

**Government of India
Ministry of Finance
Department of Economic Affairs**

Public Private Partnership Appraisal Committee

46th meeting on September 14, 2011

Record Note of Discussion

The 46th meeting of the Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on September 14, 2011. The list of participants is annexed.

2. The Chairman welcomed the participants and noted that the PPPAC would consider ten proposals each from Ministry of Home Affairs and Ministry of Road Transport & Highways for grant of final approval.

Agenda Item 1. Proposals from Ministry of Home Affairs for grant of Final Approval: Development of housing for Central Para Military Forces (CPMF) through BoT (Annuity) mode for 10 clusters (Lot 2) having Total Project Cost (TPC) of Rs. 3818.0.

3. Special Secretary, MHA presented the proposal. Ten clusters were proposed to be developed for provision of housing for CPMF through the BoT (Annuity) mode. The ten clusters would provide over 18,000 housing units in 62 locations. It was indicated that the 10 projects were given in-principle approval by PPPAC in its 38th meeting held on August 17, 2010. The proposal for grant of final approval was considered by the PPPAC in its 45th meeting held on August 10, 2011, wherein, *inter alia*, MHA was requested to share the Value for Money (VfM) analysis undertaken for the projects with the members of the PPPAC, and to confirm the availability of budgetary resources for meeting the annuity payments and their comfort with adopting the provisions of the MCA for Annuity projects of the National Highways. MHA had been requested that that MHA, may indicate their reservations, if any, and appropriately address them by making modifications in the project DCAs before seeking final approval of the PPPAC.

4. Special Secretary, MHA informed that, subsequent to the 45th meeting of the PPPAC, the VfM analysis for the projects had been shared with the members of the PPPAC. MHA is comfortable with adopting the provisions of the MCA for annuity

project of the National Highways project. DCA has been examined and approved in consultation with Finance division of MHA. The DCAs have also been approved by the Home Minister. Regarding availability of budgetary resources, Planning Commission had indicated that the allocation for MHA's Plan Scheme for housing could be made Rs. 5000 crore in 12th plan. This amount will be sufficient to cover the annuity payment of 1st and 2nd lot which comes to Rs. 3920 crore.

5. Joint Secretary, Department of Expenditure (DoE), suggested that the communication from the Planning Commission has indicated the *likelihood* of provision of Rs. 5000 crore to MHA. Planning Commission may be asked to confirm the availability of the resources to the said extent for MHA during the Plan period.

6. The Chair observed that Planning Commission, in their appraisal note for the projects, has indicated that they did not support implementation of the project on annuity basis. He requested Member Secretary, Planning Commission to comment on the availability of budgetary resources for annuity commitments and the views of Planning Commission regarding implementation of the projects on Annuity versus Engineering Procurement Construction (EPC) mode.

7. Home Secretary, observed that the understanding of the Home Ministry after discussions with Planning Commission had been that those projects that have already been cleared shall be allowed to proceed on BoT (Annuity) basis. For the remaining projects, Planning Commission would provide the resources for construction on EPC mode. Hence, the first lot of 5 projects for CPMF housing and the two projects of Delhi Police, which have been granted final approval as well as the second lot of CPMF housing, which have been granted in-principle approval by PPPAC, were expected to be implemented on BoT (Annuity) mode. The five projects of lot 1, granted final approval by the PPPAC have been successfully bid out. The financial bids have been received and are under the process of technical close. For procurement of private sector entities for the instant 10 projects of lot 2, considerable time and effort have been expended. The proposals have been granted in-principle approval and the short listing of bidders has been completed. The RfP is to be issued subsequent to the final approval by the PPPAC. Discharging the applications received and commencing afresh on the EPC mode would take back the projects by over a year. It was requested that the projects may be granted final approval.

8. Special Secretary, MHA reiterated the Ministry's commitment to undertake the development as per the DCA approved by the Home Minister. It was stated that the budgetary requirement for these projects may be reflected in the work plan. Further, based on the VfM analysis and various departmental interactions with CPM forces, Annuity method is considered by MHA as a better mode to implement these

projects, based on considerations of lesser time and cost over runs during construction, better maintenance over the project life cycle, optimal resources allocation and presence of projects over regions with considerable disparity.

9. Member, Planning Commission indicated that Planning Commission is not against the utilisation of Annuity mode for implementation of the projects. Within Planning Commission, there was on going debate on whether EPC mode is more cost effective than annuity mode versus the annuity mode being a more superior option in terms of faster and quality service delivery. No conclusive decision has been taken by the Planning Commission regarding not supporting the BoT (Annuity) mode of implementation of the projects. The PPP mode of implementation of projects, including the BoT (Annuity) mode, has demonstrated quality delivery of assets and services, and does not suffer from cost and time overruns witnessed in EPC projects. Since the instant projects have already been developed in the BoT (Annuity) mode, there seems no merit in reversal or change of the mode of implementation of the projects. The remaining three lots, for which no work has been done, could be considered for alternative modes, with the approval of the competent authority. In view of the imperative need for housing stock for CPMF, the Planning Commission is in support of the instant proposal. PPPAC may consider grant of final approval to the projects. The projects would require over Rs. 900 crore in the latter three years of the 12th Plan period; the requirement thereof may be arranged by MHA by taking up this matter with Planning Commission on steadfast basis.

10. Joint Secretary, DoE, suggested that while Planning Commission has already indicated that possibility of allocation of funding for these projects through a communication by the Deputy Chairman, Planning Commission, it may be more expedient from the budgeting perspective to have a definitive amount for MHA indicated for the 12th Plan.

11. The Chair observed that the project merited support in view of the imperatives of expeditious creation of housing stock for the CPMF, merits of the BoT (Annuity) mode and the time, effort and money already expended on the project. The project had been granted in-principal approval by the PPPAC earlier and other members of the PPPAC had also supported the instant proposal.

12. PPPAC granted final approval to the projects, subject to the condition that confirmation about the allocation of funds may be obtained in respect of the projects before seeking approval of the Cabinet for the projects.

(Action: MHA and Planning Commission)

Agenda Item II: Proposals from Ministry of Road, Transport and Highways (MoRTH) for grant of final approval.

