F.No.2/17/2025-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: 26th November 2025

Record of Discussion

Subject: Record of Discussion of the 135th meeting of the PPPAC for considering two road project proposal of the Ministry of Road, Transport & Highways (MoRTH) on PPP mode.

Reference: 135th meeting of the PPPAC held on 17th September 2025.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 135th meeting of the PPPAC held on 17th September 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. **PPS to JS (ISD)**

Subject: Record of Discussion of the 135th meeting of the PPPAC for considering the two project proposals of MoRTH: -

1. The 135th meeting of the PPPAC was held on 17th September 2025 at 15:00 hours to consider the following two proposals of MoRTH: -

   (i) Widening from intermediate/two lane to 2-lane with paved shoulder from Hiwarkhedi (design km 0.000) to Roshni (design 90.010) section and Ashapur Village (design 114.000) to near Rudhy village (149.000) section of NH-347B of Betul - Khandwa corridor (Design length-125.010 km), and Up-gradation of existing 2 lane to 4 lane with paved shoulder from Deshgaon (design 0.000) to Julwaniya (design 108.643) section of NH-347B in the State of Madhya Pradesh on HAM under NH (0).

   (ii) Construction of Greenfield Connectivity to Jewar International Airport from DND- Faridabad- Ballabhgarh Bypass KMP Link -Spur to Delhi Mumbai Expressway on Hybrid Annuity Mode under Bharatmala Pariyojana in the state of Uttar Pradesh & Haryana. (Design Length 31.425 Km - Access Controlled Highway).

2. The Record of Discussion of the project mentioned at SI. No. (i) above is issued on 22nd October 2025 and is available on pppinindia website. While the project mentioned at SI. No. (ii) was awaiting the clarification from DoE on their OM dated 5th August 2016. The clarification from DoE on the aforementioned OM was received on 24th November 2025 and is placed at **Annexure-I.**

3. List of attendees is placed at **Annexure-II.**

Construction of Greenfield Connectivity to Jewar International Airport from DND- Faridabad- Ballabhgarh Bypass KMP Link -Spur to Delhi Mumbai Expressway on Hybrid Annuity Mode under Bharatmala Pariyojana in the state of Uttar Pradesh & Haryana. (Design Length 31.425 Km - Access Controlled Highway)

1. With the permission of Secretary (EA), Joint Secretary (ISD) welcomed all the attendees to the meeting. NHAI made a detailed presentation on the proposed road project. The details of the project are given in the table below:

Project Description	Construction of Greenfield Connectivity to Jewar International Airport from DND- Faridabad- Ballabhgarh Bypass KMP Link -Spur to Delhi Mumbai Expressway on Hybrid Annuity Mode under Bharatmala Pariyojana in the

	state of Uttar Pradesh & Haryana. (Design Length 31.425 Km - Access Controlled Highway) (6/8 - Lane Carriageway (Ch. 0+000 to Ch. 31+425)
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:** Uttar Pradesh & Haryana **District:** Gautam Budha Nagar, Palwar, Faridabad
Type of Pavement	Flexible
Lane configuration	6/8 lane (Elevated section/RoB)

Cost Break-up for Change of Scope components

Sr. No.	Description	COS amount after Tender discount 10.11% *(Exclude GST & Labour Cess)*
1	**COS Oder 01:** For construction of elevated Structure at Design Ch 31+073.621 over Pond at Dayanatpur village.	11.82
2	**Positive COS 02:** Due to Converting Ch. 1+780 to Ch. 9+600 into 6 lane elevated & Proposed 8 - lane ROB Structure at km 5+261 the net positive Cost implication	642.93
3	**COS 03:** Additional electrical utility works	2.57
4	**COS 04:** For entry /exit ramps near km 13+980 interchange (km 114+709 of EPE) Village Mohna	17.31
5	**COS 05 to be proposed / Processed:** Cost estimate for additional structures VUP, Box Culvert, Utilities etc.	46.31
	Total Cost of COS	**720.94**

Estimated Capital Cost with Break-up under major heads of expenditure

S. No.	Description	Amount (crore) as per SFC minutes 07.07.2022	Final Revised Cost in crore as per CoS/ Actuals
1	Civil Construction Cost	1433.8	1288.88
2	(i) COS already Approved	-	31.7
	(ii) Instant Proposal of COS	-	689.24
3	**Civil Construction Cost + COS (1+2)**	**1433.8**	**2009.82**
4	Cost of Utility Shifting	19.27	17.32
5	IC/pre-operative expanses	14.53	13.06
6	Financing Charges	6.06	5.45
7	Interest during construction (IDC)	41.83	37.6
8	Escalation	0	136.13
9	(a) GST as per Original Sanction/ quotation of bidder (@12%)	172.06	154.67
	(b) Additional impact of GST for change of Rates from 12% to 18%	0	63.06
	(c) GST on proposed CoS + COS already approved + GST on Escalation of COS (@18%)	-	142.8

