

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

**Public Private Partnership Appraisal Committee**

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**58<sup>th</sup> Meeting on May 21, 2013**

**Record Note of Discussion**

The 58<sup>th</sup> meeting of the Public-Private-Partnership-Appraisal-Committee (PPPAC), chaired by Secretary, Economic Affairs, was held on May 21, 2013. The list of participants is annexed.

2. The Chairman welcomed the participants and noted that the PPPAC would consider the following eight proposals from Ministry of Road Transport & Highways (MoRTH) for grant of final approval:

- I. 4-lane with paved side shoulders (PSS) of a section between Kaithal-Rajasthan border of NH-152/65 from km 33+250 (Design chainage km - 0.500) to km 241+580 (Design Km 166.259) in the State of Haryana, on (Built-Operate-Transfer (BOT)-Toll) basis under National Highway Development Program (NHDP)-IV.
- II. 4-laning with PSS of Hisar to Dabwali section of NH-10 from km 170.0 to km 315.55 in the State of Haryana, on BOT (Toll) basis under NHDP-IV.
- III. 4-Laning with PSS of Aurangabad to Yedshi Section of NH – 211 from km 290.200 to km 100.000 in the State of Maharashtra, on DBFOT pattern under NHDP Phase IV.
- IV. 4-Laning with PSS of Solapur to Yedshi Section of NH – 211 from km 0.000 to km 100.000 in the State of Maharashtra, on DBFOT pattern under NHDP-IV.
- V. 4-laning with PSS of Sangrur to Punjab/Haryana border Section of NH – 71 From Km 181.805 (Sangrur) to Km 238.695 (Punjab/Haryana border) in the State of Punjab, on BOT (Toll) basis under NHDP-IV.
- VI. 4-laning with PSS of Amritsar to Bhatinda section of NH-15 from km 103.000 to km 287.500 in the State of Punjab, on BOT (Toll) basis under NHDP – IV.
- VII. 2/4-laning with PSS of Gadu to Dwarka section of NH-8E from km 263 to km 473 in the State of Gujarat, on DBFOT (Toll) basis under NHDP-IV.
- VIII. 6/8-laning of JNPT Port Road Project of Mumbai JNPT Port Road Company Ltd. (MJPRCL) under DBFOT (Toll) basis.

## Inadequate Land Acquisition

3. Joint Secretary, Department of Economic Affairs (DEA) informed that the PPPAC in its 56<sup>th</sup> meeting held on December 21, 2012 had directed that all National Highway Projects must have *at least 60% unencumbered land available and /or notification under Section 3(A) issued for at least 90 percent of the land required and notification under Section 3(D) should issued for at least 60 percent of the land required for the project.* During initial screening of the proposals sent by MoRTH, it has been observed that land appears inadequately acquired for six of the eight projects. Thus, such proposals do not appear ripe for consideration, though these are shown as pending with the PPPAC Secretariat. As per Cabinet guidelines, proposals have to be placed before the PPPAC within a month of their receipt. Thus, PPPAC was requested to advise way forward for such proposals.

4. The Chair opined that decisions taken earlier by the PPPAC may be followed. Proposals not meeting the guidelines, especially with regard to land acquisition requirements, may be returned to the Sponsoring Authority/Implementing Agencies by the PPPAC Secretariat for posing these proposals to the PPPAC, only when the minimum requirements stipulated for clearances and approvals have been met with.

*(Action: DEA)*

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**Agenda Item I: Proposal from Ministry of Road Transport & Highways for grant of final approval: Four-lane with PSS of a section between Kaithal- Rajasthan border of NH-152/65 from km 33+250 (Design km -0.500) to km 241+580 (Design Km 166.259) in the State of Haryana, on BOT (Toll) basis under NHDP-IV.**

**Total length: 166.259 km; Total Project Cost: Rs. 1393 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 636.49 crore; Concession Period: 27 years including 2.5 years of construction period;**

**Total Land required: 1007.70 ha.: Land available: 283.20 ha (28.1%); Land to be acquired: 724.50 ha (71.9%).**

**3A Notification completed for 593.82 ha. (58.9% of land area), 3D Notification likely to be completed for the entire land by July 31, 2013.**

**Major development works/ structures:** Major Bridge: Nil; Minor bridges: 13; Bypass: 7 of 52.35 km; Flyover: 5; ROBs: 4; Major road junctions: 14; Service roads: 20.90 km; Minor road junctions: 57; Toll plazas: 3 (km 36.776, km 87 & km 135.90); Vehicular underpasses: 5; Pedestrian/cattle underpasses: 18; Culverts: 241; Truck laybys: 8; Bus-bays: 50; Realignment: 4.43 km at 8 locations, Lined Drains: 20.9 km; RCC Retaining Walls: 4.4 km

