

**F.No.3A/1/2014-PPP**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**( PPP Cell )**

*New Delhi the 12<sup>th</sup> February, 2014.*

**Subject: Record of Discussion of the 52<sup>nd</sup> Meeting of the Empowered Institution for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme).**

Please find enclosed the Record of Discussion of the 52<sup>nd</sup> Meeting of the Empowered Institution held on February 3, 2014, under the Chairmanship of Secretary (EA).

Encl: as above.

*V. Srikanth*  
12/02/2014  
(V. Srikanth)

**Deputy Director (PPP)**

1. **Smt. Meena Aggarwal**, OSD(PPD), Department of Expenditure, North Block, New Delhi.
2. **Shri Ravi Mital**, Adviser, Planning Commission, Yojana Bhawan, New Delhi.
3. **Shri R.K. Singh**, Joint Secretary, Ministry of Road Transport and Highways, Transport Bhavan, New Delhi.
4. **Shri Shyamalkumar Mukherjee**, Secretary (Works), Public Works Department, Government of Maharashtra, Madam Cama Road, Hutatma Rajguru Chowk, Mantralaya, Mumbai-400032.
5. **Shri Vivek Agarwal**, Managing Director, M.P. Road Development Corporation Ltd., 16-A, Arera Hills, Bhopal.
6. **Dr. Arun Paliwal**, General Manager, Madhya Pradesh Road Development Corporation Ltd., 16-A, Arera Hills, Bhopal-462011.
7. **Shri K. Krishna Reddy**, Managing Director, Karnataka Road Development Corporation Ltd., 1<sup>st</sup> floor, 16/J, Millar Tank Bed Area, Thimmaiah Road Cross, Bangalore-560052.

Copy to:

- a. PSO to Secretary (EA)
- b. Sr. PS to JS (Infra).
- c. PS to DS (PPP)

*V. Srikanth*  
12/02/2014  
(V. Srikanth)

**Deputy Director (PPP)**

*Recd  
One  
12/2/2014*

F.No. 3A/1/2014-PPP  
Government of India  
Ministry of Finance  
Department of Economic Affairs  
PPP Cell  
Empowered Institution for the Scheme for Financial Support to Public Private  
Partnerships in Infrastructure

52<sup>nd</sup> Meeting on February 03, 2014

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Record Note of Discussions

The fifty-second meeting of the Empowered Institution (EI), chaired by Secretary, Department of Economic Affairs (DEA) was held on February 03, 2014. The list of participants is attached.

The EI noted that there were seven (07) road sector proposals for consideration for viability gap funding (VGF) under the Scheme. Of these proposals, one proposal is for final approval from Ministry of Road Transport & Highways (MoRTH). Six proposals are for in-principle approval, four proposals from Government of Maharashtra, and one proposal each from Governments of Madhya Pradesh and Karnataka.

The EI also 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 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.

A. Proposal for grant of Final Approval

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**Agenda Item I: Proposal from Ministry of Road, Transport and Highways (MoRT&H) for final approval: Two-lane with paved shoulder from Sikar to Bikaner and Bikaner Bypass of NH 11 in the State of Rajasthan under DBFOT basis.**

**Project Details:**

**Total length: 237.578 km; Total Project Cost (TPC): Rs. 650.84 crore (as per executed Concession Agreement); Concession Period: 25 years including 2 years of construction period.**

**VGF quoted by L-1 bidder: Rs. 247.32 crore (38.0% of TPC), VGF from Government of India: Rs. 130.168 crore (20% of TPC); VGF from Sponsoring Authority (MoRT&H): Rs. 117.152 crore (18% of TPC)**

**Major development works/ structures: Development of 4-lane-32.290 km (from Sikar (km 356.9) to Laxmangarh ( km 375.269) & 2-lane-205.288 km (Km.340.188 to km 356.9 (Sikar Bypass), Km 375.249 to km 557.775 and km 553.869 of NH 11 to 267.325 of NH – 89 (Bikaner By-pass); ROB:4; No. of bypasses: 2 (Sikar and Bikaner bypasses); Service Roads: 1.133 km on both sides; Major Junction: 12; Minor Junction: 113; Culverts: 93; Toll plazas: 4 (at km 362.5, km 420.2, km 507 & km 11(Bikaner bypass); Truck laybys: 5, Bus-bays: 16; Underpasses: 4**

