

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

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

40th Meeting on June 11, 2012

Record Note of Discussions

The fortieth meeting of the Empowered Institution (EI), chaired by Additional Secretary, Department of Economic Affairs (DEA) was held on June 11, 2012. The list of participants is annexed.

2. The EI noted that there were eighteen proposals under consideration, five for grant of final approval and thirteen for grant of in-principle approval for viability gap funding (VGF) support.

Agenda Item I: Proposal from Government of Andhra Pradesh (GoAP) for grant of final approval for: 4-laning of Narketpally-Addanki-Medarametla road of SH-2 from km 0.000 to km 212.500 on DBFOT Basis.

Total length: 212.50 km; Total Project Cost: Rs. 1196.84 crore; Concession Period: 24 years including 2.5 years of construction period. VGF from Government of India: Rs. 239.36 crore, VGF from Government of AP: Rs. 227.66 crore

Major development works/ structures: Major Bridges: 7; Minor bridges: 46; Underpasses/subways: 21, Culverts: 278; Toll plazas: 2, service roads: 22.2 km Realignment: 10.31 km, Bus-bays: 32, Major road junctions: 5, Truck Lay Bys: 3 on each side, Way side amenities: 3 on each side,

3. The EI noted that the project was granted in-principle approval by the Empowered Committee (EC) for the Scheme in its meeting held on February 18, 2009. Thereafter, the State Government invited the Request for Proposal (RfP) in respect of the project in April, 2009. The project has since been awarded to the bid consortium of M/s Ramky-ITNL and the concession agreement executed in July, 2010. The financial closure was achieved in January, 2011 with Canara Bank as the Lead Financial Institution (LFI).

4. Director, DEA informed that the VGF required for the project is Rs.467.02 crore which is 39.02 percent of the Total Project Cost (TPC) of Rs. 1196.84 crore, approved by the EI and EC while granting in-principle approval for VGF support. However, the bids have been received with the entire VGF being provided as Capital grant to the project during the construction period. This is at variance with the provisions of the Draft Concession Agreement (DCA) which was considered by the EI while granting in-

principle approval to the project for VGF support. The DCA had then provided VGF up to 20 percent of TPC as Capital grant and the balance as O&M grant. The change is in line with the recommendations of the B. K. Chaturvedi (BKC) Committee for National Highways which have been approved by the CCI. Hence, the modification may be considered for acceptance, subject to it having been incorporated in the bid documents prior to bidding.

5. Chief Engineer, APRDC informed that during the pre-bid meeting, the bidders had requested that the grant of additional 20 percent from the State Government may be provided during the construction period itself instead of during the O&M period. Therefore, Government of India was requested in April, 2009 to permit the change in the Clause under Article 25 of the Draft Concession Agreement. The Government of India communicated its approval for these changes in May, 2009. On approval of these changes, the same were incorporated in the Addendum to RfP and issued to bidders, and subsequently included in the Concession Agreement.

6. The Chair queried whether the change in the provision had been communicated to all bidders prior to the bid due date for the project. CE, APRDC confirmed that the change was communicated during the pre-bid meeting and was part of the minutes of the meeting which was circulated to all the bidders prior to bidding. The Chair requested that copy of the minutes of the pre-bid meeting may be shared with the members of the EI. This was agreed to.

(Action: GoAP)

7. The Chair observed that the cost of the project indicated in the financing documents is 47 percent higher than the estimates of APRDC specified in the Concession Agreement and queried about the reasons thereof. CE, APRDC informed that the Concessionaire has estimated that the project requires reconstruction at a major stretch, which was not accounted for at the project structuring stage by APRDC. Hence, the variation in the cost may be accepted.

8. The Chair queried about the status of land acquisition. CE, APRDC, responded that the land is available, except at toll plaza locations, where it is at an advanced stage of acquisition and hand over.

9. Joint Secretary, DEA, sought the status of the project and requirement of funds for the project during the current financial year. It was informed that 42 percent of the physical work had been completed and financial utilisation of around 37 percent had been achieved. The project would require around Rs.50 crore of VGF immediately after the execution of the Tripartite Agreement and around Rs.140 crore later during 2012-13. The State Government was requested to also communicate the requirement in writing. This was agreed to.

(Action: GoAP)

10. All the members of EI were in support of grant for final approval for the project.

11. The EI recommended the proposal to the Empowered Committee for grant of final approval to the project for TPC of Rs. 1196.84 crore with VGF of Rs. 239.36 crore (20 percent of TPC).

(Action: DEA & GoAP)

Agenda Item II: Proposal from Government of Andhra Pradesh (GoAP) for grant of final approval for: 4-laning of Hydrebad-Karimnagar-Ramagundam road of SH-1 from km 28.200 to km 235.058 on DBFOT Basis.

Total length: 206.858 km; Total Project Cost: Rs. 1358.19 crore; Concession Period: 25 years including 2.5 years of construction period. VGF from Government of India: Rs. 271.64 crore, VGF from Government of AP: Rs.182.36 crore

Major development works/ structures: Major Bridges: 7; Minor bridges: 32; RoB: 1, Underpasses/ subways:: 20, Culverts: 430; Toll plazas: 3, service roads: 37.645 km Reallignment: Nil, Bus-shelters:57, Major/ minor road junctions: 68, Truck Lay Bys: 14, Way side amenities: 4.

12. The EI noted that the project was granted in-principle approval by the Empowered Committee in its meeting held on February 18, 2009. Thereafter, the State Government invited the Request for Proposal (RfP) in respect of the project in April 2009. The project has since been awarded to the bid consortium of M/s DLF-Gayatri and the concession agreement executed in August, 2010. The financial closure was achieved in February, 2011 with Canara Bank as the LFI.

13. Director, DEA informed that the appraisal note of Planning Commission in respect of the proposal had not been received. Advisor, Planning Commission indicated that the proposal had been examined and Planning Commission is in support of grant of final approval to the project.