5. Deputy Secretary, Department of Economic Affairs (DEA) informed that 71.9 percent of the total land is yet to be acquired for the project. Hence, proposal may not be suitable for consideration by the PPPAC. Chief General Manager, NHAI

responded that out of 1007.70 ha of total land required, 283.20 ha (28.1%) land is already available and Notification under 3(A) has been issued for 593.82 ha (58.9%). The Notification under 3(D) for the entire land to be acquired is likely to be issued by July 31, 2013. Hence, it was requested to consider the project.

6. The Chair stated that the project may be considered subject to the condition that Request for Proposal (RfP) shall be issued only after completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012. This was agreed to.

7. Representative of Planning Commission stated that in the PPPAC memo, it has been indicated that in case an adequate response is not received on BOT (toll), the project shall be implemented on BOT (Annuity). Secretary, RTH responded that in case adequate response is not received on BOT (toll), approval of PPPAC would be taken afresh if the project is proposed on BOT (Annuity).

8. The Chair inquired on status of environmental clearance of the project. CGM, NHAI responded that Pollution Control Board (PCB) meeting is scheduled to be held on May 22, 2013 and the document of environmental clearance shall be submitted on completion of hearing of PCB. Chair indicated that project may be considered for approval subject to the condition that RfP shall be issued only after obtaining the environment clearances and land acquisition as stated above.

9. All the members of PPPAC were in agreement to grant final approval to the project.

**10. The PPPAC granted final approval to the project for four-laning with PSS for a section between Kaithal to Rajasthan Border Section of NH-152/65 from km 33.250 to km 241.580 in the State of Haryana under NHDP – IV on BOT (Toll) basis, for TPC of Rs. 1393 crore with maximum VGF of Rs. 557.20 crore (40 percent of TPC), subject to fulfilment of the following conditions:**

- 10.1. NHAI/MoRTH shall issue Request for Proposal (RFP) only after ;
  - 10.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that *“atleast 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project”*
  - 10.1.2. Obtaining the environment clearances for the project

- 10.2. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- 10.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 10.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

*(Action: MoRTH/NHAI)*

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**Agenda Item II: Proposal from Ministry of Road Transport & Highways for grant of final approval: Four-laning with PSS of Hisar to Dabwali section of NH-10 from km 170.0 to km 315.55 in the State of Haryana, on BOT (Toll) basis under NHDP-IV.**

**Total length: 145.785 km; Total Project Cost: Rs. 1231.04 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 284.39 crore; Concession Period: 25 years including 2.5 years of construction period;**

**Total Land required: 849.57 ha.: Land available: 363.77 ha (42.80%); Land to be acquired: 485.80 ha (57.20%).**

**Major development works/ structures:** Major Bridge: 1; Minor bridges: 12; Bypass: 2 of 24.80 km; Flyover: 9; ROB/RUB: 2; Major road junctions: 10; Service roads: 51.61 km; Minor road junctions: 117; Grade Separated Intersections: 9; Toll plazas: 3 (km 184.025, km 241.893 & km 302.273); Vehicular underpasses: 1; Pedestrian/cattle underpasses: 4; Culverts: 184; Truck laybys: 4; Bus-bays: 36; Rest Area: 6; Realignment: Nil.

**11.** Deputy Secretary, Department of Economic Affairs (DEA) informed that 57 percent of the total land is yet to be acquired for the project. Hence, proposal is not ripe up for consideration of PPPAC. Chief General Manager, NHAI responded that Notification under 3(a) has been issued and Notification under 3(A) is likely to be issued by July 31, 2013. Hence, it was requested to consider the project.

**12.** The Chair stated that the project may be considered only after completing the land acquisition as per the decision taken by PPPAC in its 56<sup>th</sup> meeting held on December 21, 2012. All the members of PPPAC were in agreement of the same and to return the project.

**13.** The PPPAC returned the project for completing land acquisition requirements as per the decisions of PPPAC taken in its 56<sup>th</sup> meeting held on December 21, 2012. NHAI/MoRTH shall present the project to PPPAC for

consideration only after completing the requirements for statutory clearances on land acquisition etc.

