


F.No.3B/1/2013-PPP
Government of India
Ministry of Finance
Department of Economic Affairs
(PPP Cell)

New Delhi the 12th February, 2014.

Subject: Record of Discussion for the 19th Meeting of the Empowered Committee (EC) for Viability Gap Funding (VGF) support.

Please find enclosed the Record of Discussion (RoD) for the 19th Meeting of the Empowered Committee (EC) for Viability Gap Funding (VGF) support held on January 17, 2014 in North Block, New Delhi for information and further necessary action. Sanction has also been accorded for proposals with VGF requirements of above Rs. 200 crores, requiring approval of the Finance Minister.

Encl: as above.


(Abhilasha Mahapatra)
Deputy Secretary (PPP)

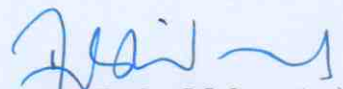
1. Secretary, Department of Expenditure, North Block, New Delhi.
2. Secretary, Planning Commission, Yojana Bhawan, New Delhi.
3. Secretary, Ministry of Road Transport & Highways, Transport Bhawan, New Delhi.
4. Secretary, Department of Legal Affairs Shastri Bhawan, New Delhi.
5. Secretary, Ministry of Environment and Forest, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi.

Copy to:

- i. Shri Shymal Kumar Mukherjee, Secretary, (Works), PWD, Govt. of Maharashtra, Mumbai
- ii. Shri Surendra Kumar Rai, Member (Finance), U.P.State Highways Authority, 4th Floor, Kishan Mandi Bhawan, Vibhuti Khand Gomti Nagar, Lucknow-226010.
- iii. Shri Mukul Singhal, Chief Executive Officer, U.P. State Highways Authority, 4th Floor, Kishan Mandi Bhawan, Vibhuti Khand Gomti Nagar, Lucknow-226010.

Copy also to:

- a) PSO to Secretary, Economic Affairs.
- b) Sr. PS to Joint Secretary (Infra)
- c) PS to DS (PPP)


(Abhilasha Mahapatra)
Deputy Secretary (PPP)
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Government of India
Ministry of Finance
Department of Economic Affairs
PPP cell

**Empowered Committee for the Scheme to support Public Private Partnerships
(PPPs) in Infrastructure**

19th Meeting on January 17, 2014

Record Note of Discussion

The 19th Meeting of the Empowered Committee (EC), chaired by Secretary, Economic Affairs was held on January 17, 2014. The list of participants is annexed.

2. The EC 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 Empowered Institution (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. In accordance with the Guidelines of the VGF Scheme, the project proposals have been examined by the members of the EI. The EI considered the proposals and recommended for approval of EC.
3. Joint Secretary, Department of Economic Affairs (DEA) informed that there were six road proposals for consideration of EC for grant of Viability Gap Funding (VGF) support:
 - 3.1 Projects for consideration of grant of in-principle approval and final approval:
 - i. In-principle approval: 2/4 laning to Waturphata-Jintur-Aundha-Basmath Road (MSH 2) and Hingoli-Aundha Road (SH 249) in the state of Maharashtra on DBFOT basis
 - ii. In-principle approval: Development of four laning of Ahmednagar-Karmala Road (SH 141) km 0.00 to km 80.6 in the state of Maharashtra on DBFOT basis
 - iii. Final approval: Four-laning (with paved-side-shoulders) of Delhi-Saharanpur Yamunotri Road upto Uttrakhand Border (SH 57), from Delhi (Loni border) - Saharanpur section of SH 57 from km 10.91 to km 217 in the State of Uttar Pradesh on DBFOT (Toll) basis
 - iv. Final approval: Four-laning of Varanasi-Shaktinagar Road of SH 5A from km 0.0 to km 115.0 in the state of Uttar Pradesh under DBFOT basis

- v. In-principle approval: 4-laning of Muzaffarnagar - Saharanpur Road (SH 59) from Km.0.000 to Km.52.950 on in the state of Uttar Pradesh on DBFOT basis.
- vi. In-principle approval: 4 laning of Sahajahanpur-Hardoi-Lucknow Road (SH-25) in the state of Uttar Pradesh on DBFOT basis

3.2 **Additional Agenda:** In addition to the above proposals, the procedure followed by certain project authorities of issuing RfQ and RfP before posing the projects before the EI was also being brought to the notice of the EC as this procedure is not in order.

Agenda Item I: Proposal from Government of Maharashtra for grant of in-principle approval for: Two/four laning to WaturPhata-Jintur-Aundha-Basmath Road (MSH-2) and Hingoli-Aundha Road (SH-249) on DBFOT basis.

Total length: 144.408 km; Total Project Cost: Rs. 752.98 crore; Concession Period: 30 years including 3 years of construction period.

VGF sought from Government of India: Rs. 150.60 crore (20% of TPC), VGF from Government of Maharashtra: Rs. 82.8278 crore (11% of TPC) as per EI memo
Article 25 of project's DCA: indicates equity support of maximum 40% of the TPC.

