

F. No. 3B/2/2014-PPP  
Government of India  
Ministry of Finance  
Department of Economic Affairs  
(PPP Cell)

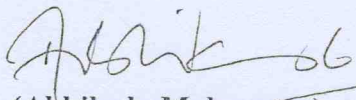
New Delhi the, November 12, 2014

OFFICE MEMORANDUM

**Subject: Record of Discussions of the 21<sup>st</sup> Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme).**

Please find enclosed the Record of Discussions of the 21<sup>st</sup> Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme), held on October 29, 2014. Further necessary action for compliance of the EC's decision may be initiated by the project authorities, where applicable, to enable obtaining the approval of the competent authority.

*Encl: as stated*

  
(Abhilasha Mahapatra)  
Director (PPP)

1. Secretary, Department of Expenditure, North Block, New Delhi.
2. Secretary, Planning Commission, Yojana Bhawan, New Delhi.
3. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi.
4. Secretary, Ministry of Shipping, Transport Bhawan, New Delhi.
5. Shri. E.K. Bharat Bhushan, Chief Secretary, Government of Kerala, Thiruvananthapuram.
6. Shri R.K. Singh, Joint Secretary (Highways), Ministry of Road Transport & Highways, Transport Bhawan, New Delhi.
7. Shri Vivek Aggarwal, Managing Director, Madhya Pradesh Road Development Corporation Limited, 16-A, Arera Hills, Bhopal-462011.
8. Shri Nalini Kanta Pradhan, EIC-cum-Secretary to Government, Works Department, Govt. of Odisha, Bhubaneswar.

Copy to:

1. PSO to Finance Secretary & Secretary, Economic Affairs
2. Sr. PPS to AS (EA)
3. Sr. PS to JS (Infra.)
4. PS to Director (PPP)

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Empowered Committee for the 'Scheme and Guidelines for Financial Support to  
Public Private Partnerships in Infrastructure'

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21<sup>st</sup> Meeting on October 29, 2014

Record Note of Discussions

The 21<sup>st</sup> (twenty first) meeting of the Empowered Committee (EC), chaired by Finance Secretary & Secretary, Department of Economic Affairs (DEA) was held on October 29, 2014. The list of participants is attached.

The EC noted that there were four (04) proposals for consideration for viability gap funding (VGF) under the "Scheme and Guidelines for Financial Support to Public Private Partnerships in Infrastructure" (VGF Scheme). Two proposals pertaining to the road sector are for grant of final approval and two proposals, one each in the road and minor port sector are for in-principle approval. The proposals are from the Ministry of Road, Transport and Highways (MoRTH), Government of Madhya Pradesh (GoMP), Government of Odisha (GoO) and from Government of Kerala (GoK), each

The EC noted that the 'VGF Scheme' prescribes that VGF up to Rs. 100 crore for each project may be sanctioned by the EI, proposals for VGF up to Rs. 200 crore may be sanctioned by the EC, and amounts exceeding Rs. 200 crore may be sanctioned by the EC, with the approval of the Finance Minister.

2/14

## A. Proposals for consideration of grant of Final Approval

Agenda Item I: Proposal from Ministry of Road Transport and Highways (MoRT&H) for final approval: Four-laning of Sidhi-Singrauli Section of NH-75E from km 83.4 to km 195.8 in the State of Madhya Pradesh on BOT (Toll) basis

Total length: 102.6 km; Total Project Cost: Rs. 871.15 crore; Cost of pre-construction activities to be financed by MoRTH: Rs. 83.32 crore; Concession Period: 30 years with 2 years of construction period.

VGF: 'Grant' quoted by L-1 bidder was Rs. 339.69 crore is 38.99% of TPC; Maximum VGF under VGF Scheme of MoF may be Rs. 174.23 crore (20% of TPC) and balance and maximum Rs. 165.46 crore (18.99% of TPC) from MoRTH as grant during construction, (condition: upon confirmation of required equity infusion by Concessionaire from the Banker/Lending Institution) and no O&M support or any other financial support.

Major development works/ structures: Major Bridge: 4; ROB/ RUB: 3/1; Toll Plaza: 2 at Km 118.700 & km 179.900; Service Roads: 10 km; Major/minor Junctions: 2/17; No. of Bypasses: 5 (16.50 km); Minor Bridge: 33; Vehucular/ Pedestrain Underpasses: 14; Culverts: 247; Truck Lay-bay: 10; Bus Bays: 34 nos; All permanent structures are to be four laned.

1. Joint Secretary, Department of Economic Affairs (DEA) stated that the project had been considered by the EI and recommended to the EC at its 56<sup>th</sup> meeting held on July 21, 2014 subject to compliance of issues pertaining to issue of project specific Fee Notification, submission of revised Schedule-R by MoRTH and confirmation by the Lending Institution for 'Equity' contribution and infusion by the Concessionaire into the Escrow Account. The EI had decided that only once the clarification is received, the project would be placed before the Empowered Committee.
  - 1.1. The proposal has now been placed for final approval of the viability gap funding as clarification with regard to the 'Equity' component has been provided by MoRTH and by the Lending Institution. The equity contribution by the promoters has been enhanced to Rs. 170.41 (i.e. 19.51% of the TPC). Equity Support as required per Article 25.2.2 of the executed Concession Agreement (CA).
  - 1.2. The bidder had quoted an amount of Rs. 339.69 crores which is 38.99 percent of the TPC. The first 20% of the TPC that may be availed as grant under the VGF Scheme of MoF shall be maximum Rs. 174.23 crore. The balance amount of grant upto Rs. 165.46 crore would be paid by MoRTH. The total VGF support to the project shall be maximum Rs. 339.69 crore (i.e. 38.99% of the TPC).