2. Joint Secretary, Department of Economic Affairs (DEA) stated that the proposal was granted in-principle recommendation by the Empowered Institution (EI) in its 35<sup>th</sup> meeting held on November 2, 2011. The Public-Private-Partnership Appraisal Committee (PPPAC) & Empowered Committee (EC) recommended the project in its 48<sup>th</sup> meeting held on December 13, 2011.
3. Joint Secretary, DEA sought clarifications of the following; (a) the reasons for variance in the dates of Financial Closure (FC) and Appointed Date (AD), (b) TPC at financial closure is around 40 percent greater than the DPR estimates on TPC as per the RFP/RFQ released for bidding. Chief Engineer, MoRT&H explained that due to delay in legal vetting and processing of departmental approvals of the documentation, a delay of 4 months in achieving the AD has been observed. Further, it was stated that primary reasons for variation of TPC was that the difference between the release of RFQ document and RFP document was about 2 years. Hence, 20% escalation for this cost increase was factored in the TPC during the FC. Further, an increase due to interest rate was estimated at 3.5% in these 2 years. It was also stated that since the preparation of the Feasibility Report, the pavement crust condition had deteriorated needing further improvements to the pavement crust; the length for reconstruction of the road had increased and design requirement changed upon preparing detailed site specific drawings and General Arrangement Drawing (GAD) for structures were initially indicative and were revised during FC, which were cumulatively adding to the increase in TPC.
4. Deputy Advisor, Planning Commission stated that the project's executed Concession Agreement, Schedule B, two annexure (Annexure I for two-laning portion of the project and Annexure II-for Four laning portion) were intended to be provided separately. These separate annexures were meant to be Manual of Standards and Specifications (MSS) for the intended up-gradation. However, it has been noticed that only one Annexure has been provided and the other is missing. This was recommended to be amended. The Chair directed MoRT&H to examine this matter with respect to the project's executed Concession Agreement and suitably arrange to provide the MSS for the two-lane and four-lane portions separately. Chair also stressed the need for expediting departmental clearances, vetting etc.  

*(Action: MoRT&H)*
5. All members of the EI were in agreement on recommending the project proposal for grant of final approval for VGF support.
6. **The Empowered Institution granted final approval and recommended the project to the Empowered Committee for viability gap funding (VGF) of maximum Rs. 247.32 crore (38 percent of TPC of Rs. 650.84 crore) as total VGF for the project under the Scheme. Out of the total VGF to be provided, maximum Rs. 130.168 crore (20% of TPC) from Government of India (Ministry of Finance) and maximum Rs. 117.152 crore (18 percent of TPC) from Ministry of Road, Transport and Highways (MoRT&H) may be provided.**

*(Action: MoRT&H & DEA)*

## B. Proposals for grant of In-Principle Approval

Agenda Item II: Proposal from Government of Karnataka (GoKa) for in-principle approval: Two/Four-laning (with part paved-side-shoulders and part soft shoulder) at km 0.0 to km 61.60 of Nelamangala and Chikkaballapura road section on BOT (Toll) basis

### Project Details:

Total length: 64.054 km; Total Project Cost (TPC): Rs. 168.04 crore; Concession Period: 29 years including 1.5 years of construction period.

VGF sought from Government of India: Rs. 33.608 crore (20% of the TPC), VGF from Government of Karnataka (GoKa): Rs. 22.819 crore (13.58% of the TPC), Total VGF support sought: Rs. 56.43 crore (33.58% of the TPC)

Major development works/ structures: Major Bridges: 1 at km 14.01; Minor bridges: 7; ROB: 1; RUB: 2; Toll plazas: 2 (km 17 at SH-74, near Kodipalya & km 42.0 at near Melekote cross), Bus-bays: 24, Major road junctions: 10, Culverts: 75; Truck Lay Bys: 2.