- i. Six laning of Agra-Etawah Section of NH 2 from Km 199/660 to km 323.525 on BoT (Toll) in the state of Uttar Pradesh under NHDP Phase V;
- ii. Six laning of Etawah-Chakeri (Kanpur) section of NH 2 from km 323.475 to km 483.687 in the State of Uttar Pradesh under NHDP Phase V on BoT (Toll) basis;
- iii. Four laning of Rampur-Kathgodam section of NH-87 from km 0.000 to km 88.000 in the state of Uttar Pradesh and Uttarakhand under NHDP Phase-III on BoT (Toll) basis;
- iv. Four laning of Maharashtra/Karnataka Border to Sangareddy Section of NH 9 from Km 348/800 to km 423/800 on BoT (Toll) in the state of Karnataka and Andhra Pradesh under NHDP Phase IVB;
- v. Four laning of Hospet-Chitradurga section of NH-13 from km 299.000 to km 418.600 in the state of Karnataka under NHDP Phase IV B on BoT (Toll) basis;
- vi. Four laning of Solapur-Maharashtra/Karnataka Border section of NH-19 from km 249.000 to km 348.800 in the State of Maharashtra under NHDP Phase IV B on BoT (Toll) basis;
- vii. Four laning of sections from km 277.500 to km 333.500 (Mahullia to Bahragora) of NH 33 and from km 200.55 to km 134.40 (Bahragora to Kharagpur) of NH 6 in the State of Jharkhand and West Bengal under NHDP Phase IVB on DBFOT (Toll) basis;
- viii. Four laning of Cuttack-Augul section of NH-42 from km 0.000 to 112.000 in the state of Orissa under NHDP Phase IV B on BoT (Toll) basis;
- ix. Four/six laning of Raipur-Bilaspur section of NH 200 from km 0.000 to km 127.650 in the State of Chhattisgarh under NHDP Phase IV B on BoT (Toll) basis; and
- x. Four laning of Lucknow-Raebareilly Section of NH-24 B from km 12.700 to km 82.700 on BoT (Annuity) under NHDP Phase-IV B in the State of Uttar Pradesh.

13. The PPPAC decided to first consider the generic issues with respect to the projects:

- 13.1. **Issue of RfPs prior to the final approval by PPPAC and the competent authority:** The PPPAC noted that the RfP in respect of nine of the ten proposals had been issued prior to consideration of the projects by the PPPAC, in spite of a clear decision to the contrary in the 45th meeting of the PPPAC held in August 10, 2011. The issue of RfP contravenes the Guidelines for Formulation, Appraisal and Approval of PPP projects. Secretary, RTH informed that hence forth, the RfP of all projects would be issued after the

approval of the PPPAC and care would be taken that the Bid Due Date is after approval of the projects by the competent authority. It was requested that the instant projects may be considered by the PPPAC. MoRTH / NHAI would issue addendum to the RfPs to incorporate the decisions of the PPPAC wherever necessary and, in the event that the PPPAC does not grant approval to any project, the RfP for the said project would be withdrawn. The PPPAC decided to consider the proposals in light of the assurance given by Secretary, RTH.

(Action: MoRTH/NHAI)

13.2. **BoT (Annuity) verses Turnkey EPC:** Secretary, RTH indicated that MoRTH / NHAI had been called for a series of pre-appraisal meetings by the Planning Commission. An issue which had been debated therein was whether Turnkey EPC was a better approach than BoT (Annuity) in view of the comparative cost considerations. The view of MoRTH was that no comparative analysis had been undertaken to conclusively establish the merits of Turnkey EPC mode. Further, no documentation for the Turnkey EPC was ready and the model had not been tested on the National Highways. Adopting a new model for National Highways would have to be an iterative process that would draw upon the experience of initial few pilots after the contract documents are developed. Hence, the projects in the work programme of NHAI / MoRTH may not be linked to the development and adoption of the Turnkey EPC model for National Highways. Member Secretary, Planning Commission reiterated that Planning Commission had not conclusively decided to support one model over the other; the debate was ongoing regarding comparative merits of cost advantage over better service delivery with maintenance over the project life cycle. It was suggested that till a decision is conclusively taken that BoT (Annuity) projects are not supported by Government of India, MoRTH may be allowed to develop projects in accordance with the work programme. The Chair concurred with the views. MoRTH was requested to confirm that the Model Concession Agreement (MCA) for BoT (Annuity) projects has been duly approved by the competent authority. It was requested that the duly approved MCA may be circulated to members of the PPPAC.

(Action: MoRTH/NHAI)

13.3. **Project Engineering:** Secretary, RTH informed that during the pre-appraisal meetings, Planning Commission has suggested reduction / removal of service roads and underpasses (vehicle / pedestrian / cattle) and recommended that the National Highways may be constructed at grade while the other structures may be made as underpasses or over passes. It was mentioned that while the same may be feasible in other countries, in the Indian circumstance

it may cause undue hardship to the people. The over passes and underpasses would be difficult to traverse by animals, bullock carts, people with head loads, hand drawn carts, cycle rickshaws etc. The Chair agreed that here was a physical and human element associated with the decision. The project engineering has to be determined on the basis of feasibility, local conditions and requirements of the people. Secretary, RTH informed that MoRTH is willing to undertake a wider panel discussion on the subject with the sector experts, wherein members of the PPPAC, including Planning Commission would be invited. Further, as per the suggestion of Planning Commission, some reduction of service roads and underpasses has already been considered by NHAI, but, the same is not supported by MoRTH/NHAI in view of the safety concerns. The reduction in cost is only marginal due to these deletions. Thus, it was requested that for the instant projects, the projects may be approved with the existing project configurations and project structures. All the member of the PPPAC concurred that safety concerns cannot be compromised and overpasses, underpasses, etc. may be developed based on the Manual for Standard and Specifications (MSS) approved by the MoRTH and as applicable for projects. Reduction in project cost may be reviewed with a perspective of justification for other structures on the projects such as flyovers, bypasses, etc.

(Action: MoRTH/NHAI)

- 13.4. **Pre-appraisal meetings:** Secretary, RTH informed that officers from MoRTH and NHAI spent considerable time in a series of pre-appraisal meeting in Planning Commission. While a single pre-appraisal meeting with all members of the PPPAC may be convened to clarify issues, multiple pre-appraisal meetings for the same projects, at the cost of delays in issue of appraisal notes by Planning Commission may be reviewed. Member Secretary, Planning Commission indicated that such meetings may not be encouraged as PPPAC is the forum for discussion and clearances with regard to PPP projects and all matters may be brought to the notice of PPPAC.