	10	**Estimated Project Cost including GST**	**1687.546**	**2579.92**
	11	Land Acquisition including Structures	1210.55	1045
	12	Supervision Charges	2.57	5.85
	13	Sub-total (Sl. No. 12 to 14)	2900.67	3630.77
	14	**Total Capital Cost**	**2414.67** (Rs. 2900.67 crore – Rs. 486 crore)	**3630.77**

2. The proposed project for "Construction of Greenfield Connectivity to Jewar International Airport from DND–Faridabad–Ballabhgarh Bypass KMP Link – Spur to Delhi Mumbai Expressway" is a strategic initiative under the Bharatmala Pariyojana, aimed at improving regional connectivity and easing traffic congestion in the Delhi-NCR region. Since the project was under the Bharatmala Pariyojana, it was appraised by the SFC on 17.06.2022 for a civil cost of Rs. 1433.80 crore and an estimated project cost of Rs. 1515.49 crore. The project was awarded to M/s APCO Jewar Expressway Pvt. Ltd. on 01.08.2022 at a bid cost of Rs. 1660.50 crore, with the appointed date declared as 22.06.2023 and scheduled completion by 20.06.2025.

3. However, the project encountered a major disruption when construction was halted at 51% physical progress on 21.11.2022, within the Faridabad Master Plan Area (FMPA) from km 1+780 to km 9+600. The project alignment was crossing through the FMPA dividing the sector into two. Therefore, Government of Haryana objected to the proposed alignment. Accordingly, to resolve the matter, various options were explored and the option of construction of a 6-lane elevated access-controlled highway with certain modifications were finalized. The Government of Haryana also agreed to contribute Rs. 450 crore towards the additional cost for constructing a 6-lane elevated corridor. Therefore, the Change of Scope (CoS), including the elevated corridor and associated works, escalated the total civil cost from Rs. 1433.8 crore to Rs. 2009.82 crore. With the Bharatmala Pariyojana being discontinued and the revised civil costs exceeding the threshold limit of Rs. 1000 crore, the SFC is unable to appraise the revised cost.

4. Additionally, as per DoE guideline dated 05.08.2016 on 'Appraisal and Approval of Public Funded Schemes and Projects', *" Any increase in costs beyond 20 percent of the firmed-up cost estimates due to time overrun, change in scope, under-estimation etc. (excluding increase in costs due to statutory levies, exchange rate variation and price escalation within the approved time cycle) should first be placed before a Revised Cost Committee chaired by the Financial Adviser (consisting of the Joint Secretary in-charge of the program division and representative of the Chief Adviser Cost as members) to identify the specific reasons behind such increase, identify lapses, if any, and suggest remedial measures of the same. The recommendations of the Revised*

Cost Committee should be placed for fresh appraisal and approval before the competent authority as per the extant delegation of powers (It may be noted that a firmed-up cost estimate here means a cost estimate which has been through the full appraisal and approval procedure as per the extant delegation of powers)". Considering these, the proposal with revised cost estimate is submitted to PPPAC for appraisal before obtaining the approval of the Competent Authority.

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

6. PD, NITI Aayog raised the following observations:

    a) The ROB portion is proposed to be upgraded to 8-lane whereas the rest of the elevated section is 6-lane. What is the need for the 8-lane upgradation of the ROB?

    b) The net increase in the cost in Total Capital Cost is Rs. 730.1 crore, however, the PPPAC memo has shown an increase of Rs. 1216.1 crore in TCC. What is actual increase in TCC?

    c) As per the proposal, the required RoW is 60 meters. What is the intended use of the remaining 30 meters? MoRTH may explore utilizing the unused RoW for setting up of solar panels to prevent future encroachments.

    d) The proposal indicates that the possession of 1.60 km of RoW is pending due to Court Case. What is the update on Court Case and the impact on the project?

    e) The PPPAC proposal for revised cost estimates does not include a normative cost comparison of the project. The same to be provided.

7. JS(ISD) highlighted the following observations:

    a) This is a project which is initially appraised by SFC, and subsequently resubmitted to PPPAC due to significant CoS/ TPC. Unlike standard PPPAC evaluations, which typically involve appraisal of the bidding documents (RFP, DCA, etc.) and the financial model, whereas in this case, these aspects of the project are fate-accompli. At maximum, PPPAC can appraise CoS and its cost implications.

    b) The contractual framework and concessionaire onboarding are also not under review, as the same concessionaire will execute the CoS works. This marks a unique deviation from the conventional PPPAC appraisal process.

c) The DoE OM dated 05.08.2016 (Appraisal and Approval of Public Funded Schemes and Projects) are for the public funded scheme, therefore, a clarification may be sought from the DoE for its applicability on PPP projects (which typically is private funded) and who is the competent authority mentioned in Para 9 of the said OM?