*(Action: MoRTH/NHAI)*

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**Agenda Item III: Proposal from Ministry of Road Transport & Highways for grant of final approval: Four-Laning with PSS of Aurangabad to Yedshi Section of NH – 211 from km 290.200 to km 100.000 in the State of Maharashtra, on DBFOT pattern under NHDP Phase IV.**

**Total length: 190.20 kms; Total Project Cost: Rs. 1871.34 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 535.29 crore; Concession Period: 26 years including 2.5 years of construction period;**

**VGF requirements: Upto Rs.431.53 being 23.06% VGF of the total project cost.**

**Total Land required: 824.565 ha.; Land available: 449 ha. (54.50 percent); Land to be acquired: 337.565 ha. (45.50 percent)**

**Major development works/ structures: Major Bridge: 5; Bypass: 4; realignments 5 Nos.; Minor bridges: 58; Flyover: 5; ROBs: 1 at at Beed bypass); Major road junctions: 18; Toll plazas: 3 (km 134.000 km, 194.000 km and 254.550 Km of design chainage); FOB: Nil; Vehicular underpasses: 15 nos; pedestrian underpass 16 nos. Cattle underpass 2 nos.;; Culverts: 247; Bus-bays: 28, and truck lay byes/rest areas 7 nos.**

14. Deputy Secretary, DEA stated that the land available was shown as 54.50% in the PPPAC Memo, whereas representative of NHAI indicated that 60% of land was available with them. The Chair advised NHAI/MoRTH to confirm in writing that 60% or more of land was available with them. The same was agreed to.

*(Action: MoRTH/NHAI)*

15. Deputy Secretary, DEA stated that the cost per km was higher than Rs. 9.5 crore, hence, higher than norms taken earlier and may require clearance from the Standing Cost Committee (SCC). Representative of NHAI stated that the norm of Rs. 9.5 crore per km for four-lane was applicable for the year 2010 and has since been updated to the year 2013 to Rs. 12.35 crore per km .The PPPAC members have been informed of the revision. Thus, it was stated that the project may not require clearance from SCC.

16. Secretary, MoRTH stated that the Ministry is examining a policy to terminate the National Highway (NH) at the City's Municipality limits. This was being

considered as most NH roads within city limits were to be developed and maintained by the Municipal Authorities across the country.

17. Representative of Planning Commission stated that there were four bypasses, provisions for the same may be reconsidered and may be developed as separate projects. The Chair observed that development of bypasses leads to ribbon development and hence would need to have access control. Secretary, MoRTH stated that access control development may be a very costly proposition and these are currently under the examination of the Ministry for formulating a consistent policy on bypasses. Representative of NHAI stated that these four bypasses were integral to the project development and were required based on local conditions for smooth flow of traffic.

18. All the members of PPPAC were in agreement to grant final approval to the project.

**19. PPPAC granted final approval for maximum VGF of Rs. 431.53 crore, being 23.06% of the Project Cost, subject to:**

- 19.1. NHAI/MoRTH shall issue Request for Proposal (RFP) only after ;
  - 19.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that “at least 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project”
  - 19.1.2. Obtaining the environment clearances for the project
- 19.2. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- 19.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 19.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

***(Action: MoRTH/NHAI)***

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**Agenda Item IV: Proposal from Ministry of Road Transport & Highways for grant of final approval: Four-Laning with PSS of Solapur to Yedshi Section of NH – 211 from km 0.000 to km 100.000 in the State of Maharashtra, on DBFOT pattern under NHDP-IV.**

**Total length: 98.717 kms; Total Project Cost: Rs. 972.50 crore; Cost of pre-construction activities to be financed by NHAI: NA; Concession Period: 29 years including 2.5 years of construction period;**

**VGF requirements: Up to 40% of the total project cost i.e. up to Rs.389/- crores.  
Total Land required: NA**

**Major development works/ structures: Major Bridge: 2; Bypass: 2; realignments 5 Nos.; Minor bridges: 25; Flyover/ Vehicular underpass: 7; pedestrian underpass: 11 nos; ROBs: 1; overpass:1.; Major road junctions: 11; minor junctions: 55 Nos; service roads: 33.212 kms; Toll plazas 2;; and Bus-bays: 24 .**

20. Deputy Secretary, DEA indicated that suitable information regarding land acquisition has not been provided. Representative of NHAI responded that land available is more than 60% and the balance acquisition is proposed to be completed by the 'Appointed Date' in line with the project's DCA. The Chair advised NHAI/MoRTH to confirm the status of land acquisition in writing to the members of PPPAC. Further, for clarification sought on the cost of pre-construction activities, representative of NHAI informed that the total cost is assessed as Rs. 85.32 crore comprising of cost of land & R&R Cost (Rs. 56.95 crore); cost of environmental mitigation measures (Rs. 12.81 crore) and cost of relocation of utilities (Rs. 15.56 crore).

