+14)	275.28	279.92
16.	Supervision charges @ 1% of (7)	8.24	8.42
17.	Land acquisition & other pre-construction cost	119.76	67.03
18.	Total Capital Cost	1932.58	1910.47

Land Acquisition and other clearance	Description	Package-1	Package-2
	Proposed ROW	45m -55m	45m -55m
	Existing ROW	20-23 m	20-23 m
	Total Land Required (in Ha.)	218.0	204.22
	Land already in Possession (in Ha.)	40.0	65.11
	Additional Land Acquisition required (in Ha.)	107.20	139.11
	Forest Area (in Ha.)	0.993	20.552
	Govt. Land (in Ha.)	111.29	31.67
	Private Land (in Ha.)	107.20	107.43
	3(A):	100% published on 03.09.2025	100% published on 03.09.2025

	3(D):	verified by Cala and uploaded on Bhoomi Rashi portal*	verified by Cala and uploaded on Bhoomi Rashi portal*
Financial Viability	Particulars	Package-I	Package-II
	PIRR	10.41%	10.41%
	EIRR	12%	12%
Concession Agreement	The project is proposed to be implemented as per Model Concession Agreement dated 09.12.2016 and its subsequent amendments uploaded on MoRTH web site.		
Bidding parameter	Lowest Bid Project Cost		
Bidding process	Single Stage Two-part system of bidding		

5. The primary purpose of proposed project is to provide seamless connectivity to the Simhasth Kumbh Mela at Ujjain which is scheduled for April 2028. The proposed project shall be the shortest route from Gujarat and Maharashtra to Ujjain. Additionally, the proposed project traverses through the tribal regions of Dhar and Jhabua districts, facilitating improved connectivity and socio-economic upliftment of key settlements, including Badnawar, Kardawad, Petlawad, Thandla, and Timarwani. Additionally, the project would also provide connectivity to PM Mitra Park at Bhainsola village in Dhar district. The projected traffic on the proposed corridor is about 15,128 PCUs in 2025 and is expected to cross 46,464 PCUs by 2048.
6. The instant project entails brownfield expansion of the existing intermediate lane (5.5m) of Badnawar–Timarwani road to four-lane standards. The proposed alignment reduces the overall project length from 88.33 km to 80.45 km, thereby achieving an end-to-end distance reduction of 7.88 km, which shall provide direct and faster access to the Delhi–Mumbai Expressway. This improved linkage will reduce travel time (approx. 1 Hour), lower logistics costs, and facilitate efficient movement of raw materials and finished goods.
7. The instant proposal is proposed to be developed in two separate packages. **Package-I** includes construction of 4-Lanning from Badnawar Bypass Ch. 70+400 to Village Temaria Ch. 114+400 and **Package-II** includes construction of 4 Lanning from Village Temaria Ch. 114+400 to Timarwani Interchange of Delhi Mumbai expressway (NE-4)

Ch. 150+850 in the state of Madhya Pradesh. The project will be executed under the HAM model with a Total Capital Cost of Rs.1932.58 crore for package -I and Rs. 1910.47 crore for package-II. The project is included under the NH(O) for the FY 2025-26. The financial assessment indicates the project IRR for both the packages as 10.41% and the equity IRR for both the packages as 12%.

8. 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.
9. DD, Department of Expenditure raised the following observations:
 - a. For Package-I, the GST considered is 19.34% instead of 18%. The same may be revised to 18%.
 - b. The Package-II has a shorter project length (36.45 km) as compared to Package-I (44 km); however, the civil construction cost of Package-II is higher than the Package-I. The rationale for the same to be provided.
10. PD, NITI Aayog raised the following observations:
 - a. The PPPAC proposal is for 4-lane greenfield highway for 80 km and is proposed to bid the project in two packages. To obtain the economies of scale and get a beneficial offer, it is suggested to bid out the project in a single package.
 - b. The proposed project highway includes 78.5 km of slip/service road which is almost equivalent to the entire project stretch. Additionally, Package-I includes 3 at-grade major junctions and 24 at-grade minor intersections and Package-II includes 5 at-grade major junctions and 14 at-grade minor intersections. In this regard, Ministry to review and optimize the junctions and justify the need for 78.5 km of slip/service road.
 - c. PPPAC memorandum indicates that the estimates for shifting of utilities are under preparation by the concerned departments. Whether the estimates have been received from the respective utility shifting agencies? Further, Schedule B need to clearly indicate the details of utilities that need to be shifted or relocated and the approved plan for relocation from the concerning utility authorities.
 - d. There are 12 major junctions and 59 minor junctions in the proposal. MoRTH may optimize the number of structures.

11. JS (IFS) highlighted the following observations:

- a. The per km cost of the proposed project packages are relatively higher in comparison with the nearby projects. The rationale for the same to be provided.
- b. The debt-to-equity ratio considered in Package-I and Package-II is different. The same has to be aligned as per the latest MoRTH/NHAI circular.
- c. The project is not an access-controlled proposal, however, in the discussions it was highlighted that the road is functionally access-controlled. What is meant by functionally access-controlled?

12. The Chair made the following observations:

- a. How does the existing traffic currently move from the starting point to the endpoint?
- b. What would be the total length from the Delhi–Mumbai Expressway interchange to Ujjain after the proposed development?
- c. Why is the project proposed under the HAM instead of the BOT model?
- d. There is a total of 71 bus shelters proposed in the project. What is the rationale behind having such a large number of bus shelters?

