

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

North Block, the 18<sup>th</sup> March, 2014

**OFFICE MEMORANDUM**

**Subject: Record of Discussion of the 53<sup>rd</sup> Meeting of Empowered Institution held on 03.03.2014.**

The undersigned is directed to enclose the Record of Discussion (RoD) of the 53<sup>rd</sup> Meeting of the Empowered Institution held on 03.03.2014 in North Block, New Delhi under the chair of Secretary, Economic Affair.

2. **Due to the Model Code of Conduct, the Election Commission has directed that no publicity shall be made and no new project/work shall be started till the completion of elections.**

Encl: a/a

  
**(Abhilasha Mahapatra)**  
Deputy Secretary (PPP)

1. **Smt. Meena Aggarwal**, OSD (PPD) Department of Expenditure, North Block, New Delhi.
2. **Dr. Sourabh Garg**, Joint Secretary, Department of Expenditure, North Block, New Delhi.
3. **Shri Ravi Mital**, Adviser, Planning Commission, Yojana Bhawan, New Delhi.
4. **Shri R.K. Singh**, Joint Secretary, Department of Road Transport and Highways, Transport Bhawan, New Delhi.
5. **Shri S.K. Mukherjee**, Secretary (Works), Public Works Department, Government of Maharashtra, Mumbai (Fax 022-228221494).
6. **Ms. Rita Acharya**, Joint Secretary(Transmission), Ministry of Power, Room No. 408, Shram Shakti Bhawan, New Delhi.
7. **Ms. Poonam Suri**, Deputy Legal Adviser, Department of Legal Affairs, Shastri Bhawan, New Delhi.
8. **Addl. Chief Engineer(Procure.)**, O/o Chief Engineer (Procurement) M.P. Power Transmission Company Ltd., Block No. 2, Shakti Bhawan, Rampur, Jabalpur-482008, Madhya Pradesh.
9. **Shri NaliniKanta Pradhan**, EIC-cum-Secretary to Govt. of Odisha, Works Deptt., Bhubaneswar, Odisha.
10. **Shri Vijay Shankar**, General Manager, Bihar State Road Development Corporation Ltd., Sheikhpura, Patna-800014 (Fax-0612-2226712).

**Copy to:**

- a. PSO to Secretary (EA)
- b. PS to JS (Infra).

**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**

53<sup>rd</sup> Meeting on March 03, 2014

---

**Record Note of Discussions**

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

The EI noted that there were six (06) proposals for consideration for viability gap funding (VGF) under the Scheme. Of these proposals, one power sector proposal is for final approval from Government of Madhya Pradesh, one road sector proposal for final approval each from Government of Madhya Pradesh and Bihar, two in-principle approvals for Silo project from Government of Madhya Pradesh and one road sector proposal for in-principle approval from Government of Maharashtra.

The EI 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.

The EI also noted that henceforth, following approval of VGF proposals for proceeding with bids, the Record Note will not indicate the amount of VGF approved. This will facilitate actual market discovery of VGF.

**A. Proposal for grant of Final Approval**

---

**Agenda Item I:** Proposal from Government of Madhya Pradesh (GoMP), Madhya Pradesh Power Transmission Company Ltd (MPPTCL for grant of final approval: Development of a 400 kV DCDS Sarni (Satpura) - Ashta transmission line project for evacuation of power from 2x250 MW extension units at Satpura Thermal Power Station under DBFOT (Toll).

*JL*

**Total length of transmission line: 240 km; Total Project Cost: Rs. 282.70 crore; Cost of pre-construction activities to be financed by GoMP: Rs. 17.20 crore; Concession Period: 25 years with extension of 10 years including 15 months of construction period.**

**VGF: VGF quoted by L-1 bidder: Rs. 60.75 crore (21.48% of TPC); VGF from Government of India as grant during construction: Rs. 56.5 crore (20% of TPC) and Rs. 4.21 crore (1.48% of TPC) from Government of Madhya Pradesh as support for O&M.**

**Major development works/ structures: Development of the 240 Km long Transmission Line Project i.e. 400 KV Satpura – Ashta DCDS twin Moose ACSR Transmission Line for evacuation of additional power from 2X250 MW extension unit**

2. Chief Engineer, Madhya Pradesh Power Transmission Company Ltd (MPPTCL) presented the proposal. The EI was informed that the proposal was granted in-principle approval in the 40<sup>th</sup> EI Meeting held on June 11, 2012. Further, the project has been successfully bid out and the Concession Agreement signed on June 6, 2013 between Madhya Pradesh Power Transmission Co. Ltd & M/s. Kalpataru Satpura Transco Pvt. Ltd. (project SPV). Financial Closure has been achieved on December 3, 2013 and construction works have commenced. It was stated that the project's Common Loan Agreement (CLA) has been submitted as on the date of the EI meeting for examination in line with the appraisal note of DEA. **The Chair directed GoMP/MPPTCL to ensure that the written responses to the appraisal notes of the members of EI are submitted for the purpose of record.**

*(Action: GoMP/MPPTCL)*

3. Joint Secretary, DEA pointed out that there was around 20 percent difference in the TPC as estimated when given in-principle approval by the EI, the estimates in-between by the Sponsoring Authority, and the estimates at Financial Closure. Clarification on the reasons for the difference in TPC estimates was sought in writing from GoMP. The Sponsoring Authority / Madhya Pradesh Power Transmission Company Ltd. (MPPTCL) agreed to submit the same.