(Action: MoRTH/NHAI)

- 13.5. **Delays in receipt of appraisal notes:** The Chair pointed out that in some cases there has been delay in receipt of appraisals from the Planning Commission. Awaiting the appraisal notes delays the meetings of the PPPAC which is in violation of the instructions of the Cabinet Secretariat¹, issued with the approval of the Prime Minister, that the projects must be considered by the PPPAC within four weeks of their receipt. Thus, it was urged the Planning Commission may adhere to time limits and expedite the process of approvals

¹ Cabinet Secretariat's OM No. 1/28/1/2009-Cab dated December 3, 2009.

by the PPPAC. In addition, Secretary, RTH pointed out that the reason for delay in submission of appraisals seems unclear since Planning Commission was already outsourcing a major part of legal and technical examination of the projects. Member Secretary, Planning Commission responded that Planning Commission, like all other Departments, must adhere to guidelines and time limit of four weeks as set by the Cabinet Secretariat. Planning Commission would take up the matter internally in order to streamline the appraisal processes. She suggested that delays in appraisal may be brought to her attention in future by MoRTH.

(Action: Planning Commission and MoRTH)

- 13.6. **Four-laning under NHDP Phase IV:** The Chair indicated that MoRTH has posed seven proposals of around 800 kms for four laning under NHDP Phase IV for consideration in the instant meeting. The Empowered Group of Ministers (EGoM) for implementation of National Highways has earlier approved 2000 km under Phase IV for four-laning. PPPAC/SFC has already approved around 1700 km under this dispensation. Therefore, only stretches up to the balance 300 kms could be taken up for four-laning under NHDP Phase IV. The method for implementation of the remaining project stretches may be indicated. Secretary, RTH indicated that the Cabinet had approved 12,109 km under NHDP Phase III for four/six laning on BoT mode. Of this, around 1000 km of roads were not found viable for implementation on BoT basis. Accordingly, it was decided by MoRTH that around 1000 km of NHDP Phase IV stretches may be transferred to NHDP Phase III for implementation through four-laning. The Chair enquired whether NHDP Phase IV and Phase III would be identical with reference to the cost of pre construction activities, project cost per km, project configuration based on MSS, etc. Joint Secretary, MoRTH indicated that as per the Cabinet decision NHDP Phase III projects were meant to be taken up on four/six laning and the cost per km has been taken in accordance with the B.K. Chaturvedi Committee norms. Director, DEA pointed out that as per their understanding the NHDP Phase III is for two/four/six laning based on the traffic requirement. The Chair requested MoRTH to provide the approved Cabinet note and a written confirmation in this regard. Secretary, RTH agreed to the same.

(Action: MoRTH/NHAI)

- 13.7. The Chair requested members of the PPPAC to examine the response from MoRTH to establish that the proposed shift is permissible and aligned with the Cabinets approval of NHDP Phase III. It may also be examined that the proposed shift is expenditure-neutral to the over all financing of the NHDP. DoE was requested to specifically give their comments on this financial aspect. The approval of the projects would be subject to the proposed shift

being concurred by the members of the PPPAC after examination of the documents on the subject circulated by MoRTH.

(Action: Members of PPPAC)

13.8. **Land Acquisition and Clearances:** The Chair observed that other generic issues with regard to most of the projects related to inadequate land acquisition and delays in obtaining Environment and Forests clearances. It was suggested that a complete status of the land acquisition process followed by the NHAI and detailed status of other clearance along with the likely timelines in respect of each project may be provided to the members of the PPPAC while submitting the proposals. The same was agreed to by MoRTH and NHAI.

(Action: MoRTH/NHAI)

14. Joint Secretary, DoE noted that the National Highways projects that have been bid out have received a better response than estimated by the project financials. It was queried whether this was likely to reduce the size of the financing plan of NHDP, as had been considered by the B.K.Chatturvedi Committee. Secretary, RTH stated that the change in over all financing requirement may not emerge on account of the increase in the cost of land acquisition over time. Further, to strengthen the interest of the market in the NHDP projects, the projects with robust financials have been bid out first; once such projects are bid out, projects with weaker financials would be bid out.

NHDP Project i: Six laning of Agra-Etawah Section of NH 2 from Km 199/660 to km 323.525 on BoT (Toll) in the state of Uttar Pradesh under NHDP Phase V.

Total length: 124.520 km; Total Project Cost: Rs. 1207.00 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 136.82 crore; Concession Period: 30 years including 3 years of construction period.

Major development works/ structures: Widening to 6-lane from km 199.660 to km 323.525; 1 Major Bridge (new); 2 Major Bridges (repair); Grade separator/flyovers (2 new and 2 repair); ROBs (1 new and 5 repair); 1 Bypass (Firozabad bypass, 20.25 km); 6 Major road junctions; Service roads (46.64 km new, both sides), 82.4 (existing); 2 Toll plazas (km 224.950 & km 285.200); 12 Minor bridges (for repair); 14 Minor bridge (new); 230 Minor road junctions; 4 Minor Bridge-service road (new); 4 Foot overbridges; Vehicular underpass (14 new and 1 repair); 17 Pedestrian underpasses; 213 Culverts (new and repair); 4 Truck laybys; 20 Bus bays and shelters.

15. Secretary RTH, presented the proposal and informed that the instant project is a part of the Golden Quadrilateral (GQ). The Government has decided to complete the six laning of the GQ on a priority basis.

16. Chief General Manager (CGM), NHAI informed that the stretch was a part of the NH-2 providing six lane connectivity from Delhi to Kolkatta under NHDP Phase V. The other stretches on NH 2 till Agra, have been either been developed or awarded for development as six laned highways. The adjacent stretch, Etawah-Chakeri, has also been proposed for six-laning. Ahead of Chakeri, the proposal for Kanpur- Allahabad stretch has been posed by MoRTH to PPPAC. Thus, the entire corridor, based on prevailing traffic conditions is being taken up for six-laning under the NHDP V. The status of the NH-2, as indicated, is reproduced at **Annex 2**.

17. Joint Secretary, DoE, enquired whether MoRTH expected a good response and premium for these two projects of six-laning. In response, Joint Secretary, MoRTH informed that VGF indicated for this project was 10 percent of the TPC, subject to an overall ceiling of 5 percent of the TPC for all the projects under NHDP Phase V. It was stated that there was a trade-off between reduction in concession period and decrease in premium received.

18. Director, DEA, requested MoRTH to confirm that the entire stretch was proposed to be four-laned. The traffic does not justify six laning, as the average total traffic figures at the two plazas is 20,000 PCU. Thus, the entire stretch may be taken up when traffic justifies six-laning. Member Secretary, Planning Commission and Joint Secretary, DoE supported the view that entire stretch may be taken as a continuous six-lane road, else it may cause congestion. Secretary, RTH, clarified that the stretch proposed for four-lane is due to non-availability of Right of Way (ROW) at the flyover at Tundla, which is already a four-lane flyover. Further, six laning at Etawah bypass is not envisaged as this is an isolated stretch, is newly constructed around 3 years back and the traffic (16,000 PCU) does not justify six laning as projected during the entire concession period. Thus, it is requested that the project may be approved with the present configuration. Joint Secretary, MoRTH, explained that three locations were being retained as four-lane stretches on account of non availability of right of way. The deviations in Schedule D of the project DCA indicating the above situation would be issued as an addendum to the RfP. This was agreed to.

