

F. No. 3/1/2026-PIU(Part-I)
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

4th Floor, STC Building,
Janpath New Delhi
1st October, 2026

Record of Discussion

Subject: Record of Discussion of the 54th meeting of the Empowered Committee for consideration of In-Principle Approval for Viability Gap Funding support to '6-Lane Elevated Road Corridor for seamless connectivity between Thane and Navi Mumbai International Airport from Km. 0.000 to Km. 25.287 (Length 25.287 Km.) in the State of Maharashtra on DBFOT (Toll) Mode'.

Reference: Meeting held on 29 August 2026.

Sir/ Madam,

The undersigned is directed to forward herewith the Record of Discussion of the 54th meeting of the Empowered Committee held on 29th August 2026, regarding consideration of In-Principle Approval for Viability Gap Funding support to '6-Lane Elevated Road Corridor for seamless connectivity between Thane and Navi Mumbai International Airport from Km. 0.000 to Km. 25.287 (Length 25.287 Km.) in the State of Maharashtra on DBFOT (Toll) Mode'.

2. This issues with the approval of the Competent Authority.



(Jai Patil)

Deputy Secretary, PIU

1. Secretary, Department of Expenditure, Kartavya Bhawan-1, New Delhi
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi-01
3. Secretary, Ministry of Road Transport and Highways, Transport Bhavan, New Delhi
4. Chief Secretary, Government of Maharashtra
5. Vice Chairman and Managing Director, CIDCO, Government of Maharashtra

Copy to:

1. Sr. PPS to Secretary (EA)
2. PPS to JS (IFS)

Subject: Record of Discussion of the 54th meeting of the Empowered Committee for consideration of In-Principle Approval for Viability Gap Funding support to '6-Lane Elevated Road Corridor for seamless connectivity between Thane and Navi Mumbai International Airport from Km. 0.000 to Km. 25.287 (Length 25.287 Km.) in the State of Maharashtra on DBFOT (Toll) Mode'.

1. The 54th meeting of the EC was held on 29 August 2026 at 4:00 PM under the Chairship of Secretary (EA) to review the above-mentioned proposal of CIDCO, Government of Maharashtra.
2. List of attendees is placed at **Annexure-I**.
3. With the permission of Secretary (EA), Joint Secretary (ISD) welcomed all the attendees to the meeting. Subsequently, Chief General Manager, CIDCO presented the details of the proposal as given below:

SN	Item	Description
1.	Name of the Project	Construction of 6-Lane Elevated Road Corridor for seamless connectivity between Thane and Navi Mumbai International Airport from Km. 0.000 to Km. 25.287 (Length 25.287 Km.) in the State of Maharashtra on DBFOT (Toll) Mode
2.	Type of PPP (BOT, BOOT, BOLT, OMT etc.)	Build Operate Transfer (Toll)
3.	Location (State/District/Town)	State: Maharashtra District: Thane & Raigad
4.	Administrative Ministry/Department	Urban Development Department, Govt of Maharashtra
5.	Sponsoring Authority	City and Industrial Development Corporation of Maharashtra Limited (CIDCO)
6.	Implementing Agency	City and Industrial Development Corporation of Maharashtra Limited (CIDCO)
7.	Brief description of the project	The proposal is for seeking Viability Gap Funding support in the proposed greenfield six-lane elevated road corridor project connecting Thane city in the northeastern part of the Mumbai Metropolitan Region (MMR) to the Navi Mumbai International Airport (NMIA) located in the Raigad district of Navi Mumbai. The length of the proposed corridor is 25.287 kms. The proposed road starts on the rear of the Cape Gemini building on the Knowledge Park Road and ends at NMIA. At present, two parallel roads i.e., NH-48 and Thane-Belapur connects to the NMIA and takes nearly 90 minutes to reach the airport. Due to the development of the surrounding area, the existing parallel roads cannot be further augmented. The proposed corridor bypasses the congested at grade roads and rail corridors through elevated structure and reduces travel time between Thane

and the NMIA by 40 minutes i.e., the total travel time through the proposed road would be around 50-60 minutes. The proposed project also provides seamless integration with existing and planned transport networks including metro lines, highways, and arterial roads. The positioning of the route also considers future urban expansion and upcoming economic zones, thereby supporting sustainable regional development objectives.