7. Joint Secretary, DEA sought clarifications for the following; (a) the status on land acquisition, shifting of utilities and environmental clearances (b) RFP/RFQ documentation not provided with the EI memo, (c) updated traffic details as presently average total traffic is around 3000 PCU, (d) variation in scope of work and (e) as responses to the Appraisal note of the members of EI are yet to be provided, these may be submitted in writing. Managing Director (MD), Karnataka Road Development Corporation Limited (KRDCL) responded that out of the total land of 280 hectares that is required for the project, 210 hectares (75% of the total land) is already acquired and only 48 hectares (17% of the total land) remains yet to be acquired. This is proposed to be provided in accordance with the tenets of the project's concession agreement. The Chair asked that status of land availability and acquisition may be certified in writing to the members of EI.

*(Action: GoKa & KRDCL)*

8. Further, in response to the queries raised by Joint Secretary, DEA, it was indicated that no forest clearance is required for the project and shifting of utilities is very minimum. The RFQ /RFP have been submitted to the EI Secretariat recently. For other clearances, the State Government shall provide requisite support to the Concessionaire in accordance with the provision of the project's Concession Agreement. It was stated that written responses shall be sent to the EI secretariat.

*(Action: GoKa/KRDCL)*

9. Deputy Advisor, Planning Commission stated that the project has very low volume of traffic, hence may not be commercially viable and may fail to attract a bid. Chair suggested that commercial viability maybe tested through the bidding process. If in all other aspects the project appears feasible, the project may be allowed for market testing.

10. Executive Engineer, MoRT&H stated that there is an overlap of a section with the National Highway (NH) where up-gradation is proposed. Thus, appropriate "No Objection" approvals from MoRT&H would be required. MD, KRDCCL stated that up-gradation to NH portion is being done is only for an overlapping portion of 500 mts. This would enable smooth flow of traffic. The Chair asked MoRTH to expedite examination of the case and issue No Objection to GoKa/KRDCL as the proposal entails providing upgraded service quality to the users traversing the instant road. GoKa/KRDCL was directed to refer the matter to MoRT&H for obtaining the No Objection approval which may be obtained prior to release of the RFP to the bidders.

*(Action: GoKa/ KRDCCL & MoRT&H)*

11. All members of the EI were in agreement to grant of in-principle approval for VGF support to the project.

12. **The Empowered Institution granted in-principle approval to the project for combined and total viability gap funding (VGF) of maximum Rs. 56.427 crore (33.58 percent of TPC of Rs. 168.04 crore) from Government of India (GoI) and Government of Karnataka/ Karnataka Road Development Corporation Limited (GoKa/KRDCL) under the Scheme. Out of the total VGF to be provided, maximum Rs. 33.608 crore (20.0 percent of TPC) from Government of India and maximum Rs. 22.819 crore (13.58 percent of TPC) from GoKa/KRDCL. The approval is subject to the following:**

- a. GoKa/KRDCL shall confirm in writing the details of total land required, available land and balance land yet to be acquired.
- b. GoKa/KRDCL shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final project's concession agreement shall be shared expeditiously with the bidders.
- c. GoKa/KRDCL shall obtain clearances such as land clearances, environment clearances and shifting of utilities etc, before commencing work on the project site and in accordance with the requirements of the project's concession agreement.
- d. GoKa/KRDCL shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoKa/KRDCL shall undertake corrections in the project's concession agreement in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by GoKa/KRDCL in their response to the appraisal notes. GoKa/KRDCL shall duly intimate to the bidders all the changes incorporated in the procurement documents.
- f. GoKa/KRDCL shall intimate and obtain prior approval of the EI on any change in VGF requirements as noted above alongwith justification, which is based on competitive bidding as per the VGF Scheme, as decided in the 51<sup>st</sup> meeting of the EI held on December 18, 2013.
- g. GoKa/KRDCL shall circulate the final documents to the members of the EI for record.
- h. GoKa/KRDCL will ensure that the RFP is issued only after obtaining the "No Objection" certificate for the NH overlap stretch from MoRT&H.

