

**F. No. 2A/1/2013/PPP
Government of India
Ministry of Finance
Department of Economic Affairs**

Public Private Partnership Appraisal Committee

61st Meeting on December 26, 2013

Record Note of Discussion

The 61st meeting of the Public-Private-Partnership-Appraisal-Committee (PPPAC), chaired by **Secretary, Economic Affairs**, was held on December 26, 2013. The list of participants is annexed.

2. The Chairman welcomed the participants and noted that the PPPAC would consider five proposals from Ministry of Shipping (MoS) in the sea and riverine port sector and one proposal from Ministry of Road Transport & Highways (MoRTH) in the road sector for grant of approval by the competent authority.

Agenda Item I: Proposal from Ministry of Shipping for grant of final approval: Development of 4th Container Terminal at Jawaharlal Nehru Port Trust (JNPT), Nhava-Sheva near Mumbai in the State of Maharashtra on Design Build, Finance, Operate and Transfer (DBFOT) basis.

Total berth length: 2000m ; Total Project Cost: Rs. 7915 crore; Cost of pre-construction activities to be financed by JNPT: - Yet to be provided; Concession Period: 30 years including 3 years of total construction period and project implementation is proposed in two phases, Phase-I to be completed within 36 months and Phase-II to be completed in 24 months.

Major development works/ structures: Proposed capacity is to handle 4.80 million TEUs and develop facilities accordingly. Construct total 2000m of berthing length, which is to be developed in two phases, each phase of 1000m having minimum width of 57.5m and is expected undertake capital side dredging of 16.5m below the chart datum and channel depth at 13.10m. Phase I envisages construction of 1000m long quay, and reclamation of 133 Ha of land, and, Phase II envisages construction of another 1000m of quay length, reclamation of 74 Ha of land. Develop 10 approach trestles of 300m, 5 in each phase. Undertake capital dredging in berth pockets and manoeuvring area. Container stack yard, internal roads, parking area, building, workshop, Procure container handling equipments such as Rail mounted Quay Cranes in Phase 1 atleast 12 RMQC and same for Phase II, IT systems, environmental safeguards. Rubber Tyred Gantry Cranes (RTGC), 36 of them for each phase, Rail Mounted Gantry Cranes (RMGC), 4 of them for each phase of development, Tractor Trailers, 120 of tractors and 120 Trailers for each phase of development; Two Rail container Depot for evacuation by rail, 12 lane connecting road (4.8 km) and 12 lane evacuation road behind the stackyard, other allied facilities including facilities based on latest designs that meet stringent safety regulations and conform to international standards, operation and maintenance thereof

3. Chairman, Jawaharlal Nehru Port Trust (JNPT) presented the project. It was stated that the PPPAC in its 29th meeting held on November 11, 2009 had approved the project. It was stated that the preferred bidder comprised two parties, the Port of Singapore and M/s. ABJ private limited, but, later, due to a dispute M/s. ABJ Private Ltd had sought to terminate its role in the transaction. Thus, the Port Trust moved to cancel the letter of award (LoA) due to substantial change in the bidding consortia of the preferred bid after obtaining a legal opinion from Ministry of Law. The concession agreement was not signed with the preferred bidder, and, thereafter the letter of award (LOA) was withdrawn. The project has been freshly posed for consideration and the project's scope of work and estimated project cost has been updated based on the revised feasibility report in 2013. The main scope of work that has changed from the earlier proposal is the BPCL jetty development, which has been deleted following a review of the updated requirements. Further, PPPAC was informed that seven parties have been shortlisted during the RFQ evaluation stage. TAMP has approved the tariff for the project in August 2013.

4. The Chair sought information about the land availability and any other issues related to land. Chairman, JNPT responded that land is available and no land acquisition is involved. It was also mentioned that for the portion requiring reclamation of land, approval from Ministry of Environment and Forest (MoEF) has already been obtained. It was further stated that there are no other issues regarding land.