19. Director, DEA indicated that based on the traffic data, estimated in the year 2009, the traffic for six-laning was not justified. It was advised that an updated traffic count may be provided to the members of the PPPAC. A better estimation of

the traffic could improve the bid response to the project. Secretary, RTH, pointed out that the Cabinet has approved the entire stretch as six-laned under NHDP Phase V. Thus, while the traffic may appear unjustified for this stretch, at the current instance, MoRTH proposed developing the stretch in accordance with the Cabinet decision and with the objective of providing continuous, unhindered and smooth traffic flow in the corridor. It was further indicated that the project may receive a premium. Hence, the justification based on traffic may be relaxed and the project granted approval.

20. Director, DEA pointed out that performance security for the project has been indicated as 5 percent of the TPC, whereas it should be the higher of either the 5 percent of the TPC or toll revenue estimated over 12 months in the first year. In case, Toll revenue appears higher, thus, performance security needs to be revised. The same was agreed to. Representative of NHAI informed that the toll revenue of first year is Rs. 61.18 crore. The performance security shall be modified through addendum to the RfP.

21. Joint Secretary, DoE, indicated that there is an overlap of chainage in the two projects posed to the PPPAC for six laning. CGM, NHAI indicated that the adjacent project starts only where the first project terminates. Thus there is no likelihood of replicability. The difference in chainage may appear due to the difference in design chainage and milestone kms mentioned in the documents. The same shall be streamlined.

22. Joint Secretary, DOE, stated that since the project is likely to receive a premium, Concession Period could be reduced. Director, DEA, indicated that Concession Period may be determined on the basis of the design capacity and not on the basis of premium/VGF. This was supported by the members of the PPPAC.

23. Member Secretary, Planning Commission, indicated that the appraisal note of Planning Commission recommended that a Provisional Escrow Account may be provided and the toll revenues may be collected from the date of signing of the Agreement. Director, DEA clarified that in accordance with the earlier decisions of the PPPAC and the draft MCA agreed by the Inter-Ministerial Group (IMG) for MCA for six laning, the Concessionaire is allowed to collect toll revenue only from the Appointed Date, i.e. the date of achieving Financial Closure. Hence, Provisional Escrow Account may not be required. This was agreed to by the members of the PPPAC. MoRTH was requested to provide confirmation that the MCA has the approval of the competent authority and to provide copies of the approved MCA to members of the PPPAC. This was agreed to.

24. The PPPAC granted final approval to the project conforming to the project details mentioned above and subject to fulfilment of the following conditions:

- a. NHAI would ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- b. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- c. NHAI would incorporate changes suggested by members of the PPPAC during the meeting and issue addendum to the RfP.
- d. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- e. MoRTH would obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- f. MoRTH would circulate the revised documents to the members of the PPPAC for record.
- g. MoRTH would circulate copies of the duly approved MCA for six-laning to the members of the PPPAC

(Action: MoRTH/NHAI)

NHDP Project ii: Six laning of Etawah-Chakeri (Kanpur) section of NH 2 from km 323.475 to km 483.687 in the State of Uttar Pradesh under NHDP Phase V on BoT (Toll) basis.

Total length: 160.21 km; Total Project Cost: Rs. 1573.00 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 79.385 crore. Concession period: 16 years including 3 years of construction period.

Major development works/ structures: Widening to 6-lane from km 323.475 to km 483.687; 3 Major Bridge (new); 2 ROBs; 1 Bypass (up-gradation of the existing Kanpur bypass); 15 Major road junctions; Service roads (223.464 km both sides combined); 2 Toll plazas (km 353.0 & km 437.0); 18 Minor bridges (for repair); 14 Minor bridge (new); 230 Minor road junctions; Minor Bridge-service road (5 new and 1 for repair); 4 Foot overbridges; 41 Vehicular underpass; 34 Pedestrian underpasses; 279 Culverts (new and repair); 4 Truck laybys; 88 Bus bays and shelters; 4 Entry / exit ramps.

25. Secretary RTH, presented the proposal and informed that the instant project is a part of the GQ programme to be taken up for six laning.

26. Joint Secretary, DoE, enquired whether the subject project may receive premium. Joint Secretary, MoRTH indicated that the project is likely to receive a premium bid. Joint Secretary, DoE suggested that since the project is likely to get a

premium, the project may be approved only on premium basis and suitable changes to the bidding documents may be undertaken prior to receipt of the financial bids. This view was however, not supported by the Planning Commission and MoRTH. Member Secretary, Planning Commission advised that due care should be taken while taking decision with respect to the signals they would send to the market / bidders at large. The RfP for the project had already been issued. Changes in the bid variable though addendum would be interpreted as expectation of premium by the Government for the instant project and grant for the other projects on offer by NHAI. This would not be a good signal. If the project is viable, the competitive bid process would ensure the premium response. This view was accepted by the members of the PPPAC.

27. Director, DEA enquired the reasons for determination of the concession period of Agra Etawah stretch as 30 years and Etawah Chakeri stretch as 16 years. Further the average total traffic may be indicated, as, in absence of the same, the correctness of the concession period cannot be ascertained. In response to this, CGM, NHAI stated that average total traffic on the two toll plazas is 27,759 and 40,201 PCUs; average being 33,980 PCUs. Since, the traffic is higher on this stretch, the concession period, based on design capacity is shorter.

28. The Chair queried about the reasons behind the considerable difference between the traffic at two adjacent stretches of the same corridor. In response, CGM , NHAI clarified that the traffic is greater on the Etawah –Chakeri stretch owing to the diversion of the traffic from adjacent road of NH-25.

29. The PPPAC granted final approval to the project, subject to fulfilment of the following conditions:

- a. NHAI would ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- b. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- a. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- c. MoRTH would obtain prior approval of the PPPAC on any change in scope of work or project configuration as indicated above.
- d. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project iii: Four laning of Rampur-Kathgodam section of NH-87 from km 0.000 to km 88.000 in the state of Uttar Pradesh and Uttarakhand under NHDP Phase-III on BoT (Toll) basis

Total length: 93.226 km; Total Project Cost: Rs. 790.00 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 66.384 crore. Concession Period: 30 years including 2.5 years of construction period.