8.	Estimated capital costs with break-up under major heads of expenditure.			
		#	Description	Total Amount (INR Cr)
		1	Civil Construction Cost (incl. Utility)	5,149
		2	IC/Pre-Operative Expenses	51
		3	Escalation in EPC during construction (4% p.a.)	417
		4	Financing Expense	23
		5	Interest During Construction	388
		6	Total Project Cost	6,028
		7	VGF required (Gol@20%)	1,205.6
		8	Land Acquisition Cost (incl. R&R)	215
		9	Environmental Improvement Works (Incl. GST)	50
10	TPC including LA & Environment Improvement Cost	6,293		
9.	Financial Viability			
		Particulars	Details	
		Equity IRR	14.30%	
		Project IRR	12.54%	
10.	Land Acquisition status and other clearances	The total land required for the project is 81.64 hectares, comprising 76.71 hectares of government land (including CIDCO land) and 4.92 hectares of private land.		
11.	VGF Sought	Viability Gap Funding (VGF), under the VGF Scheme of Department of Economic Affairs, Government of India for PPP projects is envisaged to the extent of 20% of the Total Project Cost. An additional VGF of up to 20% of the Total Project Cost shall be provided by State Government in line with the VGF Guidelines of Department of Economic Affairs, Government of India.		
12.	Concession Period	40 years (including 3 years of Construction Period and 37 years of Operations Period).		
13.	Bidding process	Single Stage two-part system of bidding.		
14.	Bidding parameter	Highest Premium or Lowest Grant		

4. CIDCO officials informed that the Comprehensive Transportation Study (CTS) for the entire Mumbai Metropolitan Region (MMR) was updated in 2021, in which an extensive traffic modelling exercise was carried out, typically in consultation with all relevant agencies. The study assessed all modes of transport for the horizon year 2041. The projects identified in this study were then required to be undertaken by the appropriate agency depending upon the jurisdiction. Among other projects, a connectivity project between Thane and Navi Mumbai was flagged to be undertaken by CIDCO and completed by 2031, primarily from the perspective of connecting the Navi Mumbai airport. Subsequently, the DPR was prepared, and approval of State Cabinet was accorded.
5. CIDCO officials explained that Thane is a major urban centre in the Mumbai Metropolitan Region and serves as a crucial node connecting northern and western urban centres through key existing and planned roads. Seamless connectivity between Thane and the upcoming Navi Mumbai International Airport (NMIA), the future primary gateway airport for MMR, is of high strategic importance. Existing road linkages between Thane and Navi Mumbai are heavily burdened with traffic, and the Level of Service is rapidly deteriorating. To improve regional connectivity and reduce travel time between Thane and NMIA, the Government of Maharashtra has prioritized the development of a dedicated elevated corridor. The proposed corridor aligns with the broader objective of upgrading transportation infrastructure to support economic growth and urban expansion in the region.
6. Following the detailed presentation, the Chair invited the EC members to provide their outstanding observations and comments on the project proposal. DoE supported the proposal and stated that there were no further comments to offer.
7. The observations raised by PD, NITI Aayog and the responses therein by CIDCO are given below:

- i. **The need for 40% VGF may be justified and whether any sensitivity analysis has been carried out for the same.**

Response: While the level of traffic at COD is expected to be high owing to the catchment traffic, the growth rate of traffic is expected to be limited (around 2%). Further, due to the relatively high cost owing to elevated alignment, the project becomes unviable without VGF support. To improve the viability of the project, the concession period has had to be increased to 40 years. As per the financial model, the equity IRR comes out to be 7.56% in the absence of VGF, 8.64% in case of 10% VGF, 10.03% in case of 20% VGF and 11.82% in case of 30% VGF. To achieve the 14% equity IRR threshold typically adopted by MoRTH, a requirement of VGF of 39% has been estimated. Pegging the project IRR at 12% leads to 36% VGF requirement along with an equity IRR of 13.2%, which may not be attractive enough for bidders.

- ii. **Is there any value capture mechanism being adopted and are there any schemes in this regard?**

Response: CIDCO has requested Government of Maharashtra to declare the instant project as a Vital Urban Transport Project, through which value capture is typically realised and accrued to the State Government. Additionally, the development of surrounding land parcels will be enabled through mechanisms such as higher FSI. However, the quantification of such benefits has not been carried out.