*(Action: GoKa/ KRDCCL, MoRT&H andDEA)*

**Agenda Item III: Proposal from the Government of Maharashtra (GoM) for grant of in-principle approval: Four/Six laning of Malegaon-Manmad-Kopergaon Section of SH 10 from Km. 95.000 to Km 171.130.**

**Project Details:**

**Total length: 76.13 km; Total Project Cost: Rs 951.06 crore; Concession Period: 25 years including 3 years of construction period; VGF from Government of India: Rs 190.21 crore (20% of TPC), VGF from Government of Maharashtra: Rs 133.15 crore (14% of TPC); Total VGF support sought: Rs. 323.36 crore (34% of the TPC)**

**Major development works/structures:** Major Bridges: 2; Fly over: 1 (at Yeola Km 155.000); Minor bridges: 27; ROB: 2; Vehicular underpass: 4; Pedestrian underpass: 4; RUB: 1; Toll plazas: 1 (24 lane Toll plaza at Km 162.000); Major/Minor road junctions: 38; Bus Bays and Passenger Shelters: 9; Culverts: Slab Culverts: 13 Nos., Pipe Culverts: 78 Nos., RCC Pipe Culverts: 12 Nos.

13. Joint Secretary, DEA stated that representatives of GoM had sought deferment of the project. The deferment was in view of the project's restructuring being undertaken in response to the appraisal inputs from Planning Commission.
14. Joint Adviser, Planning Commission also informed the Chair that a meeting had been held under the chairmanship of Adviser to Deputy Chairman, Planning Commission on January 17, 2014 to discuss various issues pertaining to the Project. It was indicated that the traffic density on the project highway is around 25,000 PCUs and six-laning of about 17 km of the road is not justified. Moreover the VGF grant required for the project is estimated at 34% and this may not attract bidder interest. It was further indicated that the six-laning of the road would not be required till 12<sup>th</sup> year of the project and capacity augmentation could be thought of at that stage, depending on the traffic density and future requirements. This would also make the project more viable and attractive to the bidders. Accordingly, the Adviser to Deputy Chairman, Planning Commission asked that the article/clause on the capacity augmentation could be suitably drafted and incorporated in the DCA. Responding to these suggestions, the PWD, GoM agreed to phase construction of six-laning at later stage under capacity augmentation.
15. All the members of EI were in agreement to defer the project in view of the project restructuring being undertaken by GoM.
16. EI deferred the project and directed DEA to return the proposal to GoM. EI also requested GoM to provide fresh proposal for re-consideration, including the justification for all the changes undertaken during project re-structuring.

*(Action: GoM)*

**Agenda Item IV: Proposal from Government of Maharashtra (GoM) for grant of in-principle approval for: Four laning of Nagpur-Umred-Chandrapur from Km. 10.200 to Km 74.00 of MSH - 9 on Build, Operate and Transfer (BOT) basis.**

**Project Details:**

**Length: 37.500 Km; Total Project Cost: Rs. 247.59 crore; Concession Period: 25 years including 2 years of construction period; VGF from Government of India: Rs. 49.518 crore (20% of TPC); VGF from Government of Maharashtra: Rs. 49.518 crore (20% of TPC); Total VGF support sought: Rs. 99.036 crore (40% of the TPC)**

**Major development works/ structures: Major Bridge: 2, Minor Bridge: 7, Fly-over: 1, Toll Plaza; 1 at Km 14.650 (design), Service Road: 12.2 km; Overpass: 1, Major/minor Junctions: 18, Vehicular Underpass: 1, Pedestrian Underpass: 7, Bus bays/ Bus shelter: 8/7, Culverts: 55, Truck Lay bay: 1**