14. The EI noted that the VGF required for the project is Rs. 454 crore which is 33.43 percent of total project cost (TPC) of Rs. 1358.19 crore approved by the EI and EC while granting in-principle approval for VGF support. The bids have been received with the entire VGF being provided as Capital grant to the project during the construction period. Chief Engineer, APRDC informed that, as with the Narketpally-Addanki-Medarametla road, during the pre-bid meeting for the instant project, the bidders had requested that the grant of additional 20 percent from the State Government may be provided during the construction period, instead of after commercial operations date. Therefore, the change in clause under Article 25 of the Draft Concession Agreement was made with the approval of Government of India, communicated in May, 2009. On approval of these changes, the same were incorporated in the Addendum to RfP and issued to bidders the same were included in the executed Concession Agreement.

15. The Chair requested that GoAP may confirm in writing that the change in the Article 25 of the DCA had been communicated to all bidders prior to the bid due date for the project and that a copy of the minutes of the pre-bid meeting may be shared with the members of the EI. This was agreed to.

(Action: GoAP)

16. Joint Secretary, DEA, sought the status of implementation of the project and requirements of funds for the project during the current financial year. Chief Engineer, APRDC informed that 39 percent physical progress and 38 percent financial progress had been achieved. The project would require around Rs. 50 crore of VGF immediately after the execution of the Tripartite Agreement and around Rs. 160 crore later during 2012-13. The State Government was requested to also communicate the requirement in writing. This was agreed to.

(Action: GoAP)

17. All the members of EI were in support of grant for final approval for the project.

18. The EI recommended the proposal to the Empowered Committee for grant of final approval to the project for TPC of Rs. 1358.19 crore with VGF of Rs. 271.64 crore (20 percent of TPC).

(Action: DEA & GoAP)

Agenda Item III: Proposal from Government of Maharashtra (GoM) for grant of in-principle approval for: Improvement two/ four-laning of Karanji-Wani-Ghuggus-Chandrapur Road section of MSH-6&7 from km. 0/000 to km. 81/000 and from km 0.00 to km 3.000 covering Dhanora Phata to Dhanora on DBFOT Basis.

Total length: 85.112 km (4 lane-51.192km, 2 lane- 33.92 km); Total Project Cost: Rs. 498.77 crore; Concession Period: 30 years including 2 years of construction period. VGF from Government of India: Rs. 99.75 crore, VGF from Government of Maharashtra: Rs. 99.75 crore

Major development works/ structures: Major Bridges-1; Minor bridges: 10 (Widening -6, Reconstruction- 1, new-3) ; Culverts: 128 (Widening -25, Reconstruction- 49, new-54); junctions improvements:47; Toll plazas: 3; pedestrian underpasses-1.

19. Director, DEA informed that the project was granted in-principle approval by the EI in its meeting held on December 14, 2009. Thereafter, the State Government invited the Request for Proposal (RfP) in respect of the project in March, 2010. The project has since been awarded to M/s IVRCL and the concession agreement executed in December 2010. The financial closure was achieved in September, 2011 with Bank of India as the Lead Financial Institution (LFI).

20. Director, DEA informed that the L-1 bidder had sought Rs. 231.48 crore as VGF grant which is 46.48 percent of the TPC of Rs. 498. 77 crore approve by the EI while granting in-principle approval to the project. The offer was accepted by GoM and the concession agreement executed accordingly. Subsequently, since grant of 46.48 percent is not eligible under the VGF Scheme, GoM entered into a Supplementary Agreement with the Concessionaire, restricting the VGF to Rs. 199.50 crore, which is 40 percent of the approved TPC. GoM has shared a copy of the letter by the Concessionaire conveying agreement to revision of the grant amount quoted and that the curtailed

amount of Rs. 12.34 crore shall be met from promoters' equity, keeping the term loan of Rs. 313.99 crore, indicated in the financing agreement, unchanged.

21. Director, DEA requested that the final financing arrangement, i.e., the final grant (from GoI and GoM) amount, Promoter's Equity and debt amount may be communicated to the members of the EI, duly authenticated by the Concessionaire and the LFI. This was agreed to.

(Action: GoM)

22. Director, MoRTH stated that TPC indicated in the executed CA was Rs. 518.77 crore whereas the approved TPC was Rs. 498.77 crore, which is a variation from the approved amount. Secretary, PWD, GoM stated that the TPC has been corrected to Rs. 498.77 crore through the Supplementary Agreement.

23. The Chair queried about the reason for the higher project cost in the financing documents, which is higher by around 47 percent, the quantum of VGF required under the Scheme and the status of the project. Secretary, PWD, GoM, informed that the cost of the project is higher on account of updation of the Schedule of Rates (SoR) from 2008-09 to 2011-12 and requirement of concrete pavement for 26 km stretch, which was not accounted for earlier. The quantum of VGF under the Scheme is Rs. 99.75 crore (i.e. 20 percent of TPC approved by EI) and an equal amount of VGF shall be provided by the GoM as equity support. He further stated that 30 percent of physical progress has been achieved.

24. Joint Secretary, DEA, sought the requirements of funds for the project during the current financial year. Secretary, GoM indicated that the project would require around Rs. 50 crore of VGF during 2012-13. The State Government was requested to also communicate the requirement in writing. This was agreed to.

(Action: GoM)

25. All the members of EI were in support of grant for final approval for the project.

26. **The EI granted final approval to the project for TPC of Rs. 498.77 crore with VGF of Rs. 99.75 crore (20 percent of TPC) subject to circulation of the final financing arrangement in respect of the projects to the members of the EI, duly authenticated by the LFI.**

Agenda Item IV: Proposal from Government of Maharashtra (GoM) for grant of final approval for: Construction of two/ four-laning of Nanded-Narsi Road section of SH-6 from km. 264.000 to 307.000 and Narsi-Degloor to state border section under DBFOT.

Total length: 77.70 km (4 lane-43 km, 2 lane- 34.700 km); Total Project Cost: Rs. 238.79 crore; Concession Period: 25 years including 2 years of construction period. VGF from Government of India: Rs. 47.76 crore, VGF from Government of Maharashtra: Rs. 47.76 crore

Major development works/ structures: Major Bridges-3; Minor bridges: 19 (Widening -3, new-16) ; Toll plazas: 2; by-passes-2.