8. The observations raised by **Superintending Engineer, Ministry of Road Transport and Highways** and the responses therein by CIDCO are given below:

- i. **The interchanges planned between the instant project and the National Highway network may be explained.**

Response: The purpose of the instant project is primarily to provide seamless connectivity to the NMIA. An interchange is planned with the Ulwe Coastal Road, also being developed by CIDCO, which will provide connectivity to the NMIA-bound traffic coming from South Mumbai side via the Atal Setu. Importantly, no cargo traffic is envisaged on the Ulwe Coastal Road as well. A dedicated interchange between the instant project and NH network is not envisaged, as a recently developed VUP interchange already exists on NH348 for entering NMIA.

- ii. **Whether commercial vehicles will be allowed to use this road?**

Response: Commercial vehicles, limited to Light Commercial Vehicles (LCVs) shall be allowed. However, heavy multi axel commercial vehicles shall not be permitted, as the Thane Belapur and the NH48 is already available for such traffic which is usually port-bound.

- iii. **Given the high number of PCUs projected to use the proposed road stretch, the a level of service 'C' is expected in the initial period itself. Therefore, the VGF requirement appears relatively high and may require further justification.**

Response: Since the proposed road is a completely elevated structure the capital cost is fairly high. Further, although the original PCUs are substantially high, the percentage of traffic growth is expected to be relatively low for the entire concession period. Due to constraint of limited RoW availability, further widening of the existing roads or 8-laning of the instant proposal could not be considered.

- iv. **The 2024 MoRTH circular require the use of stainless steel for construction of reinforcements. However, the same has not been considered in the instant project. What is the rationale for the same?**

Response: Stainless steel is also not being used in other comparable projects in the region such as coastal road projects (Mumbai Coastal Road, Versova Banda Sea Link, Atal Setu, etc.). The major constraints are linked to the supply of stainless steel and its relatively higher cost.

9. The observations made by **Joint Secretary (ISD)** and the responses therein by CIDCO are given below:

- i. **What is the rationale for reducing the design speed at 10 different locations? Considering the project length of 25 km, reduced design speed on the main carriageway may either lead to choke points or cause the stretch to become accident-prone in absence of proper mitigative measures.**

Response: Reduced design speed has been adopted predominantly in areas near the interchanges with existing roads. Such reduction has been proposed wherever desirable radius for entry / exit interchanges is not available due to RoW challenges. For maintaining the required curvature to maintain uniform design speed on the main carriageway would entail demolition of structures such as high rise buildings in heavily built-up areas along the alignment. To overcome this land acquisition challenge, deficient curve has been proposed, resulting in reduction of speed at few locations. From a road safety perspective, speed calming measures such as high containment crash barriers, deceleration lanes, speed limit signboards, etc., have been incorporated.

10. The observations made by the **Chair** and the responses therein by CIDCO are given below:

- i. **Considering the existing and proposed road network in and around the Thane region, is there enough traffic to justify the instant project?**

Response: The Jawaharlal Nehru Port is a major economic generator which is located towards the south of the Navi Mumbai International Airport. All the cargo traffic destined for this Port primarily travels through the existing roads, i.e., the Thane-Belapur Road and the NH-48. The Thane-Belapur Road has reached a Level of Service F, with a Volume-Capacity ratio of 2.6, and has no further potential for augmentation due non-availability of RoW. Similarly, NH-48 is congested owing to traffic from the eastern side.

Such cargo and commercial traffic related to JNPT competes with passenger vehicle traffic.

The proposed elevated corridor is therefore intended to provide a dedicated, seamless connectivity to the NMIA primarily for passenger traffic. Heavy vehicles will not be permitted on the corridor, which is expected to improve travel reliability for passenger vehicles, reduce conflict with freight movement, and support smoother connectivity to NMIA.