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

- a. The GST on Civil Construction Cost for Package-1 has been recalculated at 18%.
- b. The civil construction cost of Package-2 is higher than Package-1 mainly due to the requirement of improving three bypasses of 14.9 km, provision of additional structures such as 22 nos. minor bridges, 26 nos. flyovers/underpasses etc., and requirement of additional RE and retaining walls, Rail Under Bridge etc. Additionally, the challenging hilly terrain also increases the civil construction cost in comparison to Package-I, which is largely plain/rolling terrain.
- c. The corridor is divided into two packages (44 km and 36.45 km) to enable parallel execution and ensure timely completion before Simhastha in March 2028. Combining into a single package would increase length and cost, potentially reducing bidder participation and competition. Two manageable packages are expected to attract a wider bidder pool, improve bid outcomes, and allow faster execution, with both packages likely completed within two years before the Simhastha.
- d. The indicated 78.5 km primarily refers to slip roads at grade-separated structures, not continuous service roads. Slip roads totalling about 70.84 km are proposed at

VUPs, LVUPs, SVUPs, and major/minor junctions to ensure safe merging/diverging and local connectivity. The service roads are only 7.66 km and is location specific.

- e. The estimates of utility shifting have been received & the details of utility shifting shall be provided under Schedule-B of the DCA.
- f. The number of 12 major junctions and 59 minor junctions shall be optimized.
- g. The higher per km cost is due to the use of the latest MP-PWD SOR (11.04.2025), whereas nearby projects were based on the 2017 SOR, resulting in cost escalation. Additionally, the instant proposal includes enhanced project features as per revised MoRT&H/NHAI circulars and policies. However, the overall cost remains within normative cost.
- h. The debt-to-equity ratio for both packages has been revised and aligned with the latest MoRTH/NHAI circular.
- i. The project is not access-controlled however has been designed in such a way that it has limited entry and exit points.
- j. Currently, the project road operates as an intermediate lane configuration. The design speed of the existing road is limited to 30–50 km/hr due to several deficiencies, including inadequate horizontal curve radius and insufficient sight distance. These geometric constraints significantly impact traffic flow and safety.
- k. Upon completion of the proposed Badnawar–Petlawad–Thandla–Timarwani section, the total length from the Delhi–Mumbai Expressway interchange to Ujjain will be approximately 150.85 km.
- l. The traffic forecast for 2025 is 15,128 PCUs, with only 31.33% comprising freight traffic. Of this, tollable traffic is 9,885 PCUs (6,451 AADT). A detailed BOT viability analysis under an EIRR scenario of 14% for the entire corridor was conducted, and the results indicate that the project is financially unviable under BOT. Therefore, HAM has been chosen for the project implementation.
- m. The proposed 71 bus shelters include 36 shelters on each side of the corridor. It is important to note that these are bus shelters, not bus bays, and are designed to provide covered waiting areas for commuters.

Recommendations

14. After detailed deliberations, the PPPAC unanimously recommended the proposal for “Construction of 4-Lanning of Badnawar-Petlawad-Thandla-Timarwani section of (NH-752D) “Package-1” from Badnawar Bypass Ch. 70+400 to Village Temaria Ch. 114+400 and “Package-2” from Village Temaria Ch. 114+400 to Timarwani Interchange of Delhi

Mumbai expressway (NE-4) Ch. 150+850 in the state of Madhya Pradesh on Hybrid Annuity Mode under NH(O) scheme" subject to following recommendations, for consideration of the Competent Authority for giving Administrative Approval.

- a. The appraised Total Capital Cost of the Badnawar-Petlawad-Thandla-Timarwani section is Rs. 3843.05 crore (Package-I: Rs. 1932.58 crore & Package-II: Rs. 1910.47 crore) with a total estimated project cost (excluding GST) of Rs. 1665.33 crore (Package-I: Rs. 823.73 crore & Package-II: Rs. 841.60 crore).
- b. The project should be taken up on HAM under the NH(O) scheme.
- c. The PPPAC assess that since the length of the project is 80.45 km, it can be taken up as a single package for smooth execution of the project.
- d. The 12 major junctions and 59 minor junctions should be reviewed and optimized to enhance traffic efficiency, improve safety, and minimize conflict points.
- e. The concession period of the project is 17 years including 2 years construction period.
- 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.
- g. MoRTH/NHAI shall ensure that the project is completed before the Simhasth Kumbh Mela in April, 2028.

15. 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 138th meeting of the PPPAC

a. Department of Economic Affairs, Ministry of Finance

- Ms. Anuradha Thakur, Secretary (EA)
- Dr. Alok Tiwari, JS (IFS)
- Ms. Ms. Arya Balan Kumari, Joint Director (PIU)
- Shri Rajender Singh, SO (PIU)
- Shri Manjeet Yadav, ASO (PIU)
- Shri Deepak Meena, ASO (PIU)

b. Department of Expenditure

- Shri Ranganath Audam, DD, DoE

c. NITI Aayog

- Shri. Partha Reddy, Programme Director

d. Department of Legal Affairs

- Shri Jagat Prakash, Assistant Legal Adviser

e. Ministry of Road Transport and Highways

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

f. National Highway Authority of India (NHAI)

- Anil Chaudhary, Member (P)
- Navin Kumar, CGM (T)
- Rahul Singh, GM (T)
- Ashish Saini, Dy. Manager (T)