27. Director, DEA informed that the project was granted in-principle approval by the EI in its meeting held on August 12, 2009 with the TPC of Rs. 238.79 crore and an approved VGF of Rs. 95.52 crore which is 40 percent of TPC. Thereafter, the project has awarded to M/s Ketji Construction Ltd. and the concession agreement executed on June 16, 2011. The financial closure was achieved in April 2012 with State Bank of India as the Lead Financial Institution (LFI).

28. Director, DEA informed that the L-1 bidder had sought Rs. 97.91 crore as the VGF grant which is around 41.02 percent of the TPC of Rs 238.79 crore approved by the EI while granting in-principle approval to the project. The offer was accepted by GoM and the concession agreement executed accordingly. Subsequently, since grant more than 40 percent of TPC is not eligible for support under the Scheme, Government of Maharashtra executed a Supplementary Agreement with the Concessionaire with the revised grant offer of Rs. 95.52 crore, which is 40 percent of TPC.

29. Director, DEA further informed that the Supplementary Agreement executed in March 2012 required amendments on account of corrections required in the definition of TPC in Article 48. This was communicated to the State Government, who in response, executed a fresh Concession Agreement with the Concessionaire, duly incorporating all corrections in the quantum of VGF, estimation of Equity support and definition of TPC. The revised executed Concession Agreement has been circulated to all members of the EI. However, the date of execution, name of the Consortium and the SPV as well as the date of award of the project has been left blank in the Concession Agreement. Without the specification of the date of execution, the agreement would be void.

30. The Chair advised that the corrections may be carried out, bringing into effect the revised concession agreement and it may be specified therein that the final agreement supersedes the earlier executed Concession Agreement in June 2011 and the Supplementary Agreement executed in March 2012.

(Action: GoM)

31. Director, DEA indicated that the appraisal of the project was first undertaken by ICICI bank. Thereafter, the appraisal was undertaken afresh by State Bank of India. The Concessionaire has entered into a Common Loan Agreement with SBI. However, the quantum of requirement of loan assessed by ICICI and SBI in their appraisals is Rs. 200 crore, whereas the common loan agreement indicates that loan upto Rs. 212 crore is being provided. Further, the grant and promoter's equity indicated in the appraisal

requires modification on account of reduction in the quantum of VGF and concomitant increase in the promoter's equity.

32. The EI requested that the final financing arrangement, i.e., the final grant (from GoI and GoM) amount, promoter's equity and debt amount maybe communicated to the members of the EI, duly authenticated by the Concessionaire and the LFI. This was agreed to.

33. **The EI deferred the project pending submission of the corrected and executed concession agreement and of the final financing arrangement in respect of the project from GoM.**

(Action: GoM)

Agenda Item V: Proposal from Government of Maharashtra (GoM) for grant of in-principle approval for: Two-laning with PSS of Tembhurni-Kurduwali-Barshi-Yedshi-Latur Road section of SH-77 from km 70.20 to km 159.30 under DBFOT.

Total length: 94.20 km; Total Project Cost: Rs. 367.27 crore; Cost of pre-construction activities to be financed by GoM: Rs. 41.92 crore (including byback cost of Rs. 36.84 crore); Concession Period: 25 years including 2.5 years of construction period. VGF from Government of India: Rs. 73.45 crore

Major development works/ structures: Major Bridges: Nil; Minor bridges: 3 for widening & 7 for new construction; Bypass: 1 at Kuslamb of 1.50 km; RUB: 1 at Kurduwasi; junctions improvements: 22; Toll plazas: 2 (Km. 96.8 & km 138); Service Roads: 6 km both side i.e. 12 km (5.5m wide);

34. Deputy Secretary, PWD, GoM presented the proposal and indicated that the length of the project is 94.20 km, TPCs Rs. 371.61 crore and the concession period is 25 years, including construction period of 3 years. It was stated that the estimated VGF requirement for the project is Rs. 137.50 crore, i.e., 37 percent of TPC out of which 20 percent of the TPC (Rs. 74.32 crore) is expected to be a grant under the Scheme from GoI and balance amount from GoM. It was indicated that GoM shall also bear the cost of land acquisition of Rs. 5.08 crore and buy back costs for two toll plazas amounting to Rs. 36.84 crore. Further, the project was earlier posed in August 2009 for four laning but no bid response was received. Accordingly, the project has been restructured as two lane road with PSS.

35. Director, DEA informed that the EI had considered the proposal in its 39th meeting held on April 3, 2012 and noted that cost of the project has increased from Rs. 321.16 crore for a four lane road to Rs. 371.61 crore for a two-lane road with PSS, construction period has increased from 2.5 years to 3 years and estimated VGF requirement has increased from Rs. 64.23 crore to Rs. 137.5 crore. Accordingly, the EI had deferred the consideration of the project and sought the following information from GoM:

- a. Copy of the executed Concession Agreement of the existing two toll plazas along with calculations of buy back costs.

- b. Calculations of detailed project cost for two-lane with PSS in comparison with the four-lane road cost which was earlier proposed.
- c. Justification for increase in the construction period from 2.5 years to 3 years.
- d. Calculations of VGF requirement for two-lane with PSS in comparison with the four-lane road cost which was earlier proposed.
- e. Revised documents legally vetted to be circulated to members of EI.

36. Secretary, PWD, GoM informed that the required documents in respect of the toll plazas and justification for cost increase have been provided to the members of EI. The legal vetting of the DCA is underway and legally vetted documents would be provided to EI for record at the earliest. It was stated that the construction period has been reduced to 2.5 years from 3 years proposed earlier, and the TPC had reduced to Rs. 367.27 crore.

37. Deputy Secretary, PWD, GoM clarified that the earlier traffic survey was conducted in August 2008. At that juncture, a new railway track was being laid; hence, the existing narrow gauge track was closed, resulting in diversion of traffic on road, on the instant stretch. The traffic has since normalized after the opening of the broad gauge railway track. Consequently, the revised traffic estimates were lower than the traffic estimates based on traffic survey undertaken in December 2011. Hence, the State Government proposed to construct a two-lane road with paved side shoulders (PSS).

