

F. No. 2/4/2017-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(Infrastructure Section)


North Block, New Delhi
Dated the 18th August, 2017

OFFICE MEMORANDUM

Subject: Record of Discussion of 29th Meeting of the Empowered Committee (EC) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) – reg.

The undersigned is directed to enclose a copy of Record of Discussion of 29th Meeting of the EC for the grant of VGF under the Scheme for Financial Support to PPPs in Infrastructure held on 8th August 2017 under the Chairmanship of Secretary (EA) for information and necessary action.

Encl: as stated above.


(Mrutyunjay Behera)
Director (Infra.)
Ph: 011-23092528

1. Finance Secretary and Secretary, Department of Expenditure, North Block, New Delhi.
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi.
3. Secretary, Ministry of Road Transport and Highways, Transport Bhawan, New Delhi.
4. Special Chief Secretary to Government, TR&B Department, 5th Building, 1st Floor, A.P. Secretariat, Velagapudi, Amaravati.

Copy to:

1. Sr. PPS to Secretary (EA);
2. PPS to JS (Infra);
3. PS to Director (Infra);
4. PS to Director (PPP);
5. DD (PPP) (with the request to upload RoD on pppinindia.gov.in website).

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 Government of India
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 Infrastructure Section

Empowered Committee (EC) for the 'Scheme for Financial Support to Public Private Partnerships in Infrastructure'

29th Meeting held on August 8th, 2017

Record Note of Discussion

The 29th meeting of Empowered Committee (EC) for the Scheme for Financial Support to Public Private Partnerships in Infrastructure chaired by Secretary, Economic Affairs, was held on 8th Aug 2017. The list of participants is annexed.

The Empowered Committee (EC) considered one proposal for in-principle approval for Roads and Buildings Department, Government of Andhra Pradesh for Design, Construction, Finance, Operation and Maintenance of "Four laning of Hyderabad- Guntur Road from km 239.7 to km 288.750 (Kondamodu-Perecherla section) in the state of A.P under Public Private Partnership on DBFOT basis.

The EC noted that the Scheme for Support to PPPs in Infrastructure prescribes that VGF upto Rs. 100 crore for each project may be sanctioned by the Empowered Institution (EI), proposal for VGF upto Rs. 200 crore may be sanctioned by the Empowered Committee (EC), and amount exceeding Rs. 200 crore may be sanctioned by the EC, with the approval of Finance Minister.

Road Sector proposal from Government of Andhra Pradesh for in-principle approval

Agenda Item I: Roads and Buildings Department, Government of Andhra Pradesh for grant of in-principle approval for Design, Construction, Finance, Operation and Maintenance of "Four laning of Hyderabad- Guntur Road from km 239.710 to km 288.750 (Kondamodu-Perecherla section) in the state of A.P under Public Private Partnership on DBFOT basis.

Project Details: Length: 50.680 km; Total Project Cost: Rs. 504.71 crore; Concession Period: 25 years including 2 years of construction period;

Major Development Work / Structures: No. of bypasses and length: 02; 13.20 Km; Realignment: 06; 4.795km; Service Roads: 13.780 Km (both sides); Slip Roads: 1.60 Km (Both sides); VUP/LVUP: 2 Nos./1 No; Major Bridges: 02 nos. at Km 259.102 and Km 277.594; Minor Bridges(nos): 15 Nos; Culverts: 65 Nos; Major intersections: 7 nos; Truck lay byes: 02 nos; Bus Bays and Shelter: 33 nos.

VGF Sought: Rs. 138.795 crore (27.5% of TPC of Rs. 504.71 crore) of which Rs. 100.94 crore (20 % of TPC) is sought from Government of India as per the VGF Scheme

1. Joint Secretary (Infra) informed the EC that a proposal for "in principle approval" has been received from Roads and Buildings Department, Government of Andhra Pradesh for Design, Construction, Finance, Operation and Maintenance of "Four laning of Hyderabad- Guntur Road from km 239.710 to km 288.750 (Kondamodu - Perecherla section) in the State of A.P under Public Private Partnership on DBFOT basis.

2. CE, Roads and Buildings Department, Government of Andhra Pradesh (GoAP) made a presentation on the Project proposal and stated that 4-laning of the road from Hyderabad to Guntur is required to decongest the traffic (as ascertained from the traffic data). Further, this stretch is the part of the road which connects two States' capitals - Hyderabad and Amaravati. Secretary (EA) enquired about the alignment section of the Project and suggested to complete the stretch in an integrated manner from Hyderabad to Amaravati instead of Hyderabad to Guntur for better connectivity.

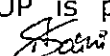
3. Chair pointed out that the land acquisition process of the project has not progressed for the last one year. Therefore, the timeline regarding the completion of land acquisition process may be shared by Government of Andhra Pradesh (GoAP) and further, suggested that suitable efforts have to be made by GoAP to expedite the action in the matter. Dy. Chief Engineer, GoAP replied that keeping into account the urgency and importance of land acquisition for completion of the project, Govt. would take all necessary steps to acquire the land within six months.

