



Directorate of Institutional Finance

(Public Private Partnership Cell)
Government of Madhya Pradesh

No. DIF/PPP/70/SLEC-13/2012/ 2437

Dated: 6th September, 2012

To,

1. Principal Secretary, Govt. of M.P, Finance Department, Mantralaya, Bhopal
2. Principal Secretary, Govt. of M.P, Law Department, Vindhyachal Bhawan, Bhopal
3. Principal Secretary, Govt. of M.P., Public Works Department, Mantralaya, Bhopal.
4. Secretary, Govt. of M.P, Planning, Economics & Statistics Department, Mantralaya, Bhopal.
5. Secretary, Govt. of M.P, Information & Technology Department, Mantralaya, Bhopal.
6. Managing Director, M.P. Road Development Corporation, Bhopal
7. Managing Director, M.P. State Electronic Development Corporation, Bhopal

**Sub:Minutes of the 13th meeting of the State Level Empowered Committee for
Public Private Partnership (PPP) Projects.**

The 13th meeting of the SLEC for PPP Projects was held on 30th August, 2012 under the Chairmanship of the Chief Secretary. As directed, copy of the minutes of the said meeting is enclosed herewith.

Encl: as above.

Sd/-
Joint Director
Institutional Finance

Endt. No. DIF/PPP/70/SLEC-13/2012/2438 Bhopal, 6th September, 2012

Copy to – Staff Officer to the Chief Secretary, Government of Madhya Pradesh,
Mantralaya, Bhopal for information please.

Sd/-
Joint Director
Institutional Finance

State Level Empowered Committee for Public Private Partnership Projects

13th Meeting

30th August 2012

Venue: CS Ante Chamber

Minutes

The 13th Meeting of the State Level Empowered Committee (SLEC) for Public Private Partnership projects was held on 30th August 2012. The list of participants is at Annexure A. The Committee discussed the agenda items in detail and the following decisions were taken:

Agenda Item No. 1– Development of Balaghat –Baihar Road (SH -26) on BOT (Toll + Annuity) basis (Revised Proposal) and Development of Sabalgarh – Karoli Road up to Rajasthan border Road (SH -2) on BOT (Toll + Annuity) basis (Revised Proposal) proposed by MP Road Development Corporation Limited (MPRDC) – for final approval.

A. The above two proposals were discussed in detail and the following decisions were taken -

1. Balaghat - Baihar Road on Bot (Toll+Annuity) -

i. The Managing Director, MP Road Development Corporation apprised the Committee that RfQ for Balaghat Baihar Road was invited on VGF on 8.03.2011. Out of the 19 bidders who submitted their RfQ, only 1 RfP was received which was for 58.83% VGF. Since Government of India's VGF Policy limits the VGF to 40%, therefore, the proposal received was rejected.

ii. The Committee was further informed that since the bids were very high for VGF, the project was redesigned on VGF + Deemed shadow Toll. However, the Government of India has not approved the concept of Deemed Shadow Toll. Since MPRDC was left with no other option and this is the only State Highway in the area and development of the road is essential, hence MD, MPRDC have now proposed the development of Balaghat - Baihar Road on Toll + Annuity.

2. Sabalgarh -Karoli Road on BoT (Toll+Annuity) -

i. The Managing Director MPRDC informed the Committee that for the development of the proposed Sabalgarh-Karoli Road, RfP was issued to bidders on BoT (Annuity) basis. However no bidder submitted financial

proposal. Since the project was not viable on BoT Annuity, the proposal is now being revised on BoT (Toll + Annuity).