17. Joint Secretary, DEA stated that the issues relating to buyback of the existing toll plaza with a cost of Rs. 99.92 crore, land availability, notification of modified toll policy to be applicable for the proposed project, restoration of clause 26.2 as per MCA relating to premium and indication of length in Schedule 'R' for charging toll are required to be clarified. Deputy Secretary, PWD, Government of Maharashtra responded that there is an existing toll plaza at the Nagpur Corporation limit which had been constructed under Integrated Road Development Programme for Nagpur city, which is proposed to be bought back at a cost of Rs. 99.92 crore. This proposal is under approval by the State Government. The land for the entire length is available except at toll plaza location and eccentric widening sections for which process of land acquisition has started. The toll policy is under notification with the State Government and proposed to be applicable for the project. Clause 26.2 of the MCA has been deleted as project is envisaged to get VGF instead of premium. The length of the project shall be indicated in Schedule 'R'. Joint Secretary indicated that Clause 26.2 may be restored as per MCA for making provision of premium. This was agreed to.
18. All members of the EI were in agreement to grant in-principle approval for VGF support to the project.
19. **The Empowered Institution granted in-principle approval to the project for combined and total viability gap funding (VGF) of maximum Rs. 99.036 crore (40 percent of TPC of Rs. 247.59 crore) from Government of India (GoI) and Government of Maharashtra under the Scheme. Out of the total VGF to be provided, maximum Rs. 49.518 crore (20.0 percent of TPC) from Government of India and maximum Rs. 49.518 crore (20.0 percent of TPC) from GoM. The approval is subject to the following:**

- a. GoM shall issue RfP after approval of buy-back of existing toll plaza, notification of modified toll policy by the State Government, restoration of clause 26.2 relating to premium and indication of total length of the project in Schedule 'R' for charging toll.
- b. GoM shall confirm in writing that 90 percent of land is available before the Appointed Date as per the MCA.
- c. GoM shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by GoMP in their response to the appraisal note.
- d. GoM shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DCA shall be shared expeditiously with the short listed bidders.
- e. GoM shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- f. GoM shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- g. GoM shall circulate the final documents to the members of the EI for record purpose.

*(Action: GoM)*

**Agenda Item V: Proposal from Government of Maharashtra (GoM) for grant of in-principle approval: Four-laning of Aurangabad – Ajantha – Fardapur Highway (MSH 8) from Km. 5.000 to Km 104.000 through BOT (Toll) basis.**

**Project Details:**

**Length: 99.000 Km.; Total Project Cost: Rs 746.59 crore; Concession Period: 30 years including 3 years of construction period; VGF from Government of India: Rs 149.31 crore (20% of TPC), VGF from Government of Maharashtra: Rs 119.45 crore (16% of TPC); Total VGF support sought: Rs. 268.77 crore (36% of the TPC)**

**Major development works/ structures:** Major Bridges: 5; Minor Bridges: 42; Elevated Structure: Nil; ROB: Nil; Vehicular underpass: 6; Toll plazas: 2 (16 lane Toll plazas at at Km. 11.500 near Sawangi and Km. 71.500 near Palod); Major/Minor road junctions: 25/101; Bus Bays and Passenger Shelters: 10; Culverts: Slab Culverts: 36 Nos., Pipe Culverts: 106 Nos.

20. Joint Secretary, DEA stated that the project was earlier considered in 47<sup>th</sup> Meeting of EI held on July 23, 2013. The EI deferred the project and has requested GoM to provide the complete set of documents as per VGF guidelines which should include feasibility report, traffic survey & projections, technical Schedules and other relevant data for the purpose of examination by members of EI.
21. Deputy Secretary, PWD, Government of Maharashtra informed EI that the revised project proposal submitted conforms to the VGF Guidelines. Further, it was stated that the project has been approved by Infrastructure Committee of Government of Maharashtra.
22. The Chair enquired about the status of clearances and land acquisition of the project.