8. The Chair made the following observations:

   a) What are the cost components of the proposed change of scope?

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

   a) The 8-lane ROB has been designed considering the provision of future expansion of sector/service road.

   b) The increase in TCC excluding the contribution of Government of UP (which is Rs.486 crore) is Rs.730.1 crore. The value mentioned in the PPPAC memo is including the contribution by Government of UP.

   c) The additional 30-meter RoW shall be reserved for future capacity augmentation and is reserved on the inner side of the corridor. This strategic reservation not only facilitates seamless expansion when required but also acts as a safeguard against encroachments.

   d) The land is already in possession and the fund has been deposited with the District Collector. However, an ownership dispute between the Municipal Corporation and local residents is currently under litigation. The hearing is going on.

   e) The cost of elevated structure calculated as per SOR 2020-21 is Rs. 829 crore and the normative cost of the same is arrived at Rs. 925 crore. Therefore, the cost of elevated structure is less than the normative cost. Additionally, the cost of other components is also within the normative cost range.

   f) It may be noted that though the project was initially appraised by SFC, the proposed COS led to an increase in the civil construction cost which is beyond the appraisal threshold of the SFC. Further as per the DoE OM dated 05.08.2016 on ‘Appraisal and approval of Public Funded Schemes and Projects’, when a project is submitted for revised cost estimates with more than 20 per cent increase in cost estimates due to time overrun, change in scope, under estimation etc., it has to be placed for fresh appraisal and approval before the competent authority as per the extent delegation of powers. Since the revised cost estimate is beyond 20% due to change in scope, the project is submitted to PPPAC for appraisal before taking the approval of the Competent Authority.

g) The contractual framework is reviewed and recommended by the SFC and the onboarding of the concessionaire has been done based on a transparent bidding process.

h) A clarification from DoE may be sought to ascertain the applicability of the DoE OM dated 05.08.2016 on PPP projects.

i) There are mainly five items of change of scope. NHAI has already approved the CoS to the tune of Rs. 31.70 crore as per their delegation of power. Apart from that, CoS amount to the tune of Rs. 689.24 crore, which is 41.51% of the bid project cost is also proposed mainly on account of elevated corridor and other structures. After accounting for both approved and proposed CoS items, the total CoS stands at Rs. 720.94 crore, with total civil construction cost of Rs. 2009.82 crore and a total capital cost of Rs. 3630.77 crore (increased from the earlier TCC of Rs. 2414.67 crore).

Recommendations

10. A clarification was sought from DoE vide OM dated 19.09.2025 on the applicability of DoE OM dated 05.08.2016 on the appraisal of revised costs of PPP projects. *(DoE vide OM dated 24.11.2025 has stated that, "the guidelines issued by DoE O.M. No. 24(35)/PFI1/2012 dated 05.08.2016 is applicable to all public funded schemes and projects. All PPP projects involve public fund/assets in one way or the other. Although Note 5 below para 8 of the ibid O.M. of DoE dated 05.08.2016 states that "For appraisal and approval of PPP projects separate orders issued by the Department of Economic Affairs will apply", the extant PPP guidelines of DEA do not have provision for appraisal of Revised Cost Estimates of PPP projects. Therefore, considering the fact that PPP projects involve public resources in one form or the other, the DoE O.M. dated 05.08.2016 would apply for appraising the RCE of PPP projects as well, till guidelines are issued by DEA in this respect. The response of DoE is placed at Annexure I).*

11. After detailed deliberations, the PPPAC unanimously recommended the proposal for "Construction of Greenfield Connectivity to Jewar International Airport from DND-Faridabad- Ballabhgarh Bypass KMP Link -Spur to Delhi Mumbai Expressway on Hybrid Annuity Mode under Bharatmala Pariyojana in the state of Uttar Pradesh & Haryana. (Design Length 31.425 Km - Access Controlled Highway) (6/8 - Lane Carriageway (Ch. 0+000 to Ch. 31+425) including the COS components" subject to following recommendations, for consideration of the competent authority for giving administrative approval.

   a) The Total Capital Cost is Rs. 3630.77 crore including the cost of COS of Rs. 720.94 crore.

b) The revised cost proposal is appraised by the PPPAC. However, the PPPAC does not appraised RFP, DCA, financial model etc., which were earlier appraised by the SFC.

c) The PPPAC has not assessed the reasonableness of the cost approved by the SFC.