Major development works/ structures: 3 Major Bridges (repair); 2 Grade separator; 4 ROBs; 3 Bypass (29.10 km); 6 Major road junctions; Service roads (10.75 km); 2 Toll plazas (km 11.26 & km 64.32); 15 Minor bridges; 9 underpasses; 108 Culverts (new and repair); 2 Truck laybys; 112 Bus bays and 50 minor junctions.

30. Secretary RTH, presented the proposal and informed that the instant project is a part of the NHDP Phase III to be taken up for four laning.

31. Director, DEA indicated that Concession Period of 30 years has been proposed. However, the same may be reduced to 25 years based on the estimated average total traffic and design capacity of the NH for four lane as 60, 000 PCUs (LoS – C).

32. Secretary, MoRTH stated that in this stretch, traffic volume mostly comprises non-commercial traffic. Also, the stretch has service lanes of 10 km, bypass of 29.10 kms and four ROBs and one major bridge. If concession period is reduced, the project may not be viable within the VGF limit of 40 percent of TPC. If tollable traffic is considered, the average at the end of the concession period, year 2041, is expected to be 57,039 PCUs i.e. less than the design capacity. Accordingly, it was requested that an exemption may be granted and the concession period be retained at 30 years. The view was concurred by Member Secretary, Planning Commission and the other members of the PPPAC.

33. The PPPAC granted final approval to the project, subject to fulfilment of the following conditions:

- a. NHAI would ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- b. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- c. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.

- d. MoRTH would obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- e. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project iv: Four laning of Maharashtra/Karnataka Border to Sangareddy Section of NH 9 from Km 348/800 to km 423/800 on BoT (Toll) in the state of Karnataka and Andhra Pradesh under NHDP Phase IVB

Total length: 145 km (75 Km in Karnataka and 70 km in AP); Total Project Cost: Rs. 1273.30 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 52.06 crore.

Concession period: 25 years including 2.5 years of construction period.

Major development works/ structures: 3 Major Bridge (2 in Karnataka, 1 in AP); 6 Flyovers (3 each in in Karnataka and AP); 2 ROBs/RUB (1 each in Karnataka and AP); 3 Bypass (1 in Karnataka, 2 in AP); 1 Interchange in Karnataka; 18 Major road junctions (10 in Karnataka, 8 in AP); 37 Minor junctions (25 in Karnataka, 12 in AP); 42.50 km Service roads (18.4 km in Karnataka and 24.10 km in AP); 2 Toll plazas (km 407.50 in Karnataka & km 464.60 in AP); 41 Minor bridges (22 in Karnataka, 19 in AP); 14 Pedestrian underpass (7 each in Karnataka and AP); 234 Culverts (112 in Karnataka, 122 in AP); 4 Truck laybys (2 each in Karnataka and AP); 36 Bus bays (22 in Karnataka, 14 in AP); 2 Rest areas(1 each in Karnataka and AP).

34. Secretary RTH, presented the proposal and informed that the instant project was posed as a part of the NHDP Phase IV projects. However, it has been decided by MoRTH to transfer this project to NHDP Phase III.

35. Director, DEA indicated that concession period for the project has been indicated as 28 years. However, the same may be reduced to 24 years based on the projected average total traffic and design capacity of the NH for four lane taken as 60, 000 PCUs. (LOS – C).

36. Secretary, RTH stated that in this stretch, service roads of 42 kms have been provided for the stretch, deemed imperative as a safety measure, thus, 28 years concession period may be justified on tollable traffic. Director, DEA responded that even though the tollable traffic is considered the concession period may be 25 years. The Chair reiterated that in the past PPPAC has considered concession period based on average total traffic on stretches where continuous service lanes are not provided. Due to safety concerns and in view of the fact that service lanes have been provided at built-up areas, concession period may be retained as 25 years. Other members of the PPPAC supported this view.

37. Secretary, RTH indicated that at the instance of the Planning Commission in the pre-appraisal meetings, NHAI have reduced the underpasses and service roads, thereby reducing the TPC from Rs 1273 crore to Rs. 1260 crore, while with this change, the VGF reduction is marginal. It was also indicated that MoRTH is not supporting this reduction due to safety concerns. Member Secretary, Planning Commission enquired whether these provisions have been provided based on the MSS and were mandatory for safety. CGM, NHAI confirmed that all provisions were based on the MSS and were mandatory for safety measures. All the members of the PPPAC endorsed the view that safety measures cannot be compromised and all provisions should be as per the MSS.

38. The PPPAC granted final approval to the subject to fulfilment of the following conditions:

- a. NHAI shall modify the Concession period for the project as 25 years and issue addendum to RfP accordingly.
- b. MoRTH would provide written confirmation that approval of competent authority is there for shifting of the project from NHDP Phase IV to Phase III along with the complete list of stretches deleted from NHDP Phase III before seeking final approval of the CCI for the project..
- c. NHAI would ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- d. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- e. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- f. NHAI would issue addendum in the bidding documents to all the bidders intimating the change of phase of NHDP from Phase IV to Phase III and other modifications.
- g. MoRTH would obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- h. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project v: Four laning of Hospet-Chitradurga section of NH-13 from km 299.000 to km 418.600 in the state of Karnataka under NHDP Phase IV B on BoT (Toll) basis

Total length: 120.030 km; Total Project Cost: Rs. 1034.47 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 131.72 crore. Concession period: 25 years including 2.5 years of construction period.

Major development works/ structures: 2 Major Bridge; 1 ROB/RUB; 1 Major road junctions; Service roads (34.36 km); 2 Toll plazas (km 320.000 & km 383.000); 52 Minor bridges; 95 Minor road junctions; 9 Vehicular underpass; 11 Pedestrian underpasses; 260 Culverts; 6 Truck laybys; 8 Bus bays; 1 Rest area.

39. Secretary RTH, presented the proposal and informed that the instant project was posed as a part of the NHDP Phase IV projects. However, it has been decided by MoRTH to transfer this project to NHDP Phase III.

40. Director, DEA indicated that concession period for the project has been indicated as 26 years. However, the same may be reduced to 25 years based on the projected average total traffic and design capacity of the NH for four lane taken as 60, 000 PCUs (LoS – C).

41. Secretary, RTH indicated that service roads of 34.36 kms have been provided for the stretches which are imperative as a safety measure. Thus, 26 years concession period may be justified on tollable traffic basis. Director, DEA highlighted that projection of tollable traffic also reached breach capacity in 25 years. The Chair reiterated that, in the past, PPPAC has considered determination of concession period based on average total traffic where continuous service lines are not provided. Due to safety concerns and in view of the fact that service lanes have been provided for short stretches with built up area, 25 years may be considered as the concession period. Other members of the PPPAC supported this view.