38. Secretary, PWD, GoM explained that if four laning of the entire stretch is undertaken, the TPC as per the updated SOR would be Rs. 557 crore for scope of work in line with IRC standards, as against Rs. 321.16 crore earlier. Hence, the cost of the project was Rs. 3.89 crore per km for two-lane with PSS as against Rs. 5.91 crore, if it were to be developed as a four-lane stretch. The increase in the cost was on account of updation to the current SoR, provisioning of 12 km of service roads, cost for providing eight-lane toll plaza and raising a part of the existing roads for 3 km in water logged area.

39. The Chair queried about the status of land acquisition. Secretary, PWD, GoM informed that the process of land acquisition for Kauslamb bypass, service roads, railway under-bridge and the two toll plazas is underway and expected to be completed shortly.

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

41. The EI granted in-principle approval to the project for a TPC of Rs. 367.27 crore with maximum VGF support of Rs. 73.45 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoM shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoM in their response to the appraisal note.

- 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.
- c. GoM shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoM shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoM shall circulate the final documents to the members of the EI for record.

(Action: GoM)

Agenda Item VI: Proposal from Government of Maharashtra (GoM) for grant of in-principle approval for: Two/ four laning of Chandwad-Manmad-Nandgaon Road section of SH-24 from km 0.000 to km 47.200 and km 0.000 to km 16.900 of SH 16 alongwith construction of Manmad and Nandgaon by-pass under DBFOT.

Total length: 82.56 km (4 lane-43.13 km, 2 lane with PSS- 20.83 km, 2 lane - 18.60 km); Total Project Cost: Rs. 557.34 crore; Cost of pre-construction activities to be financed by GoM: Rs. 34.80 crore (including byback cost of Rs. 17.40 crore); Concession Period: 25 years including 3 years of construction period. VGF from Government of India: Rs. 111.468 crore
Major development works/ structures: Major Bridges: 9; Minor bridges: 16; RoBs: 2, Bypass: 2 (Manmad by-pass of 4 lane- 11.720 km & Nandgaon bypass of 2 lane-5.63 km); Underpasses-11, junctions improvements: 27; Toll plazas: 2 of 16 lane (at Km. 6.5 & km 6.22 at Manmad by-pass); Service Roads: 1.7 km of 7 m at Chandwad; Culverts-112, Bus bays-13, Service duct for pipeline crossing- 34.

42. Deputy Secretary, GoM, presented the proposal. It was indicated that the project is a critical link connecting NH-3 from Mumbai to Dhule and Surat to Nagpur. Further, traffic destined from Aurangabad to Dhule would also use the proposed road. The traffic on the stretch is around 20,905 PCUs on account of commercial traffic heading for Oil Refineries of IOCL, BPCL, and HPCL as well as the onion trade towards Nashik. After the project stretch crosses the oil refineries, the traffic tapers down 1,806 PCUs. Hence, around 43 kms of the project is proposed to be four laned, followed by 20.83 kms as two laned with paved shoulders (including the Nandgaon bypass) and the balance stretch of 18.60 kms as two laned.

43. Director, DEA indicated that the traffic details provided were with respect to the main Toll Plaza location. These traffic estimates suggest that the project requires to be restructured as a four lane carriageway for the entire stretch. Hence, fresh traffic survey may also be undertaken (at locations proposed to be two laned with PSS and two laned) to establish, *based on the actual traffic survey estimates*, that the project structure is appropriate. This was agreed to.

44. Adviser, Planning Commission indicated that for the given traffic estimates, and with the design capacity of 60,000 PCUs, the concession period may be reduced to 20 years. This was agreed to.

45. All the members of EI highlighted that the toll is proposed to be collected at Manmad Bypass (km 6.22) and through a 16-lane Toll Plaza. A second Toll Plaza is proposed; however, the intent is to toll the users only once on the stretch. GoM was requested to confirm that the location of Toll Plazas is optimal to ensure there is no leakage of traffic or extra charge of user fee, especially at the stretch proposed to be two laned with PSS/two laned.

46. Director, DEA indicated that the Toll Policy of GoM is applicable for projects costing upto Rs. 400 crore. Since the cost of the instant project is more than Rs. 500 crore, GoM would require to notify the Toll rates applicable for the instant project. Deputy Secretary, GoM informed that the intent of the State Government is to have similar toll rates for projects costing above Rs. 400 crore. He agreed that the rates would be notified for the instant project to ensure that the bidders have certainty about this critical parameter while bidding.

47. Director, DEA indicated that GoM, in their response to the appraisal note, have indicated the numbers of culverts, including the new as well as those proposed for reconstruction and widening. Similarly, the locations and chainage of bus bays, had been indicated in the response to the query to this effect in the appraisal note. These responses may also be incorporated in the Schedule B of the DCA. This was agreed to.

48. Director, DEA informed that GoM had estimated the Performance Security after deducting the equity support from the TPC. It was clarified that Performance Security is estimated as 5 percent of the TPC, without deducting likely VGF bid. Hence, the amount may be corrected in the DCA to Rs. 27.87 crore instead of Rs. 19.23 crore. This was agreed to.

49. The EI **deferred the project** pending submission of the following documents:
- i. Fresh traffic survey (at locations proposed to be two laned with PSS and two laned) to establish, *based on the actual traffic survey estimates*, that the project structure is appropriate.
 - ii. Confirmation by GoM that the location of Toll Plazas is optimal to ensure there is no leakage of traffic or extra charge of user fee, especially at the stretch proposed to be two laned with PSS/two laned.
 - iii. Notification of toll rates by GoM for the instant project.
 - iv. Correction in the concession period (20 years), scope of work (Schedule B), performance security in the DCA
 - v. Circulation of the final documents by GoM to the members of EI.

(Action: GoM)

Agenda Item VII: Proposal from Government of Karnataka (GoK) for grant of Final approval for: Two laning of Chikkanayakanahalli-Tiptur-Hassan Road Road section of SH-19 & MDR from km 4.500 to km 22.85 of SH-19 and km 0.000 to km 44.110 under DBFOT.