*(Action: NHAI/MoRTH)*

21. Deputy Secretary (DEA) pointed out that the project has adopted a two-stage construction, whereby the initial cost of construction would be lower but major maintenance cost will have to be incurred in the 15<sup>th</sup> year. The Chair enquired whether this two-stage construction is different from the other projects of NHAI. Representative of NHAI clarified that this was as per the Manual of Standards and Specifications (MSS), also provided as a part of the DCA. Further, it was stated that this was proposed as the concession period was as long as 29 years. The Chair asked NHAI to submit the relevant sections of the MSS. Deputy Secretary (DEA) also pointed out that two-laning of certain portions of the project highway were already underway by Maharashtra PWD, especially the Tuljapur bypass, and inquired whether two contractors can work on the same highway simultaneously, whether smooth handover of the highway to the selected Concessionaire may be undertaken in a unencumbered manner, etc. Representative of NHAI clarified that these

construction works were undertaken by Maharashtra PWD and are nearing completion. The State authorities have already written to NHAI to take over these stretches for four-laning. As regards, the environmental clearances, especially forest clearance as the project highway encountered Yedshi Ramling Wildlife sanctuary within 10 km radius, NHAI clarified that the proposal is submitted to MoEF/Forest department for environmental/ wildlife clearances.

22. All the members of PPPAC were in agreement to grant final approval to the project.

23. **PPPAC granted final approval for maximum VGF up to Rs. 389 crore, i.e. 40% of the Project Cost, subject to:**

23.1. NHAI/MoRTH shall issue Request for Proposal (RFP) only after ;

23.1.1. Completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012 that "at least 60% of the total land should be available or notification under Section 3(A) should have been issued for at least 90 percent of the land required and notification under Section 3(D) should have been issued for atleast 60 percent of the land required for the project"

23.1.2. Obtaining the environment clearances for the project

23.2. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.

23.3. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.

23.4. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

*(Action: MoRTH/NHAI)*

**Agenda Item V: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning with PSS of Sangrur to Punjab/Haryana border Section of NH – 71 From Km 181.805 (Sangrur) to Km 238.695 (Punjab/Haryana border) in the State of Punjab, on BOT (Toll) basis under NHDP-IV.**

**Total length: 57.014 km; Total Project Cost: Rs. 481.59 crore; Cost of pre-construction activities to be financed by MoRTH: Rs. 91.56 crore; Concession Period: 30 years including 2 years of construction period;**

**Total Land required: 260 ha.: Land available: 176 ha (68%); Land to be acquired: 100 ha (32 %).**

**Major development works/ structures:** Major Bridge: 5; Minor bridges: 8; Bypasses: 1 of 4.86 km; Flyover: 5; ROB/RUB: Nil; Major road junctions: 1; Service roads: 10.08 km; Minor road junctions: 32; Toll plazas: 1 (km 227.130); Vehicular underpasses: 3; Pedestrian underpasses/ Cattle underpasses: 3; Culverts: 88; Truck laybys: 3; Bus-bays: 23; Realignment: 0.800 km at one location.

24. Deputy Secretary, Department of Economic Affairs (DEA) informed that as per the response received from the MoRTH, 68 percent of the total land is available for the project. Further, the Total Project Cost (TPC) has been shown as Rs. 481.59 crore as per the PPPAC Memo, Rs. 517.80 crore as per DCA and Rs. 520.72 crore as per RfP. The appraisal has been done based on the TPC of Rs. 481.59 crore indicated in the PPPAC memo. In case of change of TPC, other parameter like bid security, performance security, etc would need to be modified. SE, MoRTH responded that the correct TPC is Rs. 520.72 crore and other parameter would be modified based on the corrected TPC. The Chair stated that project costs should be estimated correctly and should not change across documents as various parameters are calculated on the TPC on the basis of which the appraisal is done. Consistency and accurate estimations should be ensured across documentation.

25. Representative of Planning Commission informed that documents for the project have not been received by the Planning Commission; hence, appraisal could not be undertaken.