5. Deputy Secretary, Department of Economic Affairs (DEA) queried over the need for developing the project in two phases. Chairman, JNPT informed that based on the traffic scenario, it has been projected that the traffic will not be increasing within the first 2-3 years of the concession period, thus, the resultant revenue share may be impacted. Phase-I is to be completed within three years from the date of award of concession. Phase-II is to commence as soon as the annual throughput of Phase-I of the project reaches 1 million TEUs or within five years from the date of award of concession, whichever is earlier and it should complete within two years from the date of commencement of construction. All facilities envisaged under this project shall be commissioned within seven years from the date of award of concession. In response to other queries raised by Deputy Secretary, DEA, Chairman JNPT informed PPPAC of the following:

5.1.1. Evacuation by Rail and Road: JNPT shall be responsible for around 1.5 km evacuation road which falls under mangrove area. JNPT will also be responsible for clearance / relocation of mangroves and 8 km rail connectivity from Rail Container Depot to Jasai Yard. A Special Purpose Vehicle (SPV) with participation of CIDCO¹ and NHAI has already been created in order to award the road development and allied works. Joint Secretary, MoS also indicated that the instant project is on the dedicated freight corridor and is expected to handle 80 percent of traffic by road and remaining 20 percent by rail.

5.1.2. Traffic forecasts: Estimates for container cargo at JNPT are expected as 5.6 million TEUs in the year 2015 and projected to reach 28.2 million TEUs by the year 2030. The instant project envisages handling of 4.8 million TEUs only, thus, may suffice to meet the current demands.

5.1.3. Capital dredging: JNPT shall be responsible for maintaining Channel depth (-) 14.2 M chart datum (CD) at channel entrance and (-) 13.1

¹ CIDCO= City and Industrial Development Corporation of Maharashtra limited; NHAI=National Highway Authority of India

MCD in JNPT Channel. Capital and maintenance dredging in berth pockets and manoeuvring area has been allocated to Concessionaire as dredged area is proposed to be used by the Concessionaire only.

6. All members of the PPPAC were in agreement to recommend the proposal for grant of final approval.

7. The PPPAC recommended the proposal for grant of final approval for an estimated project cost (EPC) of **Rs. 7915 crore**, for award on highest 'Royalty' basis, subject to fulfilment of the following conditions:

- a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- c. MoS/Jawaharlal Nehru Port Trust (JNPT) shall incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs.
- d. MoS shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoS/JNPT)

Agenda Item II: Proposal from Ministry of Shipping for grant of final approval: Development of a Container Terminal at Ennore Port, Tiruvallur district in the State of Tamil Nadu on DBFOT basis.

Total berth length: 730m; Total Project Cost: Rs. 1270 crore; Cost of pre-construction activities to be financed by EPL:-Yet to be provided; Concession Period: 30 years including 3 years of construction period.

Major development works/ structures: Develop Container Terminal including back up area, storage, approach roads, operational offices, drainage, water supply etc.; Develop 730m*500m quay length, combined in Phase 1 (400m) and Phase II (330m), having 16m as dredged depth below chart datum, operator to handle container vessels of 14,500 TEU; Procure equipment, Rail Mounted Gantry Cranes (RMQC) 4 in nos., Rubber Tyred Gantry Cranes (RTGC) 12 in nos., Reach stacker (1 no.) and tractor trailers (24 nos), Operation & maintenance (O&M) thereof.

8. CMD, Ennore Port Limited (EPL) presented the project. It was stated that eleven applicants have been shortlisted for the project. PPPAC was informed that based on the observations received from Department of Economic Affairs and other appraisal agencies, the bid documents have been corrected in the revised document. The bid variable has been corrected and aligned with the Model Concession Agreement (MCA) document. Further, it was stated that as EPL is a company formulated under Companies Act, Tariff Authority for Major Ports (TAMP)'s hence TAMP's approval was not required. Joint Secretary, MoS, added that however the tariff and performance standards adopted for the instant project is based on TAMP guidelines.