4. Joint Secretary (Infra.) informed EC that the Authority has floated the RFQ and received the bids prior to obtaining in-principle approval of EC, which is considered as deviation from Scheme guidelines. As per the Scheme Guidelines, the bid documents are to be floated only after in-principle approval of EC. Further, she stated that Audit has passed extremely strong strictures on a similar deviation in the past despite the Chair in that case recording his dissatisfaction with the flouting of the laid down procedures. Chair noted that in the instant case, the Scheme Guidelines have been taken for granted and GoAP had floated the RFQ document before seeking in-principle approval from EC. GoAP representative explained that the Government desires to take up the upgradation of road stretches that are viable under PPP. The Consultants have been appointed to take up feasibility studies for about 30 projects. Further, the representative of GoAP stated that they have floated the RFQ to test the market responsiveness for the project and to save time so that RFP can be invited on receipt of in-principle approval of VGF from EC.

5. JS (Infra.) informed EC that the traffic survey had been done in 2013 (almost four years old) which needs to be updated as VGF requirement may vary depending upon increase or decrease in the traffic. The Chair advised the Authority that GoAP may explore two options to validate the traffic - first, a fresh traffic survey may be carried out to confirm the present traffic or the other option is to confirm the present traffic based on the traffic count on normative basis. Dy. Chief Engineer, GoAP confirmed that they will conduct the traffic survey once again and a report will be submitted within a week, based on the latest traffic data.

6. SE (MORTH) stated that the requirement of two Toll Plazas for the road stretch of only 50 km (approx.) may be reviewed (which may reduce the project cost as well, if number of Toll Plaza (s) goes down). Further, Chair suggested to GoAP to relook the possibility of reducing the toll plaza from two to one while considering the slippage factor. GoAP representative replied that based on O-D (Origin Destination) surveys, predominant traffic is plying between Kondamodu to Sattenapalli and Guntur to Sattenapalli and vice versa. Sattenapalli town is located almost at the centre of the project stretch, which is approximately 25 km from start and end of the project. By providing one toll plaza, majority of road users would have to pay toll for the entire 50 km though they are travelling for a length of 25 km. Hence, two toll plazas are proposed and Toll will be collected according to the length of the toll-able sections.

7. SE (MoRTH) suggested that suitable provisions for pedestrian facilities such as PUP/FOB may be incorporated in the Project. Joint Secretary (Infra) added that GoAP may bear cost of the same, so that it does not have any impact on the estimated total project cost. GoAP representative replied that adequate facilities have been provided for the Project based on the requirement from technical perspective. Service Road with footpath provision is made in all built up locations for pedestrian movement. As Rajupalem and Reddigudem villages carry considerable pedestrian crossing based on number of pedestrians and local vehicular traffic, LVUP is proposed at

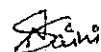


Rajupalem and VUP is proposed at Reddigudem village. In future, if any facilities such as FOBs are required, State Government will provide the same duly considering the requirement.

8. The EC granted in-principle approval for VGF support as per the VGF Scheme to the proposal for Design, Construction, Finance, Operation and Maintenance of "Four laning of Hyderabad- Guntur Road from km 239.710 to km 288.750 (Kondamodu-Perecherla section) in the state of A.P under Public Private Partnership on DBFOT basis for TPC of Rs. 504.71 crore with total VGF support of Rs. 138.795 crore (27.5% of TPC of Rs. 504.71 crore) of which Rs. 100.94 crore (20% of TPC) is sought from Government of India as per the VGF Scheme under the Government of India's Scheme for Financial Support to Public Private Partnerships in Infrastructure (VGF Scheme) subject to the condition that:

(i) the balance land of 146.26 ha (out of total 253.48 ha) will be acquired by GoAP within six months;

(ii) Fresh traffic survey will be conducted and report will be submitted to DEA within a week of the issue of this RoD.



Ministry of Finance
Department of Economic Affairs
Infrastructure Section

**Empowered Committee for the 'Scheme and Guidelines for Financial Support to
Public Private Partnership Appraisal Committee'**

29th Meeting held on 8th Aug 2017

List of Participants

1. **Department of Economic Affairs, Ministry of Finance**
 - i. Shri Subhash Chandra Garg, Secretary, Economic Affairs (In Chair)
 - ii. Ms. Sharmila Chavaly, Joint Secretary (Infra)
 - iii. Shri Mrutyunjay Behera, Director (Infra)
 - iv. Shri Nitish Saini, Assistant Director (Infra)
2. **Department of Expenditure, Ministry of Finance**
 - v. Shri. Rajiv Wadhawan, Director
3. **NITI Aayog**
 - vi. Shri Praveen Mahto, Advisor
4. **Ministry of Road Transport and Highways (MoRTH)**
 - vii. Shri Sanjeev Kumar, SE
6. **Government of Andhra Pradesh**
 - viii. Shri Ch. V. Soma Sekhar, CE(R&B)
 - ix. Smt V.K. Vijayasree, DCE (NH)

