

F. No. 3/2/2019-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

North Block, New Delhi
21st August 2020

OFFICE MEMORANDUM

Subject: Record of Discussion of 83rd Meeting of the Empowered Institution (EI) for the Scheme for Financial Support to PPPs in Infrastructure [Viability Gap Funding (VGF) Scheme]

The undersigned is directed to enclose a copy of Record of Discussion of the 83rd Meeting of the EI under the VGF Scheme held on 18.08.2020 for information and necessary action.

Encl: as above

(Mukesh Kumar Gupta)
Director (PPP)
Ph: 23095037

To

1. Shri Rajeev Ranjan, Additional Secretary, Department of Expenditure, North Block, New Delhi
2. Ms. Nandita Gupta, Joint Secretary, D/o Consumer Affairs, Food & Public Distribution, Krishi Bhawan, New Delhi
3. Shri S K Saha, Adviser, NITI Aayog, Yojna Bhawan, New Delhi

Copy to:

1. Executive Director (Silos), FCI, New Delhi
2. Sr. PPS to Additional Secretary (Investment)
3. PPS to JS (IPF)

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Empowered Institution (EI) Meeting on the 'Scheme for Financial Support to Public Private Partnership in Infrastructure'

83rd EI Meeting held on 18th August 2020

Record Note of Discussion

The 83rd meeting of Empowered Institution (EI) under the VGF Scheme was held on 18th August 2020. The list of participants in the meeting is annexed.

The proposal under consideration is for development of Silos of 50,000 MT for Storage of Wheat at Harduaganj, Aligarh, UP on DBFOT basis under PPP mode. The proposal has been received from Department of Food and Public Distribution and Food Corporation of India (FCI) for "in-principle" approval under the VGF Scheme.

The EI noted that the VGF Scheme prescribes that VGF up to Rs. 100 crore for each project may be sanctioned by the EI, proposal for VGF up to Rs. 200 crore may be sanctioned by the Empowered Committee (EC) and those exceeding Rs. 200 crore may be sanctioned by the EC with the approval of the Finance Minister.

Agenda Item I: Proposal of Food Corporation of India (FCI) to Develop Silos of 50,000 MT for Storage of Wheat at Harduaganj, Aligarh, UP on DBFOT basis under PPP mode

Development of Silos under PPP at Harduaganj, Aligarh (Uttar Pradesh)

Design Capacity: 50000 MT; No. of Silos: 4 with 12,500 MT capacity each
Total Project Cost: Rs. 40.139 crore

Concession Period: 30 years including 2 years of construction period.

VGF Sought: Maximum up to 20 % of Total Project Cost from Government of India as per the VGF Scheme

Major Development Works: Building and Civil works, Silos Plant and Machinery for 50,00 MT capacity, Electrical and other utilities, Refurbishment of common facilities, Modification of the existing Railway siding

ED (Silos), FCI made a brief presentation about the proposal and stated the proposal was earlier considered in the 81st Meeting of EI held on 02.01.2020 and the proposal was deferred. FCI has provided the response to the observations raised in the EI Meeting.

2. It was stated in the meeting that Concern was expressed about deletion of the phrase “free of any encumbrance” from the clause 10.2.2 of the DCA. FCI has noted the same and included in the final DCA.

3. In respect of the query raised in the 81st EI Meeting for storage charges @ Rs. 104.44 per MT per month, it was explained that the Storage Charges are fixed on the basis of the CWC rates as under:

CWC rates for FY 2008-09: Rs. 4.90 per Quintal per month

Indexed CWC rate for FY 2011-12: Rs. 6.26 per Quintal per month i.e. Rs. 62.50 per MT per month [Bifurcated as: 57.50 per MT per Month (Fixed) and Rs. 5.00 per MT per Month (variable)]

S. No.	Particulars	Base Fixed Charge for FY 12-13	Variable Charges for Food grains actually stored in a month
1	Silos without railway siding and provision of bulk handling equipment	Rs. 57.50/MT/Month	Rs. 5.00/MT/Month
2	Silos with railway siding and without provision of bulk handling equipment	Rs. 79.20/MT/Month	
3	Silos with railway siding and with provision of bulk handling equipment	Rs. 84.80/MT/Month	

Further the Base Fixed Storage charges and variable service charges are worked out based on the indexation of WPI and CPI (70% and 30% respectively) applicable for subsequent years. Accordingly, base fixed storage charges and variable service charges are Rs. 104.44 per MT per month and Rs. 6.16 per MT per month respectively applicable for FY 2017-18.

4. It was observed in the meeting that given the premium quoted by bidders in few similar projects earlier, this project may also receive premium. It was also suggested that the FCI may in future explore to bid on the basis of Storage Charges rather than VGF/Premium.

5. EI granted the in-principle approval to the proposal in view of the explanation provided by FCI.

The Meeting ended with vote of thanks to the chair.



**Ministry of Finance
Department of Economic Affairs**

Empowered Institution (EI) for the “Scheme for Financial Support to PPP in Infrastructure”

83rd Meeting of EI held on 18th August 2020

List of Participants

Sl. No	Name	Designation
1	Shri K Rajaraman	Additional Secretary (Inv), DEA - in Chair
2	Shri Baldeo Purushartha	Joint Secretary (IPF), DEA
3	Shri Rabindra Agarwal	Executive Director, FCI
4	Shri Mukesh Kumar Gupta	Director (PPP), DEA
5	Shri N.K. Kashmira	Director, Department of Food and Public Distribution
6	Ms. Divya AB	DS, Department of Expenditure
7	Shri Rajat Sharma	GM (Silos), FCI
8	Shubham Goyal	Assistant Director, DEA
9	Ms. Nidhi Arora	Consultant, NITI Aayog