23. Deputy Secretary, PWD, Government of Maharashtra responded that as the project is within existing RoW, environmental clearance is not required. Similarly, out of total land requirement of 412.912 Ha., about 282.447 Ha. (68%) is already available with the Government. Additional land of 130.465 Ha.(32%) is required for curve and junction improvements, approaches of major bridges, ghat road improvement and land for two toll plazas.
24. Deputy Secretary, PWD, Government of Maharashtra further informed the EI that based on the suggestions from DEA, the concession period has been revised to 30 years. Accordingly, the TPC and VGF requirement has been revised. It was also informed that in response to the Appraisal notes of DEA, GoM has already submitted the necessary clarifications vide Letter No.PSP-2011/CR 126/Rd-9 dated February 01, 2014.
25. Executive Engineer (EE), MoRT&H pointed out that though the project is for 4-laning but the RoW of major bridges conforms to only two-lane standard. This may create bottlenecks in future, once the traffic builds up. Deputy Secretary, PWD, GoM explained that as the project stretches pass through the world famous heritage zone of Ajantha and also the Ajantha Ghat sections, it is not possible to acquire additional land for the bridges.
26. All members of the EI were in agreement to grant in-principle approval for VGF support to the project.
27. **The Empowered Institution granted in-principle approval to the project for combined and total viability gap funding (VGF) of maximum Rs. 268.77 crore (36 percent of the TPC of Rs. 746.57 crore) from Government of India (GoI) and Government of Maharashtra under the Scheme. Out of the total VGF to be provided, maximum Rs 149.31 crore (20 percent of TPC) from Government of India and maximum Rs 119.45 crore (16 percent of TPC) from GoM. The approval is subject to the following:**
- a. GoM shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by GoM in their response to the appraisal notes.
  - b. GoM shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DCA shall be shared expeditiously with short-listed bidders.
  - c. GoM shall ensure land acquisition in respect of the project to provide 90 per cent Right of Way to the Concessionaire on the Appointed Date, in accordance with the provision of the DCA.
  - d. GoM shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
  - e. GoM shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
  - f. GoM shall intimate and obtain prior approval of the EI on any change in VGF requirements as noted above alongwith justification, which is based on competitive

bidding as per the VGF Scheme, as decided in the 51<sup>st</sup> meeting of the EI held on December 18, 2013.

- g. GoM shall circulate the final documents to the members of the EI for record purpose.

(Action: GoM)

**Agenda Item VI: Proposal from Government of Maharashtra (GoM) for grant of In-principle approval: Four-laning of Jalna-Ambad-Vadigodri Section of SH 176 from Km 154.000 to 200.600 on BOT (Toll) basis.**

**Project Details:**

**Length: 46.600 Km.; Total Project Cost: Rs 313.65 crore; Concession Period: 30 years including 2 years of construction period; VGF from Government of India: Rs 62.73 crore (20% of TPC), VGF from Government of Maharashtra: Rs 31.37 crore (10% of TPC); Total VGF support sought: Rs. 94.10 crore (30% of the TPC)**

**Major development works/ structures: Major Bridges: 2; Minor Bridges: 14; Elevated Structure: Nil; ROB: Nil; Vehicular underpass: Nil; Toll plazas: 1 (16 lane Toll plaza at at Km. 175.000); Major/Minor road junctions: 9/15; Bus Bays and Passenger Shelters: 7; Culverts: Slab Culverts: 21 Nos., Pipe Culverts: 34 Nos.**

28. Joint Secretary, DEA stated the EI that the project was earlier considered in 47<sup>th</sup> Meeting of EI held on July 23, 2013. The EI deferred the project and has requested GoM to provide the complete set of documents as per VGF guidelines which should include feasibility report, traffic survey & projections, technical Schedules and other relevant data for the purpose of examination by members of EI.
29. The Chair enquired about the status of clearances and land acquisition of the project.
30. Deputy Secretary, PWD, GoM responded that as the project is within existing RoW, environmental clearance is not required. Similarly, out of total land requirement of 142.496 Ha., about 126.286 Ha. (89%) is already available with the Government. Additional land of 16.21 Ha. (11%) is required for curve and junction improvements, approaches of major bridges and land for toll plaza. He further informed that based on the suggestions from DEA, the Concession Period has been revised. Similarly, the TPC and VGF requirement has been revised.
31. Joint Adviser, Planning Commission indicated that the low traffic density of the project highway does not justify upgradation to four-laning. GoM may consider a two -stage capacity augmentation of the Project Highway. In the first phase, it may be to widen the Project Highway to a uniform two-lane with paved side shoulder (PSS), and later, in the second phase upon traffic nearing 15,000 PCU to a four-lane configuration with PSS. In EE, MoRTH stated that in view of the traffic requirements, the Concession period for the project may be increased to 30 years from 25 years.