9. Representative of Planning Commission stated that contingencies estimated as 10 percent in the project's EPC were on the higher side. CMD, EPL responded that the 10 percent is estimated from the capital cost and is nominal, and, may be accepted.

10. All members of the PPPAC were in agreement to recommend the proposal for grant of final approval.

11. The PPPAC recommended the proposal for grant of final approval for an estimated project cost (**EPC**) of **Rs. 1270 crore**, for award on highest '**Royalty**' basis, subject to fulfilment of the following conditions:

- a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- c. MoS/Ennore Port Limited (EPL) shall incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs.
- d. MoS shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoS/EPL)

Agenda Item III: Proposal from Ministry of Shipping for grant of final approval: Development of an Offshore Cargo Multi-Purpose Cargo Berth at Mumbai Port, in the State of Maharashtra on DBFOT basis.

Total berth length: 550m; Total Project Cost: Rs. 696.27 crore; Cost of pre-construction activities to be financed by MbPT:- Yet to be provided); Concession Period: 30 years including 2.5 years of construction period.

Major development works/ structures: Develop multipurpose cargo berth with 550 m of length, width of 100 m, -13.5 MCD to cater to 60,000 DWT to handle proposed capacity is 4.5 MTPA; Approach trestle of 1355m of length and width of 16m; Capital dredging in manoeuvring area; Procure requisite cargo handling equipments like Wharf cranes, Mobile Harbour cranes, Forklifts etc.; Utilities including IT systems, environmental safeguards, fire-fighting facilities etc.; Operation & maintenance (O&M) thereof

12. Chairman, Mumbai Port Trust (MbPT) presented the project. It was stated that due to the poor draft depth of 9m at the Port and limitations of operations at Indira Dock in accommodating bigger vessels there is traffic diversion to other ports. Thus, steps were requested to improve the berthing facilities, hence the instant proposal which shall provide draft depth as -13.5 m for 60,000 DWT². In addition, creation of new infrastructure for handling multipurpose cargo upto capacity of 4.5 MMPTA³ is also envisaged. It was stated that the project does not involve land acquisition and rehabilitation/ resettlement as land is already available. TAMP has approved the tariff and performance indicators for the instant project vide order dated November 2013.

13. In response to queries from Deputy Secretary, DEA, the Chairman stated the following:

13.1. Applicants shortlisted: Three applicants have been shortlisted for the project.

13.2. Variation from Model Concession Agreement (MCA): Major deviations from MCA are:

13.2.1. Capital dredging has been included as part of the project in variation to the MCA, in the project's DCA. This has been included because the cost estimates for capital dredging were considered as minor, i.e. Rs. 29 crore. Capital dredging may be more efficiently required to be undertaken by the Concessionaire for better coordination and single point responsibility and this activity is only for the subject project berth.

²² DWT=Dead Weight Tonnage

³ MMPTA= million metric tons per annum

13.2.2. Competing clause has been deleted in the project's DCA. PPPAC was informed that conservative traffic projects for Indira Dock and other projects of MbPT, including the instant proposal, is estimated as 12.91 MMTPA by 2020-21. Only 6.56 million tonnes is expected to be handled at the Harbour wall berth, another PPP project envisaged near the instant project. Thus, it was stated that traffic projections indicate that operations may be viable without any exclusivity requirement.

13.2.3. Fixed interest rate of 15% for delayed payments instead of SBI PLR plus 2% : On the issue of assuming an interest rate of 15% per annum for delayed payments, etc. in the project's DCA instead of SBI PLR plus 2% as mentioned in the MCA , the port authorities clarified that due to varying interest rates across different periods for ease of computation , a fixed interest @15% had been proposed. However they also stated that they now proposed amending the DCA in conformity with the standard MCA. PPPAC , during discussions, asked MoS to review the applicable interest rates in ongoing projects and whether amending the MCA to reflect best practices for lending and granting interest over delayed payments is required. MoS were also asked to adopt base rate for lending as per extant regime instead of SBI PLR.