Total length: 76.221 km; Total Project Cost: Rs. 238.45 crore; Concession Period: 30 years including 2 years of construction period. VGF from Government of India: Rs. 47.69 crore, VGF from Government of Karnataka: Rs. 45.30 crore

Major development works/ structures: Minor bridges: 6; RoBs: 2; junctions improvements: 6; Toll plazas: 2 (at Km.2.6 & km 46.1); Culverts-60, Bus stops-57, Pedestrian crossing-3, Truck lay byes-3.

50. Managing Director, Karnataka Road Development Corporation Limited (KRDCL) presented the proposal. It was indicated that the EI had granted in principle approval to the project in March, 2008 and thereafter approved increase in TPC to Rs. 238.45 crore in July, 2009. After a long bid process, response was received to the RfP at the fifth call. The project has been awarded to M/s Abhijeet Infrastructure Ltd. with VGF of Rs. 92.99 crore which is 39 percent of TPC of Rs. 238.45 crore approved by EI. The concession agreement has been executed in June, 2011 and financial closure achieved in January, 2012 with SBI as the LFI. As per the Lender's appraisal report, the project cost is Rs. 318.98 crore, the increase being primarily on account of updation of costs to a recent SoR. The project envisages construction of concrete rigid pavement for over 70 kms since the project caters to mining region.

51. Director, DEA informed that the appraisal note of Planning Commission in respect of the proposal had not been received. Advisor, Planning Commission indicated that the proposal had been examined and Planning Commission is in support of grant of final approval to the project.

52. The Chair queried about the status of Land acquisition of around 69 hectares for the Toll Plazas. MD, KRDCL informed that the process of acquisition of land is at an advanced stage and is expected to be completed during June, 2012.

53. All the members of EI were in support of grant for final approval for the project.

54. The EI granted final approval to the project for TPC of Rs. 238.45 crore with VGF of Rs. 47.69 crore (20 percent of TPC) under the Scheme.

Agenda Item VIII: Proposal from Government of Karnataka (GoK) for grant of In-principle approval for: Four/Two laning of Jath-Jamboti Road from Km 25.000 to km 101.000 of SH 31 section under DBFOT.

Total length: 76 km (4 lane-32.50 km, 2 lane with PSS-0.8 km, 2 lane-42.70 km); Total Project Cost: Rs. 302.96 crore; Cost of pre-construction activities to be financed by GoK: Rs. 9.05 crore; Concession Period: 28 years including 1.5 years of construction period. VGF from Government of India: Rs. 60.59 crore

Major development works/ structures: Major Bridges: 4; Minor bridges: 12; Flyover: Nil; ROB: Nil; Bypass: Nil; Major Junctions: 12; Minor junctions: Nil; Toll plazas: 2 (Km. 51.6 & km 94.5); Underpasses: Nil; Culverts: 203; Bus Bays/ shelters: 24; Truck Lay Bys: 2, Vented causeway: 10, Realignment at 2 locations

55. MD, KRDCCL presented the proposal. It was indicated that GoK had responded to appraisal notes and also circulated the revised project documents.

56. Adviser, Planning Commission queried about the reasons for higher cost of the project at Rs. 3.99 crore per km. MD, KRDCCL explained that since the proposed project is a combination of four laned and two laned stretches, the cost is justified. This was agreed to.

57. Adviser, Planning Commission indicated that the timelines in the provisions relating to construction of competing roads (Clause 6.3) and service roads (Clause 12.7) have been unduly extended in the DCA. The provisions may be corrected to align them with the provisions prescribed in the Model Concession Agreement (MCA). This was agreed to.

58. SE, MoRTH indicated that target traffic for the year 2020 may be reviewed and corrected. This was agreed to.

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

60. The EI granted in-principle approval to the project for a TPC of Rs. 302.96 crore with maximum VGF support of Rs. 60.59 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoK shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoK in their response to the appraisal note.
- b. GoK shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- c. GoK shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoK shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoK shall circulate the final documents to the members of the EI for record.

(Action: GoK)

Agenda Item IX: Proposal from Government of Karnataka (GoK) for grant of In-principle approval for: Two laning with paved shoulders, Devanahalli (km 0.000) to Kolar (km 49.052) via Vijayapura and Vemgal of SH 96 section under DBFOT.

Total length: 49.052 km; Total Project Cost: Rs. 148 crore; Cost of pre-construction activities to be financed by GoK: Rs. 12 crore; Concession Period: 20 years including 1.5 years of construction period. VGF from Government of India: Rs. 29.60 crore
Major development works/ structures: Major Bridges: Nil; Minor bridges: 15; Flyover: Nil; Bypass: Nil; Major Junctions: 4; Minor junctions: 42; Toll plazas: 2 (Km. 15.25 & km 32.35); Underpasses: Nil; Culverts: 44; Bus Bays/ shelters: 12; Truck Lay Bys: 2, Realignment at 1 location

61. MD, KRDCCL presented the proposal. It was indicated that GoK had responded to appraisal notes of DEA and Planning Commission and also circulated the revised project documents.

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

63. The EI granted in-principle approval to the project for a TPC of Rs. 148 crore with maximum VGF support of Rs. 29.60 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoK shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoK in their response to the appraisal note.
- b. GoK shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- c. GoK shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoK shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoK shall circulate the final documents to the members of the EI for record.

(Action: GoK)

Agenda Item X: Proposal from Government of Karnataka (GoK) for grant of In-principle approval for: Two laning with paved shoulders, Gotur-Kagewad sections of SH-44 (km 0.0 to km 3.12), SH-12 (km 171.9 to km 116.60) and SH-53 (km 2.30 to 0.0) under DBFOT.

Total length: 60.23 km; Total Project Cost: Rs. 175.85 crore; Cost of pre-construction activities to be financed by GoK: Rs. 17.76 crore; Concession Period: 26 years including 1.5 years of construction period. VGF from Government of India: Rs. 35.20 crore

Major development works/ structures: Major Bridges: 2; Minor bridges: 9; Flyover: Nil; Bypass/Realignment: at 3 locations for 4.45 km; Major Junctions: 7; Minor junctions: 9; Toll plazas: 3 (Km. 159.82, km 142.45 & km 120.29); Underpasses: Nil; Culverts: 74; Bus Bays/shelters: 36; Truck Lay Bys: 2, Causeway: 1

64. MD, KRDCCL presented the proposal. The project road comprises of three State Highways SH 44 (3.12 km), SH 12 (55.3 km) and SH 53 (2.3 km) and starts from Gotur at VUP of NH 4 and ends at Kagewad. The appraisal notes of DEA and Planning Commission had been received by the State Government and responded to. The revised documents had been circulated to the members of the EI.