26. **The PPPAC deferred the project and directed MoRTH that revised and legally vetted documents based on the corrected TPC may be circulated to the members of PPPAC for fresh consideration.**

*(Action: MoRTH/NHAI)*

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**Agenda Item VI: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning with PSS of Amritsar to Bhatinda section of NH-15 from km 103.000 to km 287.500 in the State of Punjab, on BOT (Toll) basis under NHDP – IV.**

**Total length: 174.64 km; Total Project Cost: Rs. 1899 crore; Cost of pre-construction activities to be financed by MoRTH: Rs. 522.14 crore; Concession Period: 27 years including 2.5 years of construction period;**

**Total Land required: 1114.37 ha.: Land available: 380.87 ha (34%); Land to be acquired: 733.50 ha (66%).**

**Major development works/ structures: Major Bridge: 2; Minor bridges: 35; Bypass: 7 of 66.008 km; Flyover: 4; ROB/RUB: 3; Major road junctions: 23; Service roads: 43.612 km; Slip roads: 19.756 km; Minor road junctions: 180;; Toll plazas: 3 (km 133.4, km 205 & km 267); Vehicular underpasses: 7; Pedestrian/cattle underpasses: 1; Culverts: new- 134, widening-140, on junctions-274; Truck laybys: 3; Bus-bays: 72; Way side amenities: 3; Realignment: Nil.**

27. Deputy Secretary, Department of Economic Affairs (DEA) informed that 66 percent of the total land is yet to be acquired for the project. Hence, proposal is not ripe up for consideration of PPPAC. SE, MoRTH responded that Notification under 3(a) has been issued; Notification under 3(A) is likely to be issued by June 30, 2013 and Notification under 3(D) is likely to be issued by August 31, 2013. Hence, it was requested to consider the project.

28. The Chair stated that the project may be considered only after completing the land acquisition as per the decision of PPPAC in its 56th meeting held on December 21, 2012.

29. The PPPAC returned the project for completing land acquisition requirements as per the decisions of PPPAC taken in its 56<sup>th</sup> meeting held on December 21, 2012. NHAI/MoRTH shall present the project to PPPAC for consideration only after completing the requirements for statutory clearances for land acquisition etc.

*(Action: MoRTH/NHAI)*

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**Agenda Item VII: Proposal from Ministry of Road Transport & Highways for grant of final approval: 2/4-laning with PSS of Gadu to Dwarka section of NH-8E from km 263.0 (design chainage km 287.43) to km 473.0 (design chainage km 497.32) in the State of Gujarat, on DBFOT (Toll) basis under NHDP-IV.**

**Total length: 209.890 kms; Total Project Cost: Rs. 1528.72 crore; Cost of pre-construction activities to be financed by NHAI: Rs. 227.64 crore;**

**Concession Period: 26 years including 3 years of construction period;**

**VGF requirements: PPPAC memo indicates project as a 'Premium' project, estimated as Rs 70 crore; DCA: Article 25 indicates requirement of upto 40% VGF of the total project cost, Rs. 611.488 crore.**

**Total Land required: 1000.02 ha.; Land available: 662.33 ha. (66.23 percent); Land to be acquired: 337.69 ha. (33.77 percent)**

**Major development works/ structures: Major Bridge: 12; Bypass: 3 of 25.99 kms; Minor bridges: 26; Flyover: 2 (at Porbander and Jamnagar); ROBs: 1 at Porbander bypass; Major road junctions: 11; Service/slip roads: 16.32 kms, equally divided both sides; Minor road junctions: 50; Toll plazas: 3 (km 339.6, km 410.05, km 470.06 of design chainage); FOB: Nil; Vehicular underpasses: 1 at Porbander bypass; Culverts: 402; Bus-bays: 20, equally divided both sides.**

**30. Deputy Secretary, DEA indicated that responses to the Appraisal note of DEA have been received. Three issues indicated below still need to be clarified:**

**30.1. Provision of service lanes:** As per MoRTH's response on the Appraisal, the service lanes were required in built up areas and places where vehicle and pedestrian underpasses (VUP/PUP) are provisioned, however, this does not appear to be based on MSS specifications or traffic ease considerations. MoRTH was requested to clarify whether traffic was assessed at these locations and estimates of classified volume of traffic requested. Representative of NHAI indicated that these services lanes were a requirement at these VUP and PUP locations in built up area as has been provided in earlier projects. In the instant project, 16.32 kms of services lanes shall be equally divided on both sides of the road. These have been provided in order to provide for smooth flow of traffic and are a requirement for this area. Traffic estimates for these locations shall be provided to the members of PPPAC. Representative of Planning Commission agreed to inclusion of service lanes in built-up areas. Joint Secretary, DEA expressed that while the provision of service lanes appear

to be required for this project, the PPPAC in its 25<sup>th</sup> meeting held in July 2009 stipulated that service roads may be restricted to urban and built-up areas for a traffic level of up to 60,000 Passenger Car Units (PCUs). Hence, should this policy decision require review, justification should be provided by the Sponsoring Authority so that the same guidelines can be followed consistently for road development. Additionally, traffic updates for the built-up area may be provided for the instant project, else reasons for provision may be justified in detail. The same was agreed to.

