

Subject: **Record Note of discussion of the meeting of Public Private Partnership Appraisal Committee held on 16.01.2007**

The eighth meeting of the Public Private Partnership Appraisal Committee (PPPAC) was held on 16.01.2007 at 4.30 PM in Room No. 131-A. The list of participants is annexed.

2. PPPAC considered five proposals forwarded by NHAI. In the beginning, generic issues relating to the proposals submitted by NHAI were considered by PPPAC and the following was decided:

- (a) Hiring of Consultants: Chairman, NHAI agreed that consultants both legal and financial, should be retained for project preparation. It was indicated that the proposals submitted to PPPAC are being legally vetted by the legal consultants and the proposals are also revised by the legal consultants to reflect the decision of the PPPAC. As regards financial consultants, it was indicated that for the larger projects under NHDP-V, financial consultants would be retained by NHAI and there may be no need to have separate financial consultants for smaller projects. Planning Commission suggested that since all the proposals are received on Model Concession Agreement (MCA), in order to shorten the process of examination NHAI could forward only the deviations from the MCA as well as the information indicated in the square brackets, which are project specific in nature. PPPAC can take a view based on these deviations instead of getting the Concession Agreement for each project examined. Chairman, NHAI agreed to consider this suggestion.
- (b) Land acquisition: It was agreed that in all future proposals submitted to PPPAC, the land available for the project and the timetable for land acquisition would be indicated in the PPPAC Memorandum. It was

agreed that DoRTH would consider various options to expedite the land acquisition process and present its recommendations to the PPPAC. It was noted that Committee on Infrastructure had decided that the minimum level of land acquisition at the time of award of contract as indicated in the MCA would be reduced to 50% as against 60% earlier approved by PPPAC.

- (c) Statutory clearances: Chairman, NHAI agreed that PPPAC Memorandum for all future projects submitted would specifically mention the status of statutory clearances required, actions pending and the expected time line for the clearances to be in place.
- (d) Capacity augmentation: Chairman, NHAI stated that they were in agreement with the suggestion of Planning Commission and in projects where 6-laning is required towards the end of the concession period, the project will be structured as a single stage project with 4 laning for a given concession period and 6 laning to be undertaken only when the traffic projections justify upgradation.
- (e) Bidding process: NHAI agreed to comply with the earlier decision of PPPAC to follow two-stage bidding for all projects from January 01, 2007 onwards.
- (f) Project cost: It was agreed that once the Manual of Specifications and Standards is approved all project costs will be determined based on these guidelines. Secretary, DoRTH indicated that the Manual will be operational by end January, 2007.
- (g) MCA and State Support Agreement: Any incongruity between the provisions of MCA and the State Support Agreement relating to the obligations of the State Government would be addressed by NHAI.
- (h) Annuity v/s Toll based projects: It was agreed that the guidelines approved by the Cabinet on 18.05.2006 for selection of the appropriate

modality for construction of road would be followed in all annuity based projects.

3. In the background of the discussions indicated in para 2 above, the PPPAC considered the five projects individually and decided as follows:

(i) **4-laning of Patna-Muzaffarpur Section of NH-77 on BOT basis:** The project was approved subject to the condition that the concession period would be for 18 years and it would be a single stage project involving 4-laning. The 6-laning of the project would be undertaken as and when the traffic survey justifies upgradation.

(ii) **4-laning of Khalghat- MP/Maharashtra Border section of NH-3 on BOT basis:** The project was approved subject to the condition that the concession period would be for 18 years and it would be a single stage project involving 4-laning. The 6-laning of the project would be undertaken as and when the traffic survey justifies upgradation.

(iii) **Four laning of Rohtak to Hissar Section of NH-10 on BOT basis:** The project was approved subject to the condition that the concession period would be for 18 years and it would be a single stage project involving 4-laning. The 6-laning of the project would be undertaken as and when the traffic survey justifies upgradation.

(iv) **Widening of Existing 2 lane carriage way to 4/6 laning divided carriage way configuration of Armur-Adloor Yellareddy section of NH-7 on BOT Annuity basis:** It was decided to examine the project further in the context of the Cabinet decision regarding the adoption of the appropriate modality for construction of road by NHAI. The project was deferred to the next meeting of PPPAC.

**(v) Design, Engineering, Finance, Construction, Operation and maintenance of Amritsar Wagha Border Section on BOT (Annuity) basis:**

Secretary, DORTH indicated that the project had been approved as a special case by CCEA for implementation on BOT (Annuity) basis. In view of the same, the project was approved.

4. The issue of projects on old MCA was discussed and it was agreed that these would be revised based on the new MCA as most of the issues like land acquisition, State Support etc. in the new MCA have been considered by COI and suitably addressed.

5. The meeting ended with thanks to the Chair.

**List of Participants in the meeting of Public Private Partnership Appraisal Committee taken by Secretary (EA) on 16.01.2007 at 6.00 AM in Room No. 131-A, North Block.**

- (i) Shri Ashok Jha, Finance Secretary (in Chair)
- (ii) Shri Vijay Singh, Secretary, Deptt. Of Road Transport & Highways
- (iii) Shri Pradeep Kumar, Chairman, NHAI
- (iv) Shri Ashok Chawla, Additional Secretary, DEA
- (v) Shri Gajendra Haldea, Adviser to Dy. Chairman, Planning Commission
- (vi) Shri A.P. Aggarwal, OSD, Deptt. Of Legal Affairs
- (vii) Shri Arvind Mayaram, Joint Secretary, DEA
- (viii) Smt. Anuradha Balaram, Director, Deptt. of Expenditure
- (ix) Ms Anna Roy, Director (PPP), DEA
- (x) Shri K.R. Reddy, Dy. Secretary, Planning Commission
- (xi) Shri Bhanu Mehrotra, Dy. Secretary, Planning Commission.
- (xii) Shri Nirmaljit Singh, Member (Technical) NHAI
- (xiii) Shri C. Kandasamy, Member (Tech), NHAI
- (xiv) Shri Mahesh Kumar, CGM, NHAI
- (xv) Shri A.K. Bajaj, CGM, NHAI
- (xvi) Shri A.P. Bahadur, CE, Deptt. Of Road Transport & Highways