(Action: MoS)

13.2.4. Induction of CISF⁴ personnel for manning security at the Port: PPPAC was informed that the same was added based on the recommendations of the MSDC⁵ and the cost for the same shall be borne by the Concessioneering Authority. Joint Secretary, MoS, stated that this provision is line with the MoS guidelines and cost of the same shall be borne by the Concessioneering Authority concerned.

13.3. Evacuation by rail and road: It was indicated that the cargo is proposed to be evacuated by rail and road. The instant project is well connected to the national highways network. MbPT is also undertaking the Wadala/Kurla rail line and has leased out the area for Eastern freeway etc. for improvement of road connectivity. No provision of rail depot is envisaged for the instant project as MbPT has its own railway yard which is connected to the Central Railway at Wadala. Joint Secretary, MoS stated that a dedicated rail freight line between Wadala and Kurla has been envisaged with completion expected in 2014.

⁴⁴ CISF: Central Industrial Security Force

⁵ MSDC= Maritime State Development Council

14. All members of the PPPAC were in agreement to recommend the proposal for grant of final approval.
15. The PPPAC recommended the proposal for grant of final approval for an estimated project cost (**EPC**) of **Rs. 696.27 crore**, for award on highest 'Royalty' basis, subject to fulfilment of the following conditions:
- a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
 - b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
 - c. MoS/Mumbai Port Trust (MbPT) shall incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs.
 - d. MoS shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoS/MbPT)

Agenda Item IV: Proposal from Ministry of Shipping for grant of final approval: Development of a Container Terminal at Tuna Tekra in Kandla Port, Kutch region in the State of Gujarat on DBFOT basis.

Total berth length & proposed handling capacity: Phase 1= 790m & 1.4 million tones equivalent units (MTEUS), Phase II= 1690m & 2.8 MTEUS and Phase III= 2480m & 4.185 MTEUS; Total Project Cost: Rs. 5991.71 crore; Cost of pre-construction activities to be financed by KPT:- Yet to be provided; Concession Period: 30 years including total 7 years of construction period over 3 phases of development.

Major development works/ structures: Develop mega container terminal with Phase 1 having 790 m berth length with effective length of 700 m for berthing, Phase 2 having 1690 m with effective length of 1400 m for berthing and Phase 3 having 2480m with effective length 2100 m for berthing having 15500 TEUs and -15.5 m of draught; Capital & maintenance dredging to provide depth at -17.05m below CD in the basin including turning circle, with draught of 14.5m with zero tide; Breakwaters, on COD for phase I, 2 nos, length of 974m; Rail network upto takeoff point for rail connectivity; Procure equipments to handle 1.40 mn TEU, 2.80mn TEU and 4.19 mn TEU per annum for the 3 respective phases; Utilities including IT systems, environmental safeguards, fire-fighting facilities etc.; and Operation & maintenance(O&M) thereof

16. Chairman, Kandla Port Trust (KPT) presented the project. It was stated that due to the high cost of the project, the project was envisaged in three phases. Phasing of the proposal is expected to create the capacity in line with traffic increase over a long period of time. Proposing such huge development in single phase or proposing low scale development may hamper the viability of the Project due to high cost burden to be spent in one go and lack of economies of scale respectively. This project was about 12 km away from the present area and around 2.1 km of effective berthing length was proposed to be created for handling 6 ships at these berths.