*(Action: MoRTH/NHAI)*

**30.2. 'Target Traffic' in Article 29 of the DCA:** On the 'Target Traffic' estimates, it was pointed that the 'Target Traffic' for the year 2023 was around 9450 PCU as per estimates forecasted by the PPP Cell, DEA based on the documents provided to the PPPAC whereas the estimates of 20,009 PCU provided by Sponsoring Authority appeared very high. Representative of NHAI responded that the project road leads to an important tourist attraction of Gujarat, which is Diu which has been receiving very high tourist traffic with annual growth exceeding over the past year. Further, it was stated that while the current traffic between Dwarka and Somnath was low due to poor road conditions and hence the traffic destined for this road gets diverted to other roads, the induced traffic shall heavily impact the overall traffic flow and this was taken into account while estimating the 'Target traffic' in the DCA. Joint Secretary, DEA stated that while presenting the proposal, this induced traffic and higher traffic growth has not been clearly stated in the project documents. Hence, the Sponsoring Authority may provide updated traffic estimates taking into account the induced traffic and details traffic justification thereof. The same was agreed to.

*(Action: MoRTH/NHAI)*

**30.3. 'Grant' provision in Article 25 of the DCA:** MoRTH was requested to clarify the need for provisioning for 40 percent of the TPC as 'Equity Support' in Article 25 of the DCA while the project's PPPAC memo had indicated a 'Premium' and to explain the basis for the same. Secretary MoRTH stated that during the appraisal while initially the structuring was done a Premium basis, the prevailing market conditions indicate that 40% equity support may be necessary. The Chair stated that there should be more precision in projection of figures and consistency between documents submitted to the PPPAC.

*(Action: MoRTH/NHAI)*

31. All the members of PPPAC were in agreement to grant final approval to the project.

**32. The PPPAC granted final approval to the project for 2/4-laning with PSS of Gadu to Dwarka section of NH-8E from km 263.0 (design chainage km 287.43) to km 473.0 (design chainage km 497.32) in the State of Gujarat, on DBFOT (Toll) basis under NHDP-IV for TPC of Rs. 1528.72 crore with maximum VGF of Rs. 611.488 crore (40 percent of TPC), subject to fulfilment of the following conditions:**

- 32.1. NHAI/MoRTH granted one-time exemption for 'Grant' component to be maximum 40 percent of the Total Project Cost in Article 25 of the project's DCA and shall not be cited as a case of precedence.
- 32.2. NHAI/MoRTH in future shall realistically calibrate and allow for specific amount of 'Grant' needed for making the project viable instead of a generic upto maximum 40 percent of TPC as 'Equity Support'. Alternatively, projects estimated as on 'Premium' basis, linkages to 'Equity Support' may be deleted. Thus, all future projects/proposals shall be based on unambiguous and updated estimates over project's consideration of cost, traffic and revenue parameters and others.
- 32.3. NHAI/MoRTH shall issue Request for Proposal (RFP) only upon receiving clearance /approval from Ministry of Forest and Environment.
- 32.4. NHAI/MoRTH shall ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the MCA for National Highways.
- 32.5. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- 32.6. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 32.7. NHAI/MoRTH shall provide a detailed justification and reasons for provisions of service lanes at built-up areas.
- 32.8. NHAI/MoRTH shall provide the updated classified traffic volume assessments and projections thereof for including the induced traffic in order to revise the 'Target Traffic' figure in Article 29 of the project DCA.
- 32.9. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

***(Action: MoRTH/NHAI)***

**Agenda Item VIII: Proposal from Ministry of Road Transport & Highways for grant of final approval: 6/8-laning of JNPT Port Road Project of Mumbai JNPT Port Road Company Ltd. (MJPRCL) under DBFOT (Toll) basis**

**Total length: 43.912 kms; Total Project Cost: Rs. 1822 crore; Cost of pre-construction activities to be financed by MJPRCL: Rs. 121.57 crore; Concession Period: 22 years including 2.5 years of construction period;**

**Total Land required: 274.807 ha.; Land available: 237.621 ha. (86.47 percent); Land to be acquired: 37.184ha. (13.53 percent)**

**VGF: Project to be bid on 'Premium' basis and having zero VGF**

**Major development works/ structures:** Major Bridge: 3; Elevated corridor: 1 at Jasia Village, 6-lane; Minor bridges: 12; Flyover/ROB: 8; Interchanges: 4; Service/slip roads: 72.154 kms, equally divided both sides; Minor road junctions: 29; Toll plazas: 3 (km 8.15 on NH-4B(A1-D section), km 23.25 on NH-4B, and km 9.1 on SH-54); FOB: Nil; Vehicular underpasses: 15; Culverts: 107; Bus-bays: Nil