- B. The Committee considered both the above proposals and recommended the projects for in-principle approval by the Cabinet. The Committee approved the documents on BoT (Toll + Annuity) basis.**

Agenda Item No. 2: Withdrawal of panel of Transaction Advisor (TA)

- i. The Committee was informed that Government of India has withdrawn the panel of Transaction Advisor vide their circular dated 30-4-2012. Subsequently Government of M.P. has also withdrawn the said panel of Transaction Advisor vide their circular dated 28-6-2012.
- ii. However, it has been observed that certain departments like Medical Education & Eco-Tourism Board have floated Request for Proposals from the erstwhile panel of Transaction Advisor prior to the issue of Government of M.P. circular dated 28-6-2012.
- iii. During discussion the Managing Director, MPRDC informed that M.P. Road Development Corporation has been undertaking consultancy services for some departments, therefore, MPRDC may be assigned the role of TA for Medical Education Department. It was decided that, if MPRDC has a mandate in its Article of Association etc. to execute such projects, then he may discuss with Principal Secretary, Medical Education about his proposal and thereafter, the matter be brought before the Cabinet.
- iv. Principal Secretary, Finance informed the Committee that the Finance Department has initiated proceedings for empanelment of a Transaction Advisory panel to help departments expedite the process of appointing TA for the PPP project. The Chief Secretary directed that all sectoral requirements should be covered by this panel and that TA may be empanelled for one or more group.
- v. With regard to such cases where the RfP for TA has been initiated prior to withdrawal of TA panel, it was decided by the Committee that since there is a grey area in deciding whether appointment of TA from panel should be allowed in those cases where RfP was issued before issue of circular and now since there is no panel in existence, the matter may be processed for seeking directions in the matter after Finance Department has taken a view in the matter.

Agenda No. 3: Revised proposal for setting up IT park in Indore under PPP.

- i. The Committee considered the proposal in detail and the following decision was taken:
- ii. The Department of Information Technology has proposed a revision of the proposal for development of IT Park in Indore. However since the project parameters did not confirm to the PPP guidelines the department was directed to adopt suitable mode other than PPP and bring it before the Cabinet after making necessary modifications.

Agenda No. 4: Proposal for Development / Construction of Bara - Waraseoni (Up-to Maharashtra border) MDR Road on BoT (Annuity+Toll) basis proposed by MPRDC

- i. The Committee considered the proposal and recommended the project for seeking in-principle approval by the cabinet. The Committee approved the documents on BoT (Toll + Annuity) basis.

Additional Agenda with the permission of the chair-

1. Revised proposal for development of Ater-Jaitpur Road by MPRDC -

- i. The Managing Director MPRDC informed the Committee that the proposal for Development of existing Ater-Jaitpur Road on BoT (Toll+VGF) was approved by the SLEC for PPP projects on 24-2-2012.
- ii. Subsequently, MPRDC had forwarded a revised proposal to the PPP Cell in which the rates were being reviewed on account of revision of toll rates. The PPP Cell was of the view that since toll rate revision is under the purview of the department, therefore, the proposal could not be considered by SLEC. However, Managing Director MPRDC informed the Committee that there are changes in the financial structuring of the project hence, there is need for the SLEC to review the project.
- iii. The Committee directed that the proposal may be re-examined by the SLEC.

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

**List of Participants in the 13th Meeting of the State Level Empowered Committee
(SLEC) for PPP Projects held on 30-08-2012**

1. Shri R. Parasuram, Chief Secretary, in the Chair
2. Shri K.D. Khan, Principal Secretary, Govt. of M.P., Law Deptt.
3. Shri Ajay Nath, Principal Secretary, Govt. of M.P., Finance Deptt.
4. Shri K.K. Singh, Principal Secretary, Govt. of M.P., Public Works Deptt.
5. Shri Ashok Shah, Commissioner, Institutional Finance, Govt. of M.P.
7. Shri Vivek Agarwal, Managing Director, MP, Road Development Corporation
8. Shri Hari Ranjan Rao, Secretary, Govt. of M.P., Information & Technology Deptt.
9. Shri M.K. Tyagi, Advisor, State Planning Commission.
10. Shri Anil Chansoria, Chief Engineer, M.P. Road Development Corporation.
11. Shri Narendra Kumar, Chief Engineer, M.P. Road Development Corporation.
