

F. No. 3B/4/2014-PPP  
Government of India  
Ministry of Finance  
Department of Economic Affairs  
(PPP Cell)

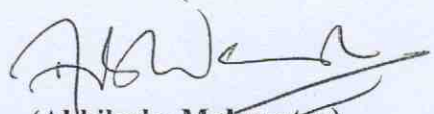
North Block, New Delhi  
Dated: 26<sup>th</sup> of February, 2015

**Subject: Record of Discussions of the 22<sup>nd</sup> Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme).**

Reference is invited to the 22<sup>nd</sup> Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) held on 23.12.2014 under the Chairmanship of Secretary (EA). In-Principle approval of the Finance Minister has also been obtained, where applicable.

2. The Record of Discussions of the same are enclosed for reference.

*Encl: as stated*

  
(Abhilasha Mahapatra)  
Director (PPP)

1. Secretary, Department of Expenditure, Ministry of Finance
2. C.E.O. NITI Aayog
3. Secretary, Ministry of Road Transport and Highways
4. Secretary, Department of Legal Affairs
5. C.E.O., UP State Highway Authority

**Copy to:**

1. PSO to Finance Secretary
2. Sr. PPS to Additional Secretary (EA)
3. PS to JS (Infra), DEA
4. PS to Director (PPP)

F. No. 3B/4/2014-PPP  
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**Empowered Committee for the Scheme for Financial Support to Public Private  
Partnerships in Infrastructure**

22<sup>nd</sup> Meeting on December 23, 2014

**Record Note of Discussions**

The 22<sup>nd</sup> (twenty second) meeting of the Empowered Committee (EC), chaired by Finance Secretary & Secretary, Department of Economic Affairs (DEA) was held on December 23, 2014. The list of participants is attached.

The EC noted that there were two (2) Road sector proposals forwarded by Government of Uttar Pradesh for consideration for viability gap funding (VGF) under the "Scheme for Financial Support to Public Private Partnerships in Infrastructure" (VGF Scheme). Both these proposals are for in-principle approval.

The EC noted that the Scheme for Support to PPPs in Infrastructure prescribes that VGF up to Rs. 100 crore for each project may be sanctioned by the Empowered Institution (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. In accordance with the Guidelines of the VGF Scheme, the project proposals have been examined by the members of the EI. The EI considered the proposals and recommended for approval of EC.

**Agenda Item I: Proposal from Government of Uttar Pradesh (GoUP) for grant of in-principle approval for: 4-laning of Aligarh – Mathura Road (SH-80) from Km. 2.800 to Km. 42.260 on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis.**

**Project Details: Length: 39.46 Km.; Total Project Cost: Rs. 384.81 crore; Concession Period: 30 years including 2.5 years of construction period**

**Major development works/ structures: Major Bridge: 08, Flyover of 2.5 km: 01 Toll Plaza: 1 at km 27.4, Major/Minor intersections: 05/56, Vehicular under passes/overpasses: 01, Cattle and pedestrian underpasses/overpasses: 05, Service Roads: 22.14 km, Bus bays and bus shelters: 14 nos, Culvert: 48, Truck lay byes: 2.**



1. Joint Secretary, Department of Economic Affairs (DEA) stated that the project was granted in-principle approval by EI in its 51<sup>st</sup> meeting held on December 18, 2013. The EI had granted in-principle approval to the project for TPC of Rs. 384.81 crore with maximum GoI contribution towards VGF under the Scheme during construction and balance as GoUP contribution during O&M period.
2. Subsequently, GoUP has vide letter dated 05.08.2014 and 11.09.2014 sought approval of the change in VGF support to be given by GoUP from the O&M period to Construction Period i.e. 20% of the TPC during construction period itself, to increase the viability of the project. This is as per the request of the bidders during pre-bid meeting held on 15.10.2013. Accordingly, GoUP has requested in-principle approval of the EI.
3. EI in its 60<sup>th</sup> Meeting held on 03.11.2014 had accorded in-principle approval and recommended the project for consideration of EC with the total admissible VGF as per DEA's VGF Scheme to be disbursed during the construction period subject to compliance of conditions raised during the EI.
4. The proposal has now been placed for approval of the EC as compliance to the EI's observations has been completed by the Sponsoring Authority.
5. All members of the EC were in agreement to approve the request of GoUP to give the VGF support for the project during the construction period.
6. The EC granted in-principle approval for a TPC of Rs. 384.81 crore with the total admissible VGF contribution (from GoI and GoUP) as per the DEA VGF Scheme to be disbursed during the construction period.