- ii. **The proposed tolling plan may be justified, considering it would have a direct impact on the VGF requirement.**

Response: In the absence of a separate toll policy of the State Government, the National Highway toll policy has been adopted as the reference framework for determining user charges for the proposed corridor. However, discounts of approx. 30% have been applied to the toll rates, as the corridor is an urban city road and

levying National Highway-level toll rates may not be reasonable for regular city-road users. Further, the proposed corridor is expected to compete with several alternative roads; therefore, a discounted toll rate has been adopted to encourage passenger traffic to shift to the corridor and ensure adequate utilisation. Levying a high user fee may either face considerable resistance from users (seen in recent similar projects) or altogether limit the usage of the road, thereby affecting its viability. Accordingly, a toll rate of approx. Rs. 5.75 per km has been considered for the first year of operations.

Moving forward, the Concessionaire may explore feasibility of offering passes similar to National Highways after adequate due diligence. However, for the purposes of bidding, a reasonable level of toll rates has been considered to balance commuter acceptance and project viability.

iii. **Is any land acquisition planned to be undertaken?**

Response: No private land acquisition is required to be undertaken, as the project alignment is mostly along the median. However, some inter-departmental land transfer is required from MIDC to CIDCO. Further, the project goes through mangrove areas, so forest clearance is required in this case.

Recommendations

11. After detailed deliberation, the EC granted 'In-Principle Approval' for VGF support under the VGF Scheme to the proposal for 'Construction of 6-Lane Elevated Road Corridor for seamless connectivity between Thane and Navi Mumbai International Airport from Km. 0.000 to Km. 25.287 (Length 25.287 Km.) in the State of Maharashtra on DBFOT (Toll) Model', with the following conditions:

i. The TPC and the maximum VGF granted 'In-Principle Approval' under the VGF Scheme are as follows:

TPC (in Rs. Crore)	Maximum CAPEX Grant (VGF) as % of TPC	Maximum CAPEX Grant (VGF) (in Rs. crore)	Gol Share of VGF (in Rs. crore)	PSA Share of VGF (in Rs. crore)
6,028	36%	2,170.08	1,205.60	964.48

- ii. CIDCO may revisit the number of design speed reduction zones and take suitable measures to prevent accidents and ensure road safety.
- iii. CIDCO may consult MoRTH on the necessity of using stainless steel for reinforcement construction.
- iv. 'Final Approval' for VGF support is contingent upon compliance of all conditions of the VGF Scheme.
- v. Revalidation of the recommendation of the project proposal by the EC is not required for the following post-recommendation changes in the project cost/bid documents:

- a. Any change in the date/time period for any time-bound actions like appointed date, financial close, construction period, etc.
 - b. Non-substantial change in risk allocation.
 - c. Any other changes/modifications (except as stated above) in the project proposals with the overall objective of making the projects successful.
 - d. Further, the Urban Development Department, Govt of Maharashtra will decide whether the changes proposed post recommendations of the project proposals by the EC fall within the threshold criteria as stated above. All such changes with the threshold criteria as stated above shall be appraised at the level of Administrative Secretary (Urban Development Department), Government of Maharashtra without any further need for revalidation by the EC and Urban Development Department shall proceed with the process accordingly.
- vi. However, the following changes shall warrant revalidation of recommendation of project proposal by the EC:
- a. Any change in the formulation of pre-determined user charges/tariffs.
 - b. Any change in the concession period by more than 20%.
 - c. Any changes having an impact on the In-principle approved amount of VGF for Gol on the higher side.
12. The meeting ended with vote of thanks to the Chair.

Annexure-I

List of attendees

a. Department of Economic Affairs

1. Ms. Anuradha Thakur, Secretary - Chair
2. Ms. Laya Madduri, Joint Secretary (IFS)
3. Ms. Arya Balan Kumari, Joint Director (ISD)
4. Shri Jai Patil, Deputy Secretary (ISD)
5. Ms. Shraddha Narwade, Assistant Director (ISD)
6. Shri Suman Saurabh, Section Officer (ISD)

b. Department of Expenditure

1. Ms Bhumika Verma, Director

c. NITI Aayog

1. Shri Partha Sarathi Reddy, Program Director

d. Ministry of Road Transport and Highways

1. Shri Shashi Bhushan, SE

e. CIDCO

1. Shri Mantada Raja Dayanidhi, Joint Managing Director (through VC)
2. Ms. Geetha Ajith Pillai, Chief General Manager