


**F. No. 3/33/2015-PPP
Ministry of Finance
Department of Economic Affairs
(PPP Cell)**

New Delhi, the January 4, 2016

Subject: 69th Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme).

The Record of Discussion of the 69th Meeting of the Empowered Institution for the Scheme for Financial Support to PPPs in Infrastructure (Viability Gap Funding Scheme) held on 22nd December, 2015 under the Chairmanship of Additional Secretary (Investment), DEA is enclosed for information and necessary action.



**(Rajesh Gupta)
Section Officer (PPP)
Phone No. 2309 5150**

1. **Dr. Arunish Chawla**, Joint Secretary, Deptt. of Expenditure, North Block, New Delhi.
2. **Shri Praveen Mehto**, Adviser (PPP, PAMD), Niti Aayog, Parliament Street, New Delhi.
3. **Shri Subhasish Panda**, Joint Secretary (Admn. & Storage), Min. of Consumer Affairs, Deptt. of Food & Public Distribution, Krishi Bhawan, New Delhi.
4. **Shri Abhishek Singh**, The Executive Director (IT/Silos), FCI, 16-20, Barakhamba Lane, New Delhi..

Copy to:

1. Sr. PPS to Additional Secretary (Investment), 2. PS to JS (Infra), & 3. PS to Director (PPP).

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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

69th Meeting on December 22, 2015

Record Note of Discussions

The sixty-ninth meeting of the Empowered Institution (EI), chaired by Additional Secretary (Investment), Department of Economic Affairs (DEA) was held on December 22, 2015. The list of participants is attached.

The EI noted that there were three (3) proposals for consideration for in-principle approval of viability gap funding (VGF) under the Government of India's Scheme for Financial Support to Public Private Partnerships in Infrastructure (VGF Scheme). All these proposals are from the Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution for Development of Modern Food Silos on DBFOT basis. In addition, there is one issue relating to "Delegation of Power to Under Secretary for signing of Tripartite Agreement under the Government of India's VGF Scheme".

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.

A. Ministry of Consumer Affairs, Food & Public Distribution

Agenda Item I, II & III: Proposals from Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution, for grant of in-principle approval of VGF under the GoI's VGF Scheme for Development of Modern Silos for Storage of Wheat on DBFOT basis under PPP mode at three (3) locations, viz. Changsari (Assam), Narela (Delhi) and Sahnewal (Punjab).



Changsari (Assam)

Design capacity: 50,000 MT, No. of Silos: 04 with 12,500 MT capacity; Total Project Cost: Rs. 42.48 crore; Concession Period: 30 years including 2 years of construction period.

VGF: 20% of TPC from Government of India as per the VGF Scheme.

Major development works/ structures: Railway Siding; System and Equipment like Electronic Weighbridge: 60 MT (2 nos.); Number of samplers: 2; Number of streams: 1; Temperature monitoring system: 1; Aeration system (per silo): 1; Baggage system; Associated infrastructure: Internal roads; Parking bay (20 3-axle trucks, 4 cars and 24 two-wheelers); Reception, cafeteria and rest rooms; Fire detection and fighting system; Security system; Power infrastructure; Administrative building; Laboratory etc.

Narela (Delhi)

Design capacity: 50,000 MT, No. of Silos: 04 with 12,500 MT capacity; Total Project Cost: Rs. 41.84 crore; Concession Period: 30 years including 2 years of construction period.

VGF: 20% of TPC from Government of India as per the VGF Scheme

Major development works/ structures: Railway Siding; System and Equipment like Electronic Weighbridge: 60 MT (2 nos.); Number of samplers: 2; Number of streams: 1; Temperature monitoring system: 1; Aeration system (per silo): 1; Baggage system; Associated infrastructure: Internal roads; Parking bay (20 3-axle trucks, 4 cars and 24 two-wheelers); Reception, cafeteria and rest rooms; Fire detection and fighting system; Security system; Power infrastructure; Administrative building; Laboratory etc

Sahnewal (Punjab)

Design capacity: 50,000 MT, No. of Silos: 04 with 12,500 MT capacity; Total Project Cost: Rs. 42.37 crore; Concession Period: 30 years including 2 years of construction period.

VGF: 20% of TPC from Government of India as per the VGF Scheme.

Major development works/ structures: Railway Siding; System and Equipment like Electronic Weighbridge: 60 MT (2 nos.); Number of samplers: 2; Number of streams: 1; Temperature monitoring system: 1; Aeration system (per silo): 1; Baggage system; Associated infrastructure: Internal roads; Parking bay (20 3-axle trucks, 4 cars and 24 two-wheelers); Reception, cafeteria and rest rooms; Fire detection and fighting system; Security system; Power infrastructure; Administrative building; Laboratory etc.