**Agenda Item II: Proposal from Government of Uttar Pradesh (GoUP) for grant of in-principle approval for: 4-laning of Muzaffarnagar - Saharanpur Road (SH-59) from Km.0.000 to Km.52.950 on Design, Build, Finance, Operate and Transfer (DBFOT) toll basis.**

**Project Details: Length: 52.95 Km.; Total Project Cost: Rs. 752.88 crore; Concession Period: 23 years including 2 years of construction period**

**Major development works/ structures: Major Bridge: 01, Minor Bridge: 03, Flyover/Elevated structure: 01, Vehicular/Pedestrian Underpasses: 04, Culverts: 66 (Pipe Culverts: 29, Slab Culverts: 14, Arch Culverts: 01, Box culverts: 22), Service Roads: 14.65 km, Major/Minor Junctions: 07/66, Bus bays: 09 nos., Toll Plaza: 1**

7. Joint Secretary, Department of Economic Affairs (DEA) stated that the project was granted in-principle approval by EI in its 51st meeting held on December 18, 2013. The EI had granted in-principle approval to the project for TPC of Rs. 752.88 crore with maximum GoI contribution towards VGF under the Scheme during construction and balance as GoUP contribution during O&M period.
8. Subsequently, GoUP has vide letter dated 05.08.2014 and 11.09.2014 sought approval of the change in VGF support to be given by GoUP from the O&M period to Construction Period i.e. 20% of the TPC during construction period itself, to increase the viability of the project. This is as per the request of the bidders during pre-bid meeting held on 15.10.2013. Accordingly, GoUP has requested in-principle approval of the EI. The EI in its 60th Meeting held on 03.11.2014 accorded in-principle approval and recommended the project for consideration of EC with the total admissible VGF as per DEA's VGF Scheme, from GoI and GoUP to be disbursed during the construction period subject to compliance of conditions raised during the EI.
9. The proposal has now been placed for approval of the EC as the amount of VGF estimated is more than Rs. 200 crores and the compliance of the EI's observations have been completed by the Sponsoring Authority.
10. All members of the EC were in agreement to approve the request of GoUP to give the VGF support for the project during the construction period.
11. The EC granted in-principle approval and recommended the project to the Finance Minister for a TPC of Rs. 752.88 crore with the total admissible VGF contribution (from GoI and GoUP) to be disbursed during the construction period as per the DEA VGF Scheme.

#### Miscellaneous

12. EC also made the following recommendation: Currently, depending upon the size of VGF, proposals undergo two levels of examination, namely, at the EI and EC. Hereafter, proposals based upon approved model documents may be considered directly by the EC, dispensing with EI level examination.

The meeting ended with a Vote of Thanks to the Chair.



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Ministry of Finance  
Department of Economic Affairs  
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Empowered Committee for the Scheme for Financial Support to Public Private  
Partnerships in Infrastructure

22<sup>nd</sup> Meeting on December 23, 2014

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List of Participants

- I. Department of Economic Affairs, Ministry of Finance
- a) Shri Rajiv Mehrishi, Secretary, Economic Affairs & Finance Secretary  
(In Chair)
  - b) Shri Dinesh Sharma, Additional Secretary
  - c) Ms. Sharmila Chavaly, Joint Secretary
  - d) Smt. Abhilasha Mahapatra, Director (PPP)
  - e) Shri V. Srikanth, Deputy Director (PPP)
- II. Department of Expenditure, Ministry of Finance
- f) Smt. Saheli Goel Ray, Director (PF-II)
- III. Planning Commission
- g) Shir Praveen Mehto, Adviser
  - h) Shri. A Manohar , Joint Adviser
  - i) Shri K. Ranga Reddy, Consultant
- IV. Ministry of Road Transport & Highways (MoRTH)
- j) Shri Rohit K. Singh, Joint Secretary
- V. Department of Legal Affairs
- k) Shri M.N.Singh, Dy. Legal Adviser
- VI. Government of Uttar Pradesh
- l) Dr. Navneet Kumar Sehgal, CEO, UP State Highway Authority