17. The Chair sought clarification for reasonableness of the project's estimated cost as it was very high and also on issues related to land availability and resettlement and rehabilitation. The Chair also stated that Estimated Project Cost (EPC) needs to be capped at the cost approved by the PPPAC in view of the fact that EPC at financial closure may differ. It was also added that should the Sponsoring Authority/Implementing Agency need to update the EPC, before the last date for submission of bids, a procedure may be formulated for the same and approval of the PPPAC sought thereafter. The process adopted could be to inform the members of PPPAC vide the PPPAC Secretariat, about the enhancement in EPC alongwith the reasons and justification. The PPPAC would then consider and approve the same. Sponsoring authority/implementing agencies would then in turn intimate the same to all the bidders prior to release of bid documents or issue a corrigendum to reflect this modification. MOS would carry out this wherever required. The Chairman, KPT responded that the project's cost had been based on a feasibility study undertaken by independent technical entity, and incorporated the latest available Schedule of Rates and EPC has been approved by the Board of KPT. With regard to land availability, Chairman KPT stated that Ministry of Railways (MoR) had already been paid for the land and allotment letter has been issued by MoR. Land from CPWD was also in place. The issue regarding 160 persons affected due to the project is under an active rehabilitation process is likely to be resolved prior to signing of the concession agreement.

(Action: MoS)

18. In response to queries from Deputy Secretary, DEA, the Chairman stated the following:

18.1. Applicants shortlisted: Two applicants have been shortlisted for the project.

18.2. Variation from Model Concession Agreement (MCA): Major deviations from MCA are:

18.2.1. Capital dredging has been included in the DCA, in variation to the MCA.

Chairman, KPT stated that the proposed project comprises of dredging

to be carried out in the Basin including Turning Circle, Inner Navigational Channel and Outer Navigational Channel which are all Project Specific requirements and not common user facilities. Hence, Capital and Maintenance dredging has been proposed to be undertaken by the Concessionaire. Regarding readiness of private parties, it was added that the private parties may prefer to do the dredging themselves instead of being dependent on Public Authority which has long drawn out procedures and processes to execute such huge work. As per the RFQ issued, the responsibility of the Concessionaire to carry out the dredging has been informed to the RFQ applicants. Two applicants have been shortlisted subsequently.

19. All members of the PPPAC were in agreement to recommend the proposal for grant of final approval.

20. The PPPAC recommended the proposal for grant of final approval for an estimated project cost (**EPC**) of **Rs. 5991.71 crore**, for award on highest '**Royalty**' basis, subject to fulfilment of the following conditions:
 - a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
 - b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
 - c. MoS/Kandla Port Trust (KPT) shall incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs (including correction of the definition of *debt due*)
 - d. MoS shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoS/KPT)

Agenda Item V: Proposal from Ministry of Shipping for grant of final approval: Development of a Container Terminal at Diamond Harbour near Kolkata Port, in the State of West Bengal on DBFOT basis.

Total berth length & proposed handling capacity: 900m, three berths of 300m each & 1.2 million TEUs capacity; Total Project Cost: Rs. 1758.50 crore; Cost of pre-construction activities to be financed by KoPT:- Rs. 50 crore estimated for land transfer cost, and Rs. 40 crore on shifting of utilities, environmental mitigations and other miscellaneous expenditure.; Concession Period: 30 years including total 4 years of construction period and projects implementation in two years each as 450 m of berth construction.

Major development works/ structures: Develop container terminal having 3 berths for container vessels, each having 0.4 million TEUs handling capacity; Container yard to cater to 1.2 million TEUs per annum of containers; A Rail yard for handling 18 rakes per day for cargo evacuation of 19,910 sqm for 2 BG track of adequate length to place full rake. Rail yard proposed to be developed in 2024-25 as the rail link is expected to be developed & operational by 2024; Construction of approach trestle of 14m width; Construction of internal road & circulation of 92,250 sq.m; Develop green belt area of 24,210 sqm; Construction of water reservoir of 200 sqm, STP of 450 sqm and drainage of 365 sqm; Equipments, RMQC(6), RMGC(2), MHC(1), RTGC; Utilities including IT systems, environmental safeguards, fire-fighting facilities etc. and Operation & maintenance (O&M) thereof.