65. Director, DEA indicated that there were two outstanding issues with respect to the project proposal, viz., justification for requirement of three toll plazas on a stretch of 60.23 km, proposed by GoK and the proposed concession period of 26 years as against the estimation of 18 to 20 years, based on design capacity of the project and projected traffic thereon.

66. MD, KRDCCL indicated that reducing the number of toll plazas would result in leakage of traffic and toll revenues. Hence, three toll plazas, as proposed, are imperative for the project's viability. Further, a concession period of 18 to 20 years is likely to make the project unviable. Therefore, it may be approved for the proposed 26 years. Director, DEA pointed out that the State Government may require to terminate the project early and make termination payments in the event that the actual traffic on the stretch breaches the design capacity prior to the concession period of 26 years. It is, therefore, advisable that the concession period, at the outset, is as per the projected traffic reaching the design capacity.

67. Joint Secretary, DEA suggested that the State Government may explore the possibility of higher toll rates for a concession period of 18 years for improving the viability of the instant project. MD, KRDCCL informed that the toll rates were in accordance with the Toll Policy of the State and the toll cannot be arbitrarily increased for a particular stretch.

68. All the members of EI were in agreement that a concession period of 26 years may result in early termination and the proposed toll plazas would inconvenience the users. MD, KRDCCL agreed to reexamine the project structure.

69. **The EI deferred the proposal and advised the State Government to review the project structure and respond to the concerns of the members of EI.**

(Action: GoK)

Agenda Item XI: Proposal from Government of Karnataka (GoK) for grant of In-principle approval for: Two laning with paved side shoulder Kamalanagar-Gunalli Road (Package 2) via Halburga and Bida from Km 0.00 to km 70.000 of SH 4 and link road of 5 km connecting SH-4 and SH-105 section under DBFOT.

Total length: 75 km(4 lane- 11.50 km, 2 lane-63.50 km); Total Project Cost: Rs. 198 crore; Cost of pre-construction activities to be financed by GoK: Rs. 6.96 crore; Concession Period: 24 years including 1.5 years of construction period. VGF from Government of India: Rs. 39.6 crore

Major development works/ structures: Major Bridges: 1; Minor bridges: 19; ROB: 2; Bypass: Nil; Major Junctions: 17; Minor junctions: Nil; Toll plazas: 2 (Km. 23, km & km 69.5); Underpasses: Nil; Culverts: 75; Bus Bays/ shelters: 36; Truck Lay Bys: 3, Railway line level crossing: 3 locations

70. MD, KRDCCL presented the proposal. The project road of SH-4 (KG road), connecting Kamalanagar with Gunalli lies in Northern part of Karnataka and traverses through Bidar. The State Government has responded to the observations of Planning Commission and DEA.

71. Director, DEA indicated that as per the traffic projections, it would be more appropriate to develop the project as two-lane with paved shoulders. MD, KRDCCL informed that the State Government had considered the observation and they were agreeably with the suggestion. The total project cost for two-laning with PSS of the

stretch would be Rs. 198 crore. The Chair advised the State Government to re-work the documents to effect the changes and send the final documents, indicating the higher cost and higher requirement of VGF to the members of the EI. This was agreed to.

(Action: GoK)

72. The EI granted in-principle approval to the project for a TPC of Rs. 198 crore with maximum VGF support of Rs. 39.60 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoK shall undertake corrections in the project DCA with respect to the change in project's scope to two-laning with paved side shoulders.
- b. GoK shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- c. GoK shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoK shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoK shall circulate the final documents to the members of the EI for record.

Agenda Item XII: Proposal from Government of Karnataka (GoK) for grant of In-principle approval for: Two laning with paved side shoulder Bagepally-Bangapet-Kolar-Chelur stretch (sections of chainage; KGF with Bangarpet from km 0.0 to km 11.40 of SH-95, Bangarpet with Bagepally, km 0.0 to km 106.70 of SH-05 and Chintamani to Bagepalli via Chellur, km 0.0 to km 72.0) under DBFOT.

Total length: 190.1 km; Total Project Cost: Rs. 450.42 crore; Cost of pre-construction activities to be financed by GoK: Rs. 18.08 crore; Concession Period: 30 years including 2.5 years of construction period. VGF from Government of India: Rs. 90.10 crore

Major development works/ structures: Major Bridges: 1; Minor bridges: 40; ROB/RUB: 6; Bypass: Nil; Major Junctions: 16; Minor junctions: Nil; Toll plazas: 4 (Km. 8, km 26, km 52 of SH-5 & km 8 on MDR); Overpass: 1; Culverts: 337; Bus Bays/ shelters: 80; Truck Lay Bys: 2, Railway line level crossing: 4 locations

73. MD, KRDC presented the proposal. It was indicated that the project consisted of development of a straight road that did not traverse any villages as well as the development of a loop road from Bagepalli to Chintamani via Chelur to cater to the traffic emanating from the villages. The cost of the loop road is around Rs. 90 crore. This loop road was imperative for development, not only to address the needs of the villages but also to ensure that it does not become a competing road to the State Highway and to avoid traffic leakages. The State Government has responded to the observations of Planning Commission and DEA. The anomaly in the construction period, mentioned as 730 days, had been corrected in the DCA to provide a construction period of 910 days for the 190 km stretch.

74. The EI granted in-principle approval to the project for a TPC of Rs. 450.42 crore with maximum VGF support of Rs. 90.10 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoK shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoK in their response to the appraisal note.
- b. GoK shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- c. GoK shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoK shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoK shall circulate the final documents to the members of the EI for record

Agenda Item XIII: Proposal from Government of Punjab (GoP) for grant of In-principle approval for: Two laning with paved side shoulder for Tanda-Sri Hargobindpur Amritsar Road (SH-22) from km 0+000 to km 72+147 under DBFOT.