42. Secretary, RTH informed that at the instance of the Planning Commission in the pre-appraisal meetings, NHAI have proposed reduction of the service roads by 7.9 kms. It was also indicated that MoRTH is not in support of the proposed reduction due to safety concerns. Member Secretary, Planning Commission enquired whether these provisions have been provided based on the MSS and were mandatory for safety requirements. CGM, NHAI confirmed that all provisions were based on the MSS and required from the safety perspective. In view of the same, all the members of the PPPAC supported that provisions of service roads may not be curtailed.

43. The PPPAC granted final approval to the project, subject to fulfilment of the following conditions:

- a. NHAI shall modify the concession period for the project as 25 years and issue addendum to RfP accordingly.
- b. MoRTH would provide written confirmation that approval of competent authority for shifting of the project from NHDP Phase IV to Phase III along with the complete list of stretches deleted from NHDP Phase III before seeking final approval of the CCI for the project.
- c. MoRTH would ensure land acquisition in respect of the project, to provide ROW, is in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- d. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- e. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- f. NHAI would issue addendum in the bidding documents to all the bidders intimating the change of phase of NHDP from Phase IV to Phase III and other modifications.
- g. MoRTH would obtain approval of the PPPAC to undertake any change in scope of work or project configuration as noted above.
- h. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project vi: Four laning of Solapur-Maharashtra/Karnataka Border section of NH-19 from km 249.000 to km 348.800 in the State of Maharashtra under NHDP Phase IV B on BoT (Toll) basis.

Total length: 100.060 km; Total Project Cost: Rs. 923.04 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 57.09 crore. Concession period: 25 years including 2.5 years of construction period.

Major development works/ structures: 6 Major Bridge; 2 bypass (12.457 km); 12 Major road junctions; Service roads (46.06 km), 2 Toll plazas (before Naldurga bypas - km 280.300 & near Karnataka border - km 343.850); 28 Minor bridges; 36 Minor road junctions; 6 Vehicular underpass; 2 Pedestrian underpasses; 209 Culverts; 4 Truck laybys; 24 Bus bays; 2 Rest area.

44. Secretary, RTH, presented the proposal and informed that the instant project had been posed as a part of the NHDP Phase IV projects. However, it has been decided by MoRTH to transfer this project to NHDP Phase III.

45. Director, DEA informed that the concession period for the project has been indicated as 30 years. However, the same may be kept as 25 years based on the projected average total traffic and design capacity of the national highways.

46. Secretary, RTH stated that in this stretch, service road of 46.06 kms has been provided for the stretch. CGM, NHAI clarified that 24 kms of service road was provide in the town of Sholapur and the remaining was for the two other towns. Member Secretary, Planning Commission observed that this is an industrial region with very intense sugar industry related activity. Thus, it is expected that the project may receive a premium. The estimated requirement of VGF upto 40 percent of TPC indicated for the project was questioned. CGM, NHAI responded that the major modes carrying industrial output are the tractors and trolleys, which are not tollable. Hence, the VGF assessment is 40 percent of the TPC. Joint Secretary, DoE concurred with the view that the concession period may be based on the design capacity and should be 25 years. Director, DEA indicated that if traffic growth were to be higher than the estimations of 5 percent, the breach capacity of the highway shall be reached faster and event of early termination and termination payments may come into effect. Thus, concession period may be 25 years. This view was supported by the members of the PPPAC.

47. Director, DEA pointed out, that observations have been made by Planning Commission and DEA about corrections required in the Schedules of the DCA. Further in Schedule R, bypasses length has been included twice to estimate the user charge which needs to be corrected and an addendum to this effect may be issued to all the bidders prior to receipt of financial bids. CGM, NHAI agreed to undertake all the amendments advised by the appraisal agencies.

48. The PPPAC granted final approval to the subject to fulfilment of the following conditions:

- a. NHAI shall modify the concession period for the project as 25 years and issue addendum to RfP accordingly.
- b. MoRTH would provide written confirmation that approval of competent authority for shifting of the project from NHDP Phase IV to Phase III along with the complete list of stretches deleted from NHDP Phase III before seeking final approval of the CCI for the project.
- c. MoRTH would ensure land acquisition in respect of the project, to provide ROW, is in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- d. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.

- e. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- f. NHAI would issue addendum in the bidding documents to all the bidders intimating the change of phase of NHDP from Phase IV to Phase III and other modifications.
- g. MoRTH would obtain approval of the PPPAC to undertake any change in scope of work or project configuration as noted above.
- h. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project vii: Four laning of sections from km 277.500 to km 333.500 (Mahullia to Bahragora) of NH 33 and from km 200.55 to km 134.40 (Bahragora to Kharagpur) of NH 6 in the State of Jharkhand and West Bengal under NHDP Phase IVB on DBFOT (Toll) basis.

Total length: 127.130 km; Total Project Cost: Rs. 940.00 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 143.286 crore. Concession period; 30 years, including 2.5 years of construction period.

Major development works/ structures: 6 Major Bridge (3 new) and 3 retained – 2 lane); 9 ROBs (3 new and 6 retained); 2 RUBs (1 new and 1 retained); 1 Major road junctions; Service roads (48.50 km); 2 Toll plazas (km 306.900 (NH 33) & km 158.250 (NH 6)); 247 Minor road junctions; 8 Vehicular underpass; 12 Pedestrian underpasses; 14 Cattle underpasses; 143 Culverts; 11 Truck laybys; 26 Bus bays.

49. Secretary RTH, presented the proposal and informed that the project had been posed as a part of the NHDP Phase IV projects, but it has been decided by MoRTH to transfer this project to NHDP Phase III.

50. Member Secretary, Planning Commission stated that the average tollable traffic is 12,500 PCUs, thus, traffic is not justified for four-laning and two-laning with paved side shoulders (PSS) is recommended. This view was supported by the Chair. Further, service lanes have been reduced from around 49 km to 17 kms. It was enquired whether the same is justified.