2. Joint Secretary, DEA informed the EI that there were three projects from Department of Food & Public Distribution, Ministry of Consumer Affairs, Food & Public Distribution for Development of Modern Food Silos. It was also clarified that the proposed projects are similar to the projects approved in the 68th EI Meeting held on 03rd November 2015.
3. Executive Director (Silos), FCI briefed the EI on the salient features of the proposed Modern Silos and stated that the projects are essential for shifting

from conventional storage of food grains to modern silos with bulk handling facility through railway siding, which will mechanize the existing supply chain and improve operational efficiency.

4. The Chair desired to know the status of land acquisition and status of other clearances and approvals required for the projects at the three locations. Executive Director (Silos), FCI responded that proposed silos will be developed within the existing premises of FCI at Changsari (Assam), Narela (Delhi) and Sahnewal (Punjab), hence no additional land is to be acquired for these projects. The projects also envisaged Railway siding at these locations for bulk handling of food grains and the Ministry of Railways has given approval for full rake placement at all these locations after acquiring land from Railways on license basis. Further, the terminals with railway track shall be developed as per the "Private Freight Terminal Policy of Indian Railways" and the tracks inside the terminal shall be built as per the specifications of Indian Railways.
5. Joint Secretary, DEA pointed out that as a number of project- specific changes have been carried out in the DCAs, legal vetting of the documents is a must. Executive Director (Silos), FCI informed the EI that legal vetting certificate was just submitted to DEA for all three projects.
6. Advisor, NITI Aayog pointed out discrepancies in the DCA, i.e., storage capacity of each silos in Changsari, deletion of footnotes provided in Article 27 regarding Storage charges etc. Executive Director (Silos), FCI confirmed that necessary corrections shall be carried out in the project documents prior to issuance to short-listed bidders.

(Action: FCI)
7. FCI in response to the written comments by Department of Expenditure (DoE) during appraisal, clarified that the NPVs were with respect to the net cash flows.
8. All Members of EI were in agreement to grant in-principle approval of VGF support for the project.
9. **The EI granted in-principle approval of VGF support as per the VGF Scheme to the proposals for Development of Modern Silos for Storage of Wheat on DBFOT basis under PPP mode at three (3) locations viz. Changsari (Assam), Narela (Delhi) and Sahnewal (Punjab) subject to fulfilment of the following conditions:**



- a. FCI shall undertake corrections in the project DCA based on appraisal of the DEA, Niti Aayog and DoE and as agreed to by FCI.
- b. FCI 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 with short-listed bidders.
- c. FCI shall obtain clearances as required before commencing work on the project site.
- d. FCI shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. FCI shall intimate and obtain prior approval of the EI on any change in VGF requirements alongwith justification.
- f. FCI shall circulate the final documents to the members of the EI for record.



(Action: FCI)

Additional Agenda

A. Delegation of Power to Under Secretary for signing of Tripartite Agreement.

10. Joint Secretary (DEA) informed the EI that as per "Scheme and Guidelines for Financial Support to Public Private Partnerships in Infrastructure", prior to disbursement of VGF, the Empowered Institution, the Lead Financial Institution and the private sector company enters into a Tripartite Agreement (TA) in prescribed format as approved by the Empowered Committee from time to time. Accordingly, the Scheme requires representations by the Empowered Institution. Though the TA is part of the Scheme, yet there is no mention of the Authority/level who can sign the TA. It mentions "Government of India" (on behalf of EI). It was further mentioned that the Joint Secretary concerned dealing with PPP projects/infrastructure has been signing such TAs because of the already set precedent, without delegating the power/authority below Joint Secretary. Looking towards voluminous documents received in PPP Cell under VGF Scheme for signing by Joint Secretary, it is proposed to delegate the signing power/authority below Joint Secretary level upto Under Secretary dealing with the subject-matter. It is to be noted that such rule exists in the Central Secretariat Manual of Office Procedure in para 70 on Authentication of Government orders on behalf of the President, which authorizes all orders and other instruments made and executed in the name of President and signed by of an officer of the status of and above the rank of Under Secretary.
11. The Chair agreed to the observations made by DEA. However, the matter shall be placed at the next Empowered Committee (EC) meeting for taking a suitable decision in this regard.
12. 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
69th Meeting on December 22, 2015

List of Participants

I. Department of Economic Affairs

1. Shri Ajay Tyagi, Additional Secretary (In Chair)
2. Ms. Sharmila Chavaly, Joint Secretary
3. Smt. Jyotsna Gupta, Under Secretary
4. Shri Rajesh Gupta, Section Officer

II. NITI AAYOG

5. Shri Praveen Mahto, Advisor

III. Department of Expenditure

6. Shri Arunish Chawla, Joint Secretary

IV. Ministry of Consumer Affairs, Department of Food & Public Distribution

7. Shri Subhasish Panda, Joint Secretary (storage)

V. Food Corporation of India (FCI)

8. Shri Abhishek Singh, ED (Silos)
9. Shri Aseem Chhabra, GM (Silos)
10. Shri R.N. Bhargava, Advisor (Silos)