Total length: 72.147 km; Total Project Cost: Rs. 155.75 crore; Cost of pre-construction activities to be financed by GoP: Rs. 2.55 crore; Concession Period: 20 years including 1.5 years of construction period. VGF from Government of India: Rs. 31.15 crore
Major development works/ structures: Major Bridges: 2; Minor bridges: 19; ROB: 1 for O&M; Bypass: Nil; Major Junctions: 12; Minor junctions: 107; Toll plazas: 2 (Km. 17.3 & km 52.87); Under/Overpass: Nil; Culverts: 97; Bus Bays/ shelters: 58; Truck Lay Bys: 5, Raising /reconstruction: 4.16 km, 4-lane (14.5 m wide) for 7.492km includes 3.182 already under construction under separate contract)

75. Chief Engineer, PWD, Government of Punjab presented the proposal. It was indicated that the project road is proposed to be developed as two-lane with paved shoulders and starts from NH-1A at Tanda and crosses railway line through existing RoB and ends at Amritsar Bypass through Shri Hargobindpur town. The State Government has responded to the observations of Planning Commission and DEA. The project documents were in-line with the earlier four projects approved by the EI. It was informed that out of the four projects granted in-principle approval by the EI earlier, three projects have received premium bids. The Chair requested that the status of the projects, quantum of premium quoted and details of the selected bidders may be sent to the members of the EI for record. This was agreed to.

(Action: GoP)

76. Director, DEA indicated that Technical Schedules required corrections to precisely indicate the scope of work. CE, PWD, Government of Punjab confirmed that the Schedules have been corrected based on the observations of the members of the EI.

77. The EI granted in-principle approval to the project for a TPC of Rs. 155.75 crore with maximum VGF support of Rs. 31.15 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoP shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoP in their response to the appraisal note.

- b. GoP shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- c. GoP shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoP shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoP shall circulate the final documents to the members of the EI for record

(Action: GoP)

Agenda Item XIV: Proposal from Government of Punjab (GoP) for grant of In-principle approval for: Two laning with paved side shoulder for Rayya to Khara section from Ch. 420.50 of NH-1 to junction of canal road with NH-15 (Harike-Amritsar road) under DBFOT.

Total length: 42.119 km; Total Project Cost: Rs. 134.50 crore; Cost of pre-construction activities to be financed by GoP: Rs. 9.43crore; Concession Period: 20 years including 1.5 years of construction period. VGF from Government of India: Rs. 26.90 crore
Major development works/ structures: Major Bridges: Nil; Minor bridges: 1; ROB: 1 of 1125 m; Bypass: Nil; Major Junctions: Nil; Minor junctions: 25; Toll plazas: 2 (Km. 26 & km 35); Underpass: 1; Culverts: 4; Bus Bays/ shelters: 7; Truck Lay Bys: 1, Realignment: 8.369km, widening of 18.47 km, new road construction of 14.155 km, Service road: 2* 400 m

78. CE, PWD, Government of Punjab presented the proposal. It was indicated that the project road is proposed to be developed as two-lane with paved shoulders from Rayya to Khara along the canal road for about 42 km. The State Government has responded to the observations of Planning Commission and DEA.

79. Joint Secretary, DEA queried regarding the status of land acquisition. CE, PWD, Government of Punjab informed that the NOC for the stretch had been obtained from the State Irrigation Department.

80. The EI granted in-principle approval to the project for a TPC of Rs. 134.50 crore with maximum VGF support of Rs. 26.90 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoP shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoP in their response to the appraisal note.
- b. GoP shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- c. GoP shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- d. GoP shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- e. GoP shall circulate the final documents to the members of the EI for record.

(Action: GoP)

Agenda Item XV: Proposal from Government of Odisha (GoO) for grant of In-principle approval for: Four laning of Sambalpur-Rourkela Section of SH-10 from Km 4.900 to 167.900 Km (Rourkela) in the State of Odisha under BOT.

Total length: 161.737 km; Total Project Cost: Rs. 1312.14 crore; Cost of pre-construction activities to be financed by GoO: Rs. 186.35 crore; Concession Period: 25 years including 3 years of construction period. VGF from Government of India: Rs. 262.428 crore

Major development works/ structures: Major Bridges: 6; Minor bridges: 29; ROB: 3; Bypass: 2 of 14.065 km; Major Junctions: 13; Minor junctions: 255; Toll plazas: 3 (Km. 17.025, km 71.853 & km 150.075); Underpass: 16; Culverts: 328; Bus Bays/ shelters: 26; Truck Lay Bys: 8, Realignment: at 1 location for 1.4 km, Animal Underpass: 6, Service road: 26.017 km

81. The EI deferred the consideration of the project in the absence of representation from Government of Odisha in the meeting.

Agenda Item XVI: Proposal from Government of Madhya Pradesh (GoMP) for grant of in-principle approval for Two-laning with granular shoulders of Ratlam - Sailana - Banswada section from Ratlam city at km 0.00 and ends at Banswada (MP-Rajasthan Border) at km 42/6 on SH-39 under DBFOT (Toll).

Total length: 43.58 km; Total Project Cost: Rs. 107.82 crore; Cost of pre-construction activities to be financed by GoMP: Rs. 9.44 crore; Concession Period: 30 years including 2 years of construction period. VGF from Government of India: Rs. 21.568 crore

Major development works/ structures: Major Bridges: 2; Minor bridges: 13; Flyover: Nil; ROB: Nil; Bypass: at 3 locations for 8.90km ; Realignment: 7.405 km; Major Junctions: 6; Minor junctions: 29; Toll plazas: 1 (Km. 11.6); Underpasses: Nil; Culverts: 50; Bus Bays/ shelters: 9; Truck Lay Bys: 5; 4-lane with footpath: 3.65 km, 2-lane with PSS: 0.75 km, reconstruction: 27.28 km

82. Managing Director, Madhya Pradesh Road Development Corporation (MPRDC) presented the proposal. It was informed that all the issues raised by the DEA, Planning Commission and MoRTH in their appraisal notes have been accepted and the documents have been revised accordingly.