33. Deputy Secretary informed the members of PPPAC that this proposal was the first of its kind to be received wherein the Implementing Agency is a Special Vehicle Purpose (SPV) company between the entities of the Central Ministries and State Government. Further, it was stated that the primary concern for PPPAC to consider in the proposal pertains to majority equity stake-holding by the Central Sector entity (i.e. NHAI) in the Implementing Agency (i.e. Mumbai JNPT Port Road Company Ltd. (MJPRCL) for the project. It was indicated that based on the response received of the Appraisal note of DEA, it has been clarified that NHAI is the major shareholder and is holding 66.45 percent of the total equity stake. Other shareholders are two fully owned entities of the State Government of Maharashtra, viz. Jawaharlal Nehru Port Trust (JNPT) and City and Industrial Development Corporation (CIDCO) holding 29.39 percent and 6.16 percent respectively. However, it was highlighted that the total equity stake-holding erroneously appears greater than 100 percent, thus, needs to be clarified. Representative of NHAI responded that a discrepancy in reporting stake-holding of JNPT has been found, which stands revised to 27.39 percent, thus, making the total equity stake-holding of MJPRCL as 100 percent.

34. Representative of Planning Commission queried whether an SPV of NHAI can undertake the project. Representative of NHAI reiterated as indicated the response to the Appraisal Note that the Memorandum of Articles (MoA) of the SPV allows activities including development, maintenance, selling, contract, lease, rent, retain, distribute, acquire such infrastructure for projects as vested in it either on its own or

with other entities. It was further informed that land for the project is already owned by the SPV. Out of the total land required, 86.47 percent of land was already available with the SPV. Hence, the SPV may act as the Implementing Agency. As MoRTH is the Sponsoring Authority, and the Board of MJPRCL is empowered to undertake development of roads, legally it has been vetted that the project can be taken up by the SPV, necessary authorisation for MJPRCL to act as an Implementing Agency may be given by NHAI/MoRTH. In response to a query raised by Joint Secretary, DEA, it was stated by Joint Secretary, MoRTH that CCI approval may be obtained after consideration of the project by the PPPAC. The Chair stated the questions that may need to be addressed were whether the SPV concerned can extend 'Grant' under VGF Scheme and appropriate budgeting of funds for sourcing money for VGF. It was stated while the project was perceived to receive a 'Premium', in case the quotations resulted in requirement of VGF, then the Sponsoring Authority would need to bring back the project to the members of PPPAC in order to guide the process issues and modalities for grant of VGF etc. Therefore, it was discussed whether the project should be cleared with zero VGF. Secretary, MoRTH agreed to the project being approved only on 'Premium' basis and without VGF. It was also reiterated that should the bidding result in seeking VGF, MoRTH shall keep the PPPAC abreast of the same and appear before the Committee for further guidance. The same was agreed to.

*(Action: MoRTH/NHAI)*

35. Deputy Secretary, DEA raised two other major concerns for the project pertaining to the traffic justifications and standards and specification that shall be followed for eight-laning of the project. It was stated that the presently traffic estimated in the year 2011 appears inadequate to provide for eight-laning. It was stated that based on the traffic figures provided in the documents, the average total traffic figures appears around 35,000 PCU having a range of 40,000-46,000 PCU for the year 2013. This has been projected to grow by the 2016 to a range of 83,000 PCU - 1,18,000 PCUs as per the response to the Appraisal Note. Thus, a detailed justification of substantial traffic increase in 3 years alongwith the updated traffic figures was sought. Additionally, it was also stated that it was unclear what would be the standards and specifications that would be followed for portion of the road stretch which were proposed to be eight-laned. Representative of NHAI responded that very high traffic generation is expected to be induced due to capacity augmentation of JNPT and due to improved road connectivity of other project roads leading to the new Airport and the Sion-Panvel highway. Thus, it was this induced factor for traffic that has been taken into while making the traffic forecasting. The Chair stated that while the present project formulation for six/eight-laning may be accepted owing to the significance and requirements of JNPT road connectivity.

However, it was reiterated that firmness of traffic justification may be provided alongwith the updated traffic figures and induced traffic requirements. Joint Secretary, MoRTH stated that with regards to the standards and specification to be followed for the eight-lane portion of the road stretch, it was proposed that the Manual of Standards and Specification (MSS) applicable to six-lane road projects shall be extrapolated to make it applicable to eight-lane road. Joint Secretary, DEA pointed out that this position confirming technical suitability and appropriateness may be communicated in writing to the members of PPPAC. The same was agreed to.