51. Secretary, RTH indicated that during the pre-appraisal meetings with Planning Commission, NHAI had agreed to reduce the underpasses from 8 to 5 and service road from around 49 km to 17 km. CGM, NHAI informed is that underpasses are provided where traffic is more than 5,000 PCUs. Based on this justification 3 underpasses were removed. Service lanes were reduced based on the rep-appraisal meeting discussion; however, NHAI does not support this view. Apropos the

pedestrian underpasses, these were reduced from 12 to 8, which were catering to smaller habitation. However, these may be retained as it may impair the smooth execution of the project due to resistance by local habitants. Further these structures have been provided based on the MSS. With regard to traffic justification, it was indicated that total traffic at one toll plaza is 16, 719 PCU, whereas at the other toll plaza the same is 8,933 PCU. Director DEA stated that in case change of scope clause comes into effect, the NHAI will have to pay more than compared to provisioning of underpasses etc. at present. Joint Secretary, MoRTH further stated that in case the project is proposed as two lane with PSS, the project would become unviable as the applicable toll tariff is 60 percent of the four-lane roads. While estimation of traffic on average basis does not justify four laning, it may be permitted to meet the objective to provide seamless, integrated corridor connectivity for the entire stretch. The same was agreed to by the member of the PPPAC.

52. Member, Planning Commission stated that this belt is a naxal effected area and it may be difficult to expand roads in this region, including due to the heavy industrial activity. Joint Secretary, DoE stated that it is believed that Hindustan Copper Ltd, may undertake a massive expansion programme, thus, inducing traffic growth higher than 5 percent. All the members were in support to provide underpasses etc. as per the initial proposed project configuration.

53. The PPPAC granted final approval to the subject to fulfilment of the following conditions:

- a.
- b. MoRTH would provide written confirmation that approval of competent authority for shifting of the project from NHDP Phase IV to Phase III along with the complete list of stretches deleted from NHDP Phase III before seeking final approval of the CCI for the project.
- c. MoRTH would ensure land acquisition in respect of the project, to provide ROW, is in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- d. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- e. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- f. NHAI would issue addendum in the bidding documents to all the bidders intimating the change of phase of NHDP from Phase IV to Phase III and other modifications.
- g. No reduction in scope of work may be undertaken as suggested during the pre-appraisal meeting (such as deletion of underpasses).

- h. MoRTH would obtain approval of the PPPAC to undertake any change in scope of work or project configuration as noted above.
- i. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project viii: Four laning of Cuttack-Augul section of NH-42 from km 0.000 to 112.000 in the state of Orissa under NHDP Phase IV B on BoT (Toll) basis

Total length: 112.000 km; Total Project Cost: Rs. 1123.69 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 112.88 crore. Concession period: 23 years including 2.5 years construction period.

Major development works/ structures: 3 Major Bridge; 5 Flyovers; 1 ROBs; 2 Bypass (24.400 km); 32 Major road junctions; Service roads (21.42 km); 2 Toll plazas (km 24.000 & km 87.000); 24 Minor bridges; 104 Minor road junctions; 7 Vehicular / Pedestrian underpasses; 196 Culverts; 2 Truck laybys; 64 Bus bays.

54. Secretary RTH, presented the proposal. It was noted that the instant project was posed as a part of the NHDP Phase IV projects, but has now been transferred by MoRTH to NHDP Phase III.

55. Joint Secretary, DOE stated that cost per km for the project is comparatively on the higher side. Secretary, RTH informed that the project consists of two bypasses of 24 kms, five flyovers, three major bridges and one ROB, which are the cause for higher cost per km. Further, the cost has been approved by the Standing Cost Committee. Hence, the cost per km of Rs. 10.03 crore is in order. Joint Secretary, MoRTH added that threshold norm of Rs 9.50 crore per km established based on B.K. Chatturvedi Committee were 2 years old, thus, this cost may be approved by PPPAC. This was agreed to.

56. The Chair enquired about the status of land acquisition, since about 55 percent of the project road falls in the forest area. Secretary, RTH agreed that land acquisition in the instant road is an issue of concern. However, the process of land acquisition has already commenced. The PPPAC may grant approval subject to receiving suitable land acquisition in accordance with the terms of the MCA.

57. The PPPAC granted final approval to the subject to fulfilment of the following conditions:

- a. MoRTH would provide written confirmation that approval of competent authority for shifting of the project from NHDP Phase IV to Phase III along with the complete list of stretches deleted from NHDP Phase III before seeking final approval of the CCI for the project.

- b. MoRTH would ensure land acquisition in respect of the project, to provide ROW, is in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- c. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- d. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- e. NHAI would issue addendum in the bidding documents to all the bidders intimating the change of phase of NHDP from Phase IV to Phase III and other modifications.
- f. No reduction in scope of work may be undertaken as suggested during the pre-appraisal meeting (such as deletion of underpasses).
- g. MoRTH would obtain approval of the PPPAC to undertake any change in scope of work or project configuration as noted above.
- h. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project ix: Four/six laning of Raipur-Bilaspur section of NH 200 from km 0.000 to km 127.650 in the State of Chhattisgarh under NHDP Phase IV B on BoT (Toll) basis

Total length: 126.525 km (33.78 km as six lane and 92.745 km as four lane) ; Total Project Cost: Rs. 1219.74 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 155.70 crore. Concession period: 25 years including 2.5 years of construction period.

Major development works/ structures: 4 Major Bridge; 3 Flyovers; 1 ROB; 9 Bypass (54.125 kms); 18 Major road junctions; Service roads 28.72 km; 3 Toll plazas (km 32.013, km 97.516 & km 110.300); 19 Minor bridges; 75 Minor road junctions; 31 Underpasses; 250 Culverts; 2 Truck laybys; 16 Bus bays; 2 Rest areas.

58. Secretary, RTH, presented the proposal and informed that the instant project was posed as a part of the NHDP Phase IV projects for four laning.

59. Joint Secretary, RTH indicated that DEA, in their appraisal note in respect of the project, have recommended that project may be developed as a four lane highway. He explained that project road has been proposed as six-lane for 34 kms, and the rest as four-lane configuration. The average total traffic for the road is 18,000 PCUs and four-laning is justified. It was indicated that this is a very important road connecting Raipur to Bilaspur and carrying heavy commercial and tollable traffic. The estimated VGF requirement is 14 percent of TPC. It is expected that this corridor

would provide economic growth within the region and hence, the growth of traffic may be higher than 5 percent. CGM, NHAI added that they have a communication from Government of Chattisgarh regarding their plans for the region. It has been indicated that development of 26 new plants (16 for sponge and 10 for iron plants) are envisaged and that the traffic shall be in the range of 40,000 PCUs by the year 2014. Thus, this induced traffic suggests a higher traffic growth rate than 5 percent. Further, it was mentioned that 34 kms of six- lane is proposed in the city of Raipur as the average total traffic is expected to be 23,292 PCUs and the cost is only an additional Rs. 60 crore.