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. After appraisal by MoRTH in such a case of amendment, it may be placed clearly, before the Competent authority, along with the justification and rationale, while seeking approval.

b) Non-substantial change in risk-allocation.

c) Any other changes/modification in the project proposal with the overall objective of making project successful. After appraisal by MoRTH in such a case of amendment, it may be placed clearly, before the Competent authority, along with the justification and rationale, while seeking approval.

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.

Annexure-I

Clarification sought by DEA and response provided by DoE on its OM dated 24.11.2025 on 'Appraisal and Approval of Public Funded Schemes and Projects'.

F.No. 2/17/2025-PIU
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)
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19.09.2025
STC Building, New Delhi

Subject: Clarification on the OM, " Appraisal and Approval of Public Funded Schemes and projects' dated 05.08.2016 regarding:-

The undersigned is directed to refer to DoE's OM No. 24(35)/PF-II/2012 dated 05.08.2016 on the aforementioned subject and to seek the following clarifications from DoE with respect to Para No. 9- Revised Cost Estimates.

2. Para No.1 of the aforementioned OM states that the provisions therein will apply to the formulation, appraisal, and approval of publicly funded schemes and projects. Therefore, clarification be provided regarding the applicability of these guidelines to the appraisal of Public-Private Partnership (PPP) projects.

3. Further, the OM defines the project as those involving one-time expenditure resulting in the creation of capital assets and may be executed through budgetary resources, extra-budgetary resources, or a combination thereof. In contrast, PPP projects are not always involve creation of capital assets, and sometimes can be only an O&M contract. Further, project finance in a PPP project is typically done by the private party. In this context, clarification is also sought on the following:-

i. What is the implication of Para No.9 (Revised Cost Estimates) on the appraisal of PPP projects?
ii. Who is the competent authority referred to in Para No. 9 in the context of appraisal and approval of revised cost estimates of a project?
iii. What is the appraisal process for a public-funded project that has already been awarded and previously appraised by SFC/DIB, but now requires reappraisal due to the cost increase beyond 20% of DIB appraisal?

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

(Arya Balan Kumari)
Joint Director (PIU)
011-23701219

To,

1. **Secretary, Department of Expenditure, North block, New Delhi-01**

No. 66(41))/PFC-I/2025
Ministry of Finance
Department of Expenditure
PFC-I Division

Kartavya Bhawan-1, New Delhi
Dated: - 24th November, 2025

OFFICE MEMORANDUM

Subject: Clarification on the OM "Appraisal and Approval of Public Funded Schemes and Projects" dated 05.08.2016 – regarding

The undersigned is directed to refer to the Department of Economic Affairs (DEA) O.M. No. 2/17/2025-PIU dated September 19, 2025, seeking clarification regarding the applicability of this Department's O.M. No. 24(35)/PF-II/2012 dated August 5, 2016 on "Appraisal and Approval of Public Funded Schemes and Projects" to PPP projects.

2. In this matter, it is informed that the guidelines issued by DoE O.M. No. 24(35)/PF-II/2012 dated 05.08.2016 is applicable to all public funded schemes and projects. All PPP projects involve public fund/assets in one way or the other. Although Note 5 below para 8 of the ibid O.M. of DoE dated 05.08.2016 states that "For appraisal and approval of PPP projects separate orders issued by the Department of Economic Affairs will apply", the extant PPP guidelines of DEA do not have provision for appraisal of Revised Cost Estimates of PPP projects.

3. Considering the fact that PPP projects involve public resources in one form or the other, the DoE O.M. dated 05.08.2016 would apply for appraising the RCE of PPP projects as well, till guidelines are issued by DEA in this respect.

4. This issues with the approval of the competent authority.

Rajeshwari
24/11/25

(K. R. Rajeshwari)
Joint Director (PFC-I)
Tel: 24011966
E-mail: rajeshwari.kr@gov.in

To

The Secretary
Department of Economic Affairs
New Delhi.

Annexure-II

List of the participants of the 135th meeting of the PPPAC

a) Department of Economic Affairs, Ministry of Finance

1. Ms. Anuradha Thakur, Secretary, EA- In Chair
2. Shri Baldeo Purushartha, Joint Secretary (ISD)
3. Ms. Arya Balan Kumari, Joint Director (PIU)
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 Alok Deepankar, Member (Technical)
3. Shri Navin Kumar, CGM (T)-MP
4. Shri Mohammad Safi, CGM (T)- Delhi
5. Shri Sharwan Kumar Singh, RO- Bhopal
6. Shri Rahul Singh, GM (T)-MP
7. Shri Krishnendra Dwivedi, Manager (T)-MP
8. Shri Dhruv Gupta, Manager (T)

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