32. Deputy Secretary, PWD, GoM intimated that GoM has already agreed to changing the concession period to 30 years. GoM has submitted the necessary clarifications vide Letter No.PSP-2011/CR 126/Rd-9 dated February 01, 2014.
33. Joint Secretary, DEA informed the EI that as per DEA, PPP Cell calculations for the given set of assumptions with a 30 year of concession period, at least 46% VGF support would be required for 15% return on Equity. The Chair indicated that commercial viability would be assessed during the bidding process. Hence, if all other considerations appear acceptable, the project may be allowed for market testing.
34. All members of the EI were in agreement to grant in-principle approval to the project.
35. **The Empowered Institution granted in-principle approval to the project for combined and total viability gap funding (VGF) of maximum Rs. 94.10 crore (30 percent of the TPC of Rs. 313.65 crore) from Government of India (GoI) and Government of Maharashtra under the Scheme. Out of the total VGF to be provided, maximum Rs. 62.73 crore (20 percent of TPC) from Government of India and maximum Rs. 31.37 crore (10 percent of TPC) from GoM. The approval is subject to the following:**
- a. GoM shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by GoM in their response to the appraisal notes.
  - b. GoM shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DCA shall be shared expeditiously with short-listed bidders.
  - c. GoM shall ensure land acquisition in respect of the project to provide 90 per cent Right of Way to the Concessionaire on the Appointed Date, in accordance with the provision of the DCA.
  - d. GoM shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
  - e. GoM shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
  - f. GoM shall intimate and obtain prior approval of the EI on any change in VGF requirements as noted above alongwith justification, which is based on competitive bidding as per the VGF Scheme, as decided in the 51<sup>st</sup> meeting of the EI held on December 18, 2013.
  - g. GoM shall circulate the final documents to the members of the EI for record purpose.

*(Action: GoM)*

**Agenda Item VII: Proposal from Government of Madhya Pradesh (GoMP) for grant of in-principle approval for: Development of 16 ROBs & 14 Limited Height Subways (LHS) on 16 locations of existing Railway Level Crossings on in the state of Madhya Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis.**

**Project details:**

**Total RoBs: 16 nos.; Total Project Cost: Rs. 656.543 crore; Concession Period: 18 years including 3 years of construction period;**

**VGF from Government of India: Rs. 131.31 crore (20% of TPC); VGF from Government of Madhya Pradesh: Rs. 131.31 crore (20% of TPC), Total and combined VGF from Government of India and Government of Madhya Pradesh: Rs. 262.62 crore (40% of TPC)**

**Major development works/structures: Development of 16 Railway over Bridges (ROBs) and 14 Limited Height Subways (LHS) on 16 locations of existing Railway Level Crossing, Toll plazas: 14**