Major development works/ structures: Lane development: (4-Lanes: 67.164 km, and 2-lane with PSS: 77.244 km; Flyover: 1, in-between km 22 to km 24 of SH 249; Major Bridges: 5, Minor bridge: 34 (28 for widening and 6 for new construction); Toll plazas: 3 at km 23.1, km 70.1 and km 117.1 of MSH-2; Culverts: 28 Slab drains and 63 C.D. Works; Bus-bays: 32, Junctions: 22 for improvements; Retaining wall: 0.75 km, from km 58.9 to km 59.0; Built up gutters: 4.380 km of length (varies in EI memo, is 5.95 km); Gantries: 6; Underpasses: Vehicular: 3; Parking lots: 2, each of 1700 sqm

4. Representative of Government of Maharashtra (GoM) presented the proposal. EC was informed that the project was recommended by the Empowered Institution (EI) in its 50th meeting held on December 17, 2013. GoM stated that all conditions laid down by the EI have been complied with and confirmations with the required documents have already been dispatched prior to the EC meeting, hence, grant of approval by EC was requested.
5. All the members of EC were in agreement for granting in-principle approval to the project.
6. The EC granted in-principle approval to the project for TPC of Rs. 752.98 crore with VGF up to Rs. 150.60 crore (20 percent of TPC) from Government

of India and overall VGF at 31% of the TPC under the Scheme, subject to the fulfillment of the following conditions:

- a. GoM shall provide, in writing, a response stating all the compliances that have been complied alongwith all the supporting documents.
- b. GoM shall ensure that vetting of the revised documents, including legal vetting is undertaken to ensure that there are no discrepancies in the contract documents/bidding documents.
- c. GoM shall circulate the final documents to the members of the EI/EC for record.

(Action: GoM and DEA)

Agenda Item II: Proposal from Government of Maharashtra for grant of in-principle approval for: Four-laning of Ahmednagar-Karmala road (SH-141) km 0.00 to km 80.6 road on DBFOT (Toll).

Total length: 80 km; Total Project Cost: Rs. 703.05 crore; Concession Period: 25 years including 2 years of construction period.

VGF from Government of India: maximum Rs. 140.61 crore (20% of TPC), VGF from Government of GoM: Rs. 21.09 crore (3% of TPC)

Major development works/ structures: Major Bridge: 2 (new); Minor bridge for reconstruction/widening: 20; Flyover: 1 at km 0.0 of SH 141; Culverts: 68; Toll plazas: 2 (at km 19 and km 55 on SH 141 having 16 lanes); Bus-bays: 10, with passenger shelters; Major road junctions: 26; Underpasses for cattle: 14; Retaining wall: 500 r.m; Gantries: 2; Parking lots: 2; Gutters: 8 km on each side; Utility crossing ducts: 50

Representative of Government of Maharashtra (GoM) presented the proposal. EC was informed that the project was recommended by the EI in its 48th meeting held on September 4, 2013. GoM stated that compliance of the observations of the EI has been completed and a confirmation with the required document has already been dispatched prior to the EC meeting hence, grant of approval by EC was requested.

7. All the members of EC were in agreement for granting in-principle approval to the project.
8. The EC granted in-principle approval to the project for TPC of Rs. 703.05 crore with VGF up to Rs. 140.61 crore (20 percent of TPC) from Government of India and overall VGF at 23% of the TPC under the Scheme, subject to the fulfilment of the following conditions:
 - a. GoM shall provide, in writing, a response stating all the compliances that have been complied with by GoM along with all the supporting documents.

- b. GoM shall ensure vetting of the revised documents, including legal vetting is undertaken to ensure that there are no discrepancies in the contract documents/bidding documents.
- c. GoM shall circulate the final documents to the members of the EI/EC for record.

(Action: GoM and DEA)

Agenda Item III: Proposal from Government of Uttar Pradesh (GoUP) for final approval: Four-laning (with paved-side-shoulders) of Delhi-Saharanpur Yamunotri Road upto Uttrakhand Border (SH 57), from Delhi (Loni border)-Saharanpur section of SH-57 from km 10.91 to km 217 in the State of Uttar Pradesh on DBFOT (Toll) basis.

Total length: 206.089 km; Total Project Cost: Rs. 1718.35 crore; Concession Period: 25 years including 2.5 years of construction period. VGF from Government of India: Rs. 343.53 crore (actual by L-1 bidder), VGF from Government of UP: Nil

Major development works/ structures: Major Bridges: 5; Elevated corridor: 1 of 5.29 km from km 13.10 to km 16.20 at Loni border; Minor bridges: 27; ROB: 5; Service Roads: 22.19 km; Bypass: 2 (9 km at Shyamli and 19 km at Sharanpur) Culverts: 397; Toll plazas: 3 (km 30, km 119 & km 199), Bus-bays: 60, Major road junctions: 11, Minor road junctions: 105, Truck Lay Bays: 3.

9. CEO, Uttar Pradesh State Highways Authority (UPSHA) presented the project and stated that the project was recommended by the EI in its 51st meeting held on December 18, 2013 subject to compliance to certain conditions which have since been complied with. Hence, grant of approval by EC was requested.
10. All members of the EC were in agreement to recommend the proposal for grant of final approval.
11. The Empowered Committee recommended the project proposal to the Finance Minister for grant of final approval for viability gap funding of Rs. 343.53 crore from Government of India under the Scheme.

(Action: GoUP/UPSHA & DEA)

Agenda Item IV: Proposal from the Government of Uttar Pradesh (GoUP) for grant of final approval: Four-laning of Varanasi-Shaktinagar road of SH-5A in UP from km 0.0 to km 115.0 in the state of Uttar Pradesh under DBFOT basis.