83. Director, DEA indicated that the project has been proposed to be developed as two-lane whereas based on the traffic estimates, the project should be proposed as two-lane with paved shoulders. MD, MPRDC responded that in the earlier projects of the State Government, in view of the poor state of the stretches, there was a quantum jump in the traffic plying on the stretches once the State Highway were improved. Hence, the projected traffic on the stretches was estimated by assuming 25 percent increase in the existing traffic in the first year. However, since most of the adjoining stretches have already been developed, this assumption is not being made for the instant two stretches under consideration. Hence, the project may be approved for two-laning without paved shoulders.

84. Director, DEA indicated that since the project is proposed to be developed without paved shoulders, the capacity of the project in Clause 29.2.3 of the DCA may be corrected to 21,000 PCUs at LoS-C. This was agreed to.

85. The EI granted in-principle approval to the project for a TPC of Rs. 107.84 crore with maximum VGF support of Rs. 21.568 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. The capacity of the project in Clause 29.2.3 of the DCA shall be corrected to 21,000 PCUs.
- b. GoMP shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoMP in their response to the appraisal note.
- c. GoMP shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- d. GoMP shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- e. GoMP shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- f. GoMP shall circulate the final documents to the members of the EI for record.

(Action: GoMP)

Agenda Item XVII: Proposal from Government of Madhya Pradesh (GoMP) for grant of in-principle approval for Two-laning with granular shoulders of Damoh-Katni Section from Teen Gulli Square at Damoh City from Km. 76/8 to Km. 4/8 at Katni Junction of SH-14 with NH--7 at Km 366/1 under DBFOT (Toll).

Total length: 117.937 km; Total Project Cost: Rs. 255.84 crore; Cost of pre-construction activities to be financed by GoMP: Rs. 16.23 crore; Concession Period: 30 years including 2 years of construction period. VGF from Government of India: Rs. 51.168 crore
Major development works/ structures: Major Bridges: 2; Minor bridges: 19; Flyover: Nil; ROB: Nil; Bypass: at 2 locations for 15.35 km ; Major Junctions: 14; Minor junctions: 24; Toll plazas: 2 (Km. 83.10 & km 9.10); Underpasses: Nil; Culverts: 165; Bus Bays/ shelters: 19; Truck Lay Bys: 1; 4-lane with footpath: 3.97 km; 2-lane with PSS: 10.4 km

86. MD, MPRDC presented the proposal. It was informed that all the issues raised by the DEA, Planning Commission and MoRTH in their appraisal notes have been accepted and the documents have been revised accordingly.

87. Director, DEA indicated that since the project is proposed to be developed without paved shoulders, the capacity of the project in Clause 29.2.3 of the DCA may be corrected to 21,000 PCUs at LoS-C. This was agreed to.

88. The EI granted in-principle approval to the project for a TPC of Rs. 255.84 crore with maximum VGF support of Rs. 51.168 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. The capacity of the project in Clause 29.2.3 of the DCA may be corrected to 21,000 PCUs.

- b. GoMP shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission which have been agreed to by GoMP in their response to the appraisal note.
- c. GoMP shall ensure that the legal vetting of the revised documents is undertaken to ensure that there are no discrepancies in the contract documents.
- d. GoMP shall obtain clearances such as environment and forest clearance, before commencing work on the project site.
- e. GoMP shall obtain prior approval of the EI on any change in TPC, scope of work or project configuration as noted above.
- f. GoMP shall circulate the final documents to the members of the EI for record.

(Action: GoMP)

Agenda Item XVII: Proposal from Madhya Pradesh Power Transmission company Ltd (MPPTCL), Government of Madhya Pradesh (GoMP) for grant of in-principle approval for 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).

Total length: 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 from Government of India: Rs. 56.5 crore 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;

89. Chief Engineer, Madhya Pradesh Power Transmission Company Ltd (MPPTCL) presented the proposal. It was informed that 400 kv double circuit transmission line of 240 km from Sarni (Satpura) to Astha is proposed for evacuation of power from Satpura Thermal Power Station having capacity of 2x250 MW. The unit is targeted for commissioning in January, 2013. Earlier, the State Government had been proposing to avail of a loan from the Power Finance Corporation for the project. After the success of the Jhajar Transmission lines on PPP basis with VGF support, the instant project has been structured on similar lines.

90. Director, DEA indicated that the project is based on the Model Transmission Agreement published by Planning Commission. However, DEA in their appraisal, had raised observations with respect to two aspects, which do not appear to be in the interest of the Sponsoring Authority. These are:

- a. The DCA, under Clause 37.3.2 prescribes that in case of Authority default, minimum termination period of 50 times of Unitary Charges is payable. However, in case of Jhajar Transmission project approved by the EI earlier, the minimum termination payment is only 3 times of the Unitary Charges. The same provision may be adopted for the instant project. This was agreed to.

- b. The Unitary Charges in Article 26 of the DCA have been determined as Rs. 3.15 crore per month. The Unitary Charges applicable for the project should be as approved by the State Electricity Regulatory Commission (SERC). CE, MPPTCL informed that the proposal was under consideration by the SERC and the Unitary Charge as approved shall be incorporated in the project DCA, prior to issue of RfP.

91. The Chair advised that in the event that the Unitary Charges or any other project parameters approved by the SERC are at variance with the proposal of the State Government, MPPTCL may immediately inform the EI and submit the revised proposal based on the approval of SERC for consideration afresh by EI for VGF support.

92. The EI granted in-principle approval to the project for a TPC of Rs. 282.70 crore with maximum VGF support of Rs. 56.54 crore (20 percent of TPC) under the Scheme, subject to fulfilment of the following conditions:

- a. GoMP shall incorporate the project parameters as approved by the SERC in the project documents and inform the EI
- b. GoMP shall modify Clause 37.3.2 of the DCA as agreed in the meeting.
- c. GoMP shall undertake corrections in the project DCA in compliance with the observations of DEA and Planning Commission 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.
- 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.

(Action: GoMP)

93. The meeting ended with a vote of thanks to the Chair.