36. Joint Secretary, DEA informed the EI that the project was earlier considered in 51<sup>st</sup> EI meeting held on December 18, 2013. The EI had deferred the project and requested MPRDC to provide the further clarifications/ documents regarding (a) Bifurcation of traffic on the three RoBs (where present traffic is more than 20,000 PCUs), LHS and service roads to ensure that capacity of RoBs are not breached during the concession period (b) Early Termination clause and mitigation measure as per the draft Concession Agreement may be provided.
37. Managing Director, MPRDC stated that at present there is extreme congestion of traffic due to existing LC and frequent closing of Railway Gates. The construction of ROB with two lanes with paved shoulder would provide respite to a great extent. The GAD for these ROBs have also been approved by Railways with bridge width of 12.0 m. The alignment of all the ROBs has already been confirmed with the Railways; also no alternate alignment for these ROBs is possible. Construction of four laning is not possible on these 3 LCs because these are located in built up area of Pipariya, Sagar and Bargawan towns where land is not available due to built up area and continuous building lines on both sides of the existing road. Further, the proposed provision of Low Heighted Subways would cater to the needs of non motorized vehicles and small vehicular local traffic. There is provision of a service road along the ROB which will cater to major local traffic of habitants along the road. Therefore traffic on ROBs will be reduced by 30 to 40% after construction of LHS & service road and the traffic will not breach capacity of the RoBs during the concession period. Further, clause 29.2.3 pertaining to early termination is modified in draft Concession Agreement with addition in last line "except three ROB's on LC No. 299, 30 & 105 C". Hence, it was requested that construction of 2 lane with paved shoulder may be allowed on these 3 LC's.
38. Joint Secretary, desired to know the location of toll plaza as this may result in a bottleneck and consequent congestion on the approach to the RoBs and the existing

width of the road on which RoBs are proposed. MD, MPRDC responded that toll plazas have been designed at locations on the end of the ramps which have been constructed on the side of the RoBs such that there is no possibility of congestion on the main RoBs or ahead of the toll plaza which will cater to smooth traffic flow. Further sufficient numbers of lanes, i.e. 4 lanes plus one lane for extra wide vehicles would be available at toll plaza so there will be no congestion at the toll plaza location.

39. All members of the EI supported grant of in-principle approval to the project.
40. The EI granted in-principle approval to the project for TPC of Rs. 656.543 crore with maximum GoI contribution towards VGF as Rs. 131.31 crore (20 percent of TPC), and maximum VGF contribution from Government of Madhya Pradesh of Rs. 131.31 crore (20 percent of TPC) subject to fulfillment of the following conditions:
- a. GoMP shall revise clause 29.2.3 to exclude the three RoBs for early termination.
  - b. GoMP shall confirm in writing that 90 percent of land is available before the Appointed Date as per the MCA.
  - c. GoMP shall undertake corrections in the project DCA in compliance with the observations of DEA, Planning Commission and MoRTH which have been agreed to by GoMP in their response to the appraisal note.
  - d. GoMP shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents and the final DCA shall be shared expeditiously with the short listed bidders.
  - e. GoMP shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
  - f. GoMP shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
  - g. GoMP shall circulate the final documents to the members of the EI for record purposes.

*(Action: GoMP)*

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

Government of India  
Ministry of Finance  
Department of Economic Affairs  
PPP Cell

Empowered Institution for the Scheme to Support Public Private Partnerships in  
Infrastructure

52<sup>nd</sup> Meeting on February 03, 2014

List of Participants

**I. Department of Economic Affairs**

1. Shri Arvind Mayaram, Secretary (In Chair)
2. Kum. Sharmila Chavaly, Joint Secretary
3. Shri V. Srikanth, Deputy Director

**II. Planning Commission**

4. Dr. A. Manohar, Joint Advisor
5. Shri Amitabh Ray, Director

**III. Ministry of Road Transport and Highways**

6. Shri A.K.Nagpal, Chief Engineer
7. Shri Varun Aggarwal, EE
8. Shri Rupesh Srivastava, AEE

**IV. Government of Maharashtra**

9. Shri M. N. Dakate, Dy. Secretary, PWD
10. Shri C. P. Joshi, Chief Engineer, PWD (Aurangabad)
11. Shri A. A. Sagare, Chief Engineer, PWD (Nagpur)
12. Shri N.M.Bhatia, Technical Consultant

**V. Government of Madhya Pradesh**

13. Shri Vivek Aggarwal, MD, MPRDC
14. Shri Anil Chourasia, CE (BOT), MP Road Development Corporation
15. Shri Arun Paliwal, GM (Finance), MP Road Development Corporation

**VI. Government of Madhya Pradesh**

16. Shri K.S.Krishna Reddy, MD, KRDC