21. Deputy Chairman, Kolkata Port Trust (KoPT) and Haldia Dock Complex (HDC) presented the project. It was stated container cargo is increasing at 9.8 percent annually in the Kolkata region. The potential to handle container cargo at Kolkata Port is 4.30 million TEUs. Presently, only 1.57 million TEU's are being handled by the KoPT and there is a un-catered demand of 2.9 million TEUs. Thus, in view of this shortfall, the instant proposal has been envisaged.

22. The Chair sought clarification for reasonableness of the project's estimated cost as it was very high and status of land availability and resettlement and rehabilitation issues. The Chair also inquired whether taking up the project presents an economic case especially as Sagar Port is envisaged and may be able to cater to container traffic. Secretary, MoS indicated that while Sagar port may be on the anvil, deficiency in handling of container cargo may still persist. Also, evacuation from Sagar port may not be efficient until the provision of connecting railways and road networks which have to be factored into the total project cost. The Chair stated that the Sagar Port project could be structured in a manner to avail itself viability gap funding under the VGF Scheme of Government of India and a master plan which takes an overall view is essential. Deputy Chairman, KoPT &

HDC stated that at Sagar Port only one container berth is presently envisaged for handling 3.7 million TEUs and stated that a master plan has been prepared for this purpose. Sagar port has been posed primarily as a facility for handling bulk cargo with a limited capacity to handle containers (0.3 Million TEUs per annum) in the first phase whereas Diamond Harbour has been planned for development for exclusive handling of containers to take care of additional traffic of KDS & HDC, both of which suffer from capacity limitations. Diamond harbour being a dedicated container terminal will continue to have its importance even after Sagar port comes up. Thus, even with development Sagar port, shortfall in handling of container cargo is expected at the KoPT. The Deputy Chairman, KoPT & HDC responded that the project's cost had been based on a feasibility study undertaken by independent technical entity, which incorporated the revised equipment procurement cost and the EPC has been approved by the Board of KoPT. Further, TAMP has approved the project's tariff.

23. Apropos the land availability, it was indicated that there will be exchange of land between Ministry of Defence (MoD) and KoPT with transfer of title. No financial implication is envisaged and MoD has granted written approval for the same. DGLL⁶ Land belongs to Ministry of Shipping (MoS) and it is expected that the same will be handed over to KoPT very soon. The balance land belongs mostly to Govt. of West Bengal with a very small parcel of private land. Apropos the R&R issues, it was stated that private land is yet to be acquired, the process for discussion with land owners has already commenced and all relevant issues shall be duly considered. Secretary, MoS stated that private land required was only 1.69 hectares and in case any issue regarding transfer of such land are perceived, the KoPT will consider a modification in alignment in favour of project's development. The matter is being pursued at the level of Chief Secretary, Govt. of WB. Land is expected to be acquired before signing of concession agreement. Land is expected to be handed over to the concessionaire within the time frame as per the project's DCA.

24. Deputy Secretary, DEA, requested clarification on the vessel type to be handled at shallow berth having draft of -9 m only. DS, DEA also stated that the project indicated only marginal viability and the financials for the project may need to be reviewed. The Chair directed that the financial analysis may be ascertained with the PPP Cell, DEA. Representative of Planning Commission inquired whether project may receive any bids owing to the marginal viability of the instant proposal and in view of the Equity IRR being only 14 percent. Secretary, Ports stated that while issues of financial assessments may be

⁶ Director General of Lighthouses and Lightships

examined the project may be allowed market testing atleast once. In case the project receives a good bid i.e. royalty to be shared with the KoPT, it may add to the revenue earnings of the Port Trust. In case the royalty quoted during the bidding stage is sub-optimal, the Board of KoPT is authorised to reject such bids after due consideration of the bids. Dy Chairman, KoPT &HDC further responded that only small barges are proposed to be handled as this is a riverine port. It was added that three applicants have been shortlisted for the project, thus, responses to the project appears reasonable. Thus, it was requested that project may be approved as the process was in advanced stage.