*(Action: GoMP/MPPTCL)*

4. All members of the EI were in support for grant of final approval for VGF support to the project.
5. The EI granted final approval to the project for a TPC of Rs. 282.70 crore with total maximum VGF support as Rs. 60.75 crore, and out of which Rs. 56.54 crore from Government of India under the Scheme.

7/3

(Action: GoMP/MPPTCL)

**Agenda Item II: Proposal from Madhya Pradesh Road Development Corporation (MPRDC), Government of Madhya Pradesh (GoMP) for grant of final approval: Two/Laning with PSS of Guna-Ashoknagar-Ishagarh Section of SH-20 on BOT (Toll) basis**

Total length: 76.15 km; Total Project Cost: Rs. 105.10 crore; Cost of pre-construction activities to be financed by GoMP: -; Concession Period: 25 years with 2 years of construction period.

VGF: VGF quoted by L-1 bidder: Rs. 36.75 crore (34.97% of TPC); VGF from Government of India as grant during construction: Rs. 21.02 crore (20% of TPC) and balance Rs. 15.73 crore (14.9% of TPC) from GoMP as support for O&M.

Major development works/ structures: Development of Four lane portion: km 43 to km 45 in Ashoknagar town, 2-lane with PSS for 5.95 kms, Major/minor Junctions: 7/12 Nos, Toll Plaza: 2 at km 11-12 and km 53-54, Truck lay byes: 2; Bus shelters: 11

6. General Manager, (Finance), MPRDC presented the proposal. On the clarification sought on the Appointed Date (AD) and Financial Close (FC), MPRDC informed the EI that AD and FC were on the same date, i.e. December 3, 2013. On the land availability, the EI was informed that 100 percent land is in possession and construction works are in progress. GM, MPRDC stated that there was around 9 percent difference between the cost estimates of the Sponsoring Authority and Financial Closure accounted for mainly due to one year's inflation impact on the cost components as the Concession Agreement was signed in November 5, 2012 and Financial Closure date is November 19, 2013.
7. Joint Adviser, Planning Commission sought clarification whether the TPC included the operation and maintenance costs and stated that the provisions of two vehicles by the Concessionaire for Government officials may be deleted from the DCA as agreed earlier. General Manager, (Finance), MPRDC affirmed that the O&M expenses were included during cost assessments as a part of TPC. Provisions of vehicles stands deleted from the DCA.
8. Superintendent Engineer (PPP), MoRTH indicated that compliance to their appraisal notes as assessed during in-principal approval stage were yet to be submitted by GoMP/MPRDC. General Manager, (Finance), MPRDC stated that a copy of the responses shall be forwarded to MoRTH. **The Chair directed GoMP/MPRDC to ensure that the written responses to the appraisal notes of the members of EI are submitted for the purposes of record within a week.**

17/3

(Action: GoMP/MPRDC)

9. All members of the EI were in support for grant of final approval for VGF support to the project.
10. The EI granted final approval to the project for a TPC of Rs. 105.10 crore with total maximum VGF support of Rs. 36.75 crore, and out of which maximum Rs. 21.02 crore from Government of India under the Scheme subject to submission of the responses as noted by the Chair.

(Action: GoMP/MPRDC)

**Agenda Item III:** Proposal from Bihar State Road Development Corporation Ltd. (BRDCL), Government of Bihar (GoBi) for grant of final approval: Four-laning with PSS of Ara-Mohania, NH section, (NH-30, km 0.00 to km 116/760) length 116 km, in the State of Bihar on BOT (Toll) basis.

Total length: 117 km; Total Project Cost: Rs. 917 crore; Cost of pre-construction activities to be financed by GoMP: -; Concession Period: 25 years with 2.5 years of construction period.

VGF: VGF quoted by L-1 bidder: Rs. 298 crore (32.49% of TPC); VGF from Government of India as grant during construction: Rs. 183.40 crore (20% of TPC) and balance Rs. 114.6 crore (12.49% of TPC) from GoMP as support for O&M.

Major development works/ structures: Development of Up-gradation to 4-lane with 17.910 kms of service lanes; ROB: 7; Underpasses: 2, Culverts: 390, Truck lay bye: 1, Bus bays: 36; Toll plazas: 2 at km 40.5 and km 101.5

11. Chief Engineer, Bihar State Road Development Corporation Ltd. (BRDCL) presented the proposal. The EI was informed that the Concession Agreement was signed on September 10, 2011 between Governor of State of Bihar & M/s. Mora Tollways Ltd. (project SPV). Financial Closure (FC) was achieved on September 7, 2013. The Chair enquired whether the project continues to be viable as the gap between signing of DCA document and FC is around 2 years. CE, BSRDCL informed that diverted traffic is anticipated on the project's stretch that may lead to an increase in toll revenues from the initial estimates. This is because the State Government has developed a bridge which shall reduce the travel time combined with the use of this road stretch. **The Chair directed GoBi/BSRDCL to submit a detailed written justification on the viability and traffic diversion aspects. Also, responses to the appraisal notes of the members of EI were directed to be provided for the purposes of record and within a week.**

(Action: GoBi/BSRDCL)

12. In response to a query raised by the Chair, CE, BSRDCL informed that 80 percent unencumbered land is already in possession of BSRDCL.