60. Joint Secretary, DEA, advised that, during the pre-bid conference the bidders may be informed about the traffic projections by Government of Chattisgarh. Sharing of proposed development plans would help the bidders to estimate the financial quotes with a better perspective and may result in premium or reduced VGF bids on the stretch, which shall be in favour of the Government. This was agreed to. The members of the PPPAC agreed to the proposed six-laning of 34 kms and intimation of induced traffic to the bidders.

61. The Chair enquired about the status of land acquisition as a vast area, about 582 hectares (ha.) of the project road is yet to be acquired. CGM, NHAI stated that land acquisition in the instant road is of the tune of 726 ha. It was clarified that the notification under section 3(A) of the Land Acquisition Act has been issued for 701 ha. of land. It was confirmed that 80 percent of land shall be acquired before the appointed date as per the provisions of the MCA.

62. The Chair sought clarification on the concession period of 30 years, which appears to be on the higher side, based on design capacity. CGM, NHAI indicated that concession period has been based on the lowest traffic at the toll plaza. However, based on the average total traffic based on the toll plaza, it may be taken as 25 years. All members agreed to the revision of concession period from 30 years to 25 years.

63. The PPPAC granted final approval to the subject to fulfilment of the following conditions:

- a. Concession period may be kept as 25 years with 4/6 (34 kms at Raipur) lane project configuration.
- b. Expectations on higher included traffic on account of development plans of the State Government would be shared with the bidders.
- c. MoRTH would ensure land acquisition in respect of the project, to provide ROW, is in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.

- d. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- e. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs and issue addendum accordingly.
- f. MoRTH would obtain approval of the PPPAC to undertake any change in scope of work or project configuration as noted above.
- g. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

NHDP Project x: Four laning of Lucknow Raebareilly Section of NH-24 B from km 12.700 to km 82.700 on BoT (Annuity) under NHDP Phase-IV B in the State of U.P.

Total length: 70.000 km; Total Project Cost: Rs. 635.90 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 69.494 crore. Concession period: 17 years including 2.5 years of construction period.

Major development works/ structures: 2 ROB/RUB; 10 Major road junctions; Service roads (4.30 km new); 1 Toll plazas (km 42.550); 7 Minor bridges; 132 Minor road junctions; 1 Cattle underpass; 98 Culverts; 2 Truck laybys; 62 Bus bays.

64. Secretary RTH, presented the proposal and informed that the instant project was posed as a part of the NHDP Phase IV projects for four laning and is proposed to be taken up on Annuity basis.

65. Director, DEA indicated that appraisal note from the Planning Commission has not been received for this project. Further, she indicated that it is not clear that 2000 km approved by the EGOM for four laning under NHDP Phase IV has a provision for implementation on BoT (Annuity) basis and special justification may be incorporated in the Cabinet note while taking approval of the project.

66. Joint Advisor, Planning Commission informed that the appraisal would be sent within the next one week. Member Secretary, Planning Commission stated that the project had been circulated and the period prescribed for appraisal was over. Hence, the project may not be deferred and may be considered by the PPPAC. However, it was enquired whether the instant project has been tried on BoT (Toll) basis prior to taking up on Annuity basis. Secretary, RTH clarified that project has not be tried on BoT (Toll) basis. However, the project was considered by the IMG for change in mode of implementation of NH projects and approved for implementation on annuity basis.

67. The PPPAC granted final approval to the subject to fulfilment of the following conditions:

- a. MoRTH would provide specific justification in the Cabinet note for approval of the project on Annuity basis under NHDP Phase IV.
- b. MoRTH would ensure land acquisition in respect of the project, to provide ROW, is in accordance with the provisions of the Model Concession Agreement (MCA) for National Highways.
- c. NHAI would incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs.
- d. MoRTH would obtain clearances such as environment and forest clearance, etc. before commencing work on the project site.
- e. The observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs would be incorporated by NHAI.
- f. MoRTH would circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH/NHAI)

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

**Ministry of Finance
Department of Economic Affairs**

Meeting of the Public Private Partnership Appraisal Committee (PPPAC)

46th Meeting on September 14, 2011

List of Participants

I. Department of Economic Affairs

- i. Shri R. Gopalan, Secretary (Economic Affairs) (In Chair)
- ii. Shri Rajesh Khullar, Joint Secretary
- iii. Smt. Aparna Bhatia, Director
- iv. Shri Abhijit Phukon, Deputy Director

II. Department of Expenditure

- v. Smt. Meena Agarwal, Joint Secretary
- vi. Smt. Sigy Thomas, Deputy Secretary (PF II)

III. Planning Commission

- vii. Smt. Sudha Pillai, Member Secretary
- viii. Shri K. R. Reddy, Joint Advisor
- ix. Shri Amitabha Ray, Deputy Advisor

IV. Ministry of Home Affairs

- x. Shri R.K. Singh, Home Secretary
- xi. Shri V. Trivedi, Special Secretary & Financial Advisor
- xii. Shri N. S. Kalri, Joint Secretary (Police-II)
- xiii. Ms. Sreyasi Chaudhuri, Deputy Secretary (PF)

V. Ministry of Road Transport & Highways

- xiv. Shri A. K. Upadhyay, Secretary
- xv. Shri Raghav Chandra, Joint Secretary

VI. Ministry of NHAI

- xvi. Shri M.P Sharma, Chief General Manager
- xvii. Shri S. C. Jindal, Chief General Manager
- xviii. Shri R. K. Singh, Chief General Manager
- xix. Shri Shashank Kumar, General Manager

VII. Department of Legal Affairs

xx. Shri Y. K. Singh, Assistant Legal Advisor

VIII. Ministry of Environment and Forest

xxi. Shri C.D. Singh, IGF (FC)

xxii. Shri E. Thirunavukkarsu, Deputy Director

**Ministry of Finance
Department of Economic Affairs**

Meeting of the Public Private Partnership Appraisal Committee (PPPAC)

46th Meeting on September 14, 2011

Status of implementation of NH-2 Corridor

S.No.	Stretch	Length (km)	Status
1.	Delhi-Agra	180	Awarded
2.	Agra-Etawah	125	Approved by PPPAC on 14.09.2011
3.	Etawah-Chakeri	160	Approved by PPPAC on 14.09.2011
4.	Chakeri-Allahabad	146	PPPAC proposal submitted to Ministry
5.	Allahabad-Varanasi	155	Proposal under preparation
6.	Varanasi-Aurangabad	192	Awarded
7.	Aurangabad-Barwa Adda	220	Proposal under preparation
8.	Barwa Adda-Panagarh	122	Awarded
9.	Panagarh-Dhankuni (Kolkata)	130	4-lane developed on annuity basis. Project involves buy-back arrangement.