(Action: MoS/KoPT)

25. On the issue of dredging representative of Planning Commission stated that non-grant subsidy may be reduced to KoPT by Government of India (GoI). Dy. Chairman, KoPT &HDC stated that no separate capital or maintenance dredging is envisaged for the instant proposal on Diamond Harbour. It was stated that 98 percent of dredging is being undertaken at Haldia and only 2 percent of dredging requirement are for the Kolkata channel. With the development of the instant project, the pressure to transport container cargo may be reduced at the Haldia Dock Complex as well, in view of the demand of containerised cargo from the hinterland.

26. All members of the PPPAC were in agreement to recommend the proposal for grant of final approval.

27. The PPPAC recommended the proposal for grant of final approval for an estimated project cost (EPC) of **Rs. 1758.5 crore**, for award on highest '**Royalty**' basis, subject to fulfilment of the following conditions:

- a. MoS shall obtain clearances such as security, environment and forest clearance, before commencing work on the project site.
- b. MoS shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- c. MoS/Kolkata Port Trust (KoPT) shall incorporate the observations of Planning Commission and DEA with respect to corrections in the Schedules of the project DCAs.
- d. MoS shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoS/KoPT)

Agenda Item VI: Proposal from Ministry of Road Transport & Highways for grant of final approval: 4-laning with PSS of Katni- Shahdol- Anoopur to MP/Chatisgarh Border Section of NH -78 from km 0.00 to km 7.950 (Katni Bypass) & from km 4.600 to km 245 in the State of Madhya Pradesh under NHDP – IV, on BOT (Toll) basis.

**Total length: 234 including 2.80 km for 4 lane; Total Project Cost: Rs. 811.74 crore; Cost of pre-construction activities to be financed by MoRTH: Rs. 169.22 crore; Concession Period: 30 years including 2 years of construction period;
Total Land required: 722 ha.: Land available: 443.906 ha (61.40%); Land to be acquired: 278 ha (38.60%).**

Major development works/ structures: Major Bridge: 7; Minor bridges: 55; Bypasses: 8 of 54.215 km; ROB/RUB: 7/1; Major road junctions: 17; Service roads: Nil; Minor road junctions: 44; Toll plazas: 4 at Km 16.58, km 78.44, km 146.42 & km 221.46(design); Vehicular underpasses: 6; Pedestrian underpasses/ Cattle underpasses: Nil; Culverts: 413; Truck laybys: 4; Bus-bays/ Shelters: 25/25; Realignment: 28.170 km; New alignment: 7.25 km

28. Chief Engineer, MoRTH presented the proposal. It was informed that sixty one percent of total required land is available and accordingly, eligible for approval by PPPAC.

29. The Chair inquired about status of clearance for environment and reserve & protected forest land. Chief Engineer, MoRTH responded that as per guidelines of MoEF dated August 22, 2013 environmental clearance may not be required. However, an application for environment clearance has been submitted to MoEF on September 4, 2013 for the purpose of clarity on this issue. Additionally, another application for equivalent land transfer to forest land from Reserve & Protected Forest land for an area of 24.025 Ha land has been submitted to Collector. Clearance is expected within the next six months.

30. Deputy Secretary, DEA stated that performance security may be revised to Rs. 40.59 crore i.e. 5% of TPC instead of Rs. 38.0 crore in the project's DCA. Chief Engineer, MoRTH responded that performance security has been revised to Rs. 40.59 crore as suggested by DEA.

31. Representative of Planning Commission stated that the Fee Notification should be a Conditions Precedent as per the MCA. Chief Engineer, MoRTH agreed to incorporate the same in the DCA.