*(Action: MoRTH/NHAI)*

36. All the members of PPPAC were in agreement to grant final approval to the project.

**37. The PPPAC granted final approval to the project for 6/8-laning of JNPT Port Road Project of Mumbai JNPT Port Road Company Ltd. (MJPRCL) from km 3.60 to km 27.27 at NH 4B (A1-E section), km 0.0 to km 4.492 at NH-4B (D-G section), km 5.3 to km 14.85 on SH-54 and km 0.0 to km 6.20 on Amra Marg under DBFOT (Toll) basis for TPC of Rs. 1822 crore on 'Premium' basis, subject to fulfilment of the following conditions:**

- 37.1. NHAI/MoRTH to obtain specific approval of Cabinet Committee on Infrastructure (CCI) for undertaking six/eight-laning of the project stretch prior to release of Request for Proposal (RFP).
- 37.2. NHAI/MoRTH shall issue the bidding documents on the basis of 'Premium' and having nil VGF provisions. In the event competitive bidding results in seeking VGF, NHAI/MoRTH shall present this position to PPPAC for further consideration.
- 37.3. NHAI/MoRTH shall ensure land acquisition in respect of the project to provide ROW in accordance with the provisions of the MCA for National Highways.
- 37.4. NHAI/MoRTH shall issue RFP only upon receiving clearance /approval from Ministry of Forest and Environment.
- 37.5. NHAI shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by NHAI/MoRTH in their responses.
- 37.6. NHAI/MoRTH shall provide a detailed traffic justification and updated traffic figures including the induced traffic forecasting provisions leading to substantial traffic increase.
- 37.7. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.

37.8. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

*(Action: MoRTH/NHAI)*

38. PPPAC decided that henceforth proposals received from Sponsoring Authorities/ Implementing Agencies shall realistically calibrate and allow for specific amount of 'Grant' needed for making the project viable instead of a generic upto maximum 40 percent of TPC as 'Equity Support'. Alternatively, in projects estimated on 'Premium' basis, linkages to 'Equity Support' may be deleted. Thus, all future projects/proposals shall be based on unambiguous and updated estimates over project's consideration of cost, traffic and revenue parameters and others.

*(Action: MoRTH/NHAI)*

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

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

**Public Private Partnership Appraisal Committee**

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58<sup>th</sup> Meeting on May 21, 2013

**List of Participants**

**I. Department of Economic Affairs, Ministry of Finance**

- i. **Dr. Arvind Mayaram, Secretary (*In Chair*)**
- ii. Shri Shaktikanta Das, Additional Secretary
- iii. Ms. Sharmila Chavaly, Joint Secretary
- iv. Smt. Abhilasha Mahapatra, Deputy Secretary
- v. Shri Abhijit Phukon, Deputy Director

**II. Department of Expenditure, Ministry of Finance**

- vi. Smt. Sudha Krishna, Joint Secretary, Pers

**III. Planning Commission**

- vii. Shri Amitabha Ray, Joint Advisor
- viii. Shri K. R. Reddy, Consultant

**IV. Ministry of Road Transport & Highways (MoRTH)**

- ix. Shri Vijay Chibber, Secretary
- x. Shri Rohit Kumar Singh, Joint Secretary
- xi. Shri Amrendra Kumar, SE
- xii. Shri Atul Kumar, SE
- xiii. Shri Pawan Kumar, SE

**V. National Highway Authority of India**

- xiv. Shri Sudhir Kumar, Member-PPP
- xv. Shri Narendra Kumar, Member- Administration
- xvi. Shri Satish Chandra, Member-Finance
- xvii. Shri Mudit Garg, Member-Finance
- xviii. Shri B.S. Singhla, CGM,
- xix. Shri R.K. Bansal, CGM
- xx. Shri D.O. Tawade, CGM
- xxi. Shri U.J. Chamargore, GM(T)&PD

- xxii. Shri A.K. Sharma, GM(T)
- xxiii. Shri S.L. Fageria, GM(T)
- xxiv. Shri M.K. Jain, Project Director
- xxv. Shri M.K.Wathore, Project director
- xxvi. Shri C.B.Singh, Manager (Technical)

**VI. Government of Punjab**

- xxvii. Shri Sukhdev Singh, E.E, PWD (B&R), Ferozpur (PB)
  - xxviii. Shri N.P.Singh, E.E, PWD(B&R)
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