32. All the members of PPPAC were in agreement to recommend the proposal for grant of final approval.

33. The PPPAC recommended the proposal for grant of final approval for four-laning with PSS for a section between Katni- Shahdol- Anoopur to MP/Chattisgarh Border Section of NH -78 from km 0.00 to km 7.950 (Katni Bypass) & from km 4.600 to km 245 in the State of Madhya Pradesh under NHDP – IV on BOT (Toll) basis, for TPC of Rs. 811.74 crore with maximum VGF of Rs. 324.696 crore (40 percent of TPC), subject to fulfilment of the following conditions:

- 33.1. MoRTH shall revise the performance security to Rs. 40.59 crore and incorporate Fee Notification as Conditions Precedent in the MCA.
- 33.2. MoRTH shall issue Request for Proposal (RFP) only after ;
 - 33.2.1. 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”*
 - 33.2.2. Obtaining the environment clearances for the project
- 33.3. MoRTH shall incorporate the observations of Planning Commission and DEA with respect to the project DCAs as agreed to by MoRTH in their responses.
- 33.4. MoRTH shall obtain prior approval of the PPPAC on any change in scope of work or project configuration as noted above.
- 33.5. MoRTH shall circulate the revised documents to the members of the PPPAC for record.

(Action: MoRTH)

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

Ministry of Finance
Department of Economic Affairs

Public Private Partnership Appraisal Committee

61st Meeting on December 26, 2013

List of Participants

I. Department of Economic Affairs, Ministry of Finance

- i. Dr. (Shri) Arvind Mayaram, Secretary (**In Chair**)
- ii. Smt. Abhilasha Mahapatra, Deputy Secretary (PPP)

II. Department of Expenditure, Ministry of Finance

- iii. Mr. Piyush Srivastava, Director

III. Planning Commission

- iv. Dr. (Shri) A. Manohar, Dy. Adviser
- v. Shri K. R. Reddy, Consultant

IV. Ministry of Road Transport & Highways (MoRTH)

- vi. Shri Vijay Chibber, Secretary
- vii. Shri V.L Patanker, ADG
- viii. Shri A.K Nagpal, CE
- ix. Shri Atul Kumar, SE

V. Ministry of Shipping (MoS)

- x. Dr. (Shri) Vishwapati Trivedi, Secretary
- xi. Shri N. Muruganandam, Joint Secretary
- xii. Shri R. Srinivasa Naik, Director
- xiii. Shri Anant K. Saran, Deputy Secretary

VI. Jawaharlal Nehru Port Trust (JNPT)

- xiv. Shri N.N. Kumar, Chairman
- xv. Shri A.J Lokhande, Chief Manager
- xvi. Shri M.M. Hasija, DFA

- xvii. Shri N.A. Deshpande, Mnager (PPD)

VII. Ennore Port Limited(EPL)

- xviii. Shri M.A Bhaskarachar, Chairman cum Managing Director (CMD)
xix. Shri Sanjay Kumar, Director, EPL
xx. Shri M. Gunasekaran, GM, Finance
xxi. Shri Nagarajan, Senior Mananger (P)

VIII. Mumbai Port Trust (MbPT)

- xxii. Shri Rajiv Gupta, Chairman
xxiii. Shri R. Jayachandran, FA & CAO
xxiv. Shri G.M. Yerandekar, Dy. CE
xxv. Shri S. Manna, EE

IX. Kandla Port Trust (KPT)

- xxvi. Shri P. Mara Pandian, Chairman
xxvii. Shri A. Krishnan, FA & CAO
xxviii. Shri R. Murugadoss, CE

X. Kolkata Port Trust (KPT) and Haldia Dock Complex (HDC)

- xxix. Shri Manish Jain, Dy. Chairman, KoPT & HDC
xxx. Shri S. RoyChowdhury, Project Director, KoPT

XI. Department of Legal Affairs

- xxxi. Smt. Poonam Suri, D.L.A

XII. Government of Madhya Pradesh (GoMP)

- xxxii. Shri Anil Chansoria, CE, Madhya Pradesh Road Development
Corp[oration (MPRDC)
xxxiii. Shri Arun Paliwal, GM (Finance), MPRDC
