



**Directorate of Institutional
Finance**
(Public Private Partnership Cell)
Government of Madhya Pradesh

No. DIF/PPP/345/SLEC-14/2013/ 581

Dated 20.02.2013

To,

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

**Sub: Minutes of the 14th meeting of the State Level Empowered Committee for
Public Private Partnership (PPP) Projects.**

The 14th meeting of the SLEC for PPP Projects was held on 8th February, 2013 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/345/SLEC-14/2013/ 582

Dated 20.02.2013

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

14th Meeting

8th February 2013

Venue: CS Ante Chamber

Minutes

The 14th Meeting of the State Level Empowered Committee (SLEC) for Public Private Partnership projects was held on 8th February 2013. The list of participants is at Annexure A.

The Commissioner, Institutional Finance briefed the Committee about the proposals put up for consideration. He apprised that total 13 projects are being put up, 11 of MP Road Development Corporation and 2 of MP State Cooperative Dairy Federation. Out of the 11 projects of MPRDC, 6 proposals were those which had been posed before earlier SLECs and were now put up as revised proposals. The Commissioner also informed that the State would have to bear an additional amount of about ₹ 500 cr due to proposed revision of projects from Toll+ VGF to Toll + Annuity.

The Committee discussed the agenda items in detail and the following decisions were taken:

- 1. Agenda Item No. 1 – Development / Road upgradation of existing Damoh-Katni Road on BOT (Toll+Annuity) basis proposed by MP Road Development Corporation Limited (MPRDC) - Revised proposal for final approval.**
 - i. The Managing Director, MP Road Development Corporation apprised the Committee that RfQ for Damoh-Katni Road was invited on VGF in June 2012 after Government of India had provided in-principle approval for VGF assistance. 19 bidders were shortlisted but no financial bids were received when RfP was invited in July 2012. The last date of submission of the bids was extended, yet no bids were received. It was also informed that the VGF option was the first priority for the projects. The project was not viable on this and the Annuity mode is opted for, that too after analysing the traffic density, traffic growth and other such parameters, which form the basis for the financial analysis. MD, MPRDC reiterated that there was no surety to get bidders on the second call for those projects with VGF+Toll model and also it will take another 3-4 months which will further delay the project. Therefore

he has posed the revised project under Toll + Annuity basis. Further, the projects now being posed before the Committee are the balance works after all the other works have been taken up .

- ii. As regards the Annuity commitment of the State, the Managing Director, MP Road Development Corporation apprised the Committee of the total commitment for the coming 3 years. In Financial Year 2013-14 the Annuity commitment would be ₹ 175.92 cr, for FY 2014-15 it would be ₹ 523.88 cr and for FY 2015-16 it would be ₹ 600.28 cr which would be within the expected plan ceiling of the Department.
- iii. Principal Secretary, Finance told the Committee of the additional burden that the State would have to bear as a result of shifting the project from VGF to Toll + Annuity. The Annuity figures given by the MP Road Development Corporation needs to be reconciled with the Finance Department so that the ceiling of Annuity is not crossed.
- iv. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on BoT(Toll+ Annuity) basis.

2. Agenda Item No. 2: Development of Rewa Ring Road on BOT (Toll+Annuity) basis proposed by MP Road Development Corporation Limited (MPRDC) - Revised proposal for final approval.

- i. The Managing Director, MP Road Development Corporation apprised the Committee that RfQ for Rewa Ring Road was invited on VGF in August 2011 after Government of India had provided in-principle approval for VGF assistance. 14 bidders were shortlisted but no financial bids were received when RfP was invited in May 2012. The RfP was re-invited, yet no bids were received. MD, MPRDC reiterated that there was no surety to get bidders on the second call for those projects with VGF+Toll model and also it will take another 3-4 months which will further delay the project. Therefore he has posed the revised project under Toll + Annuity basis. The maintenance parameters were also revised accordingly.
- ii. Principal Secretary, Finance told the Committee of the additional burden that the State would have to bear as a result of shifting the project from VGF to Toll + Annuity. The Managing Director, MP Road Development Corporation

assured the Committee that the annuity for the projects will be within the ceiling prescribed by the Finance Department.

- iii. It was discussed that for better provision of services, industrial expansion in the area and other socio economic considerations, there is urgent need for taking up the said project in the area.
- iv. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on BoT(Toll+ Annuity) basis.

3. Agenda Item No. 3: Development / Road upgradation of existing Ratlam-Sailana-Banswada Road on BOT (Toll+Annuity) basis proposed by MP Road Development Corporation Limited (MPRDC) - Revised proposal for final approval.

- i. The Managing Director, MP Road Development Corporation apprised the Committee that bids for Ratlam-Sailana-Banswada Road was invited on VGF after Government of India had provided in-principle approval for VGF assistance. RfQ was invited in December, 2011 and 22 bidders were shortlisted but no financial bids were received when RfP was invited in June 2012. The last date for submission of bids was extended upto September 2012. However again no bids were received. MD,MPRDC reiterated that there was no surety to get bidders on the second call for those projects with VGF+Toll model and also it will take another 3-4 months which will further delay the project. Therefore he has posed the revised project under Toll + Annuity basis.
- ii. The Committee was informed that at present this area is unconnected, therefore there is an urgent need for taking up the said project in the area.
- iii. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on BoT(Toll+ Annuity) basis.

4. Agenda Item No. 4: Development / Road upgradation of existing Betul-Sarni-Tikadhan-Junnardeo-Parasiya Road on BOT (Toll+Annuity) basis proposed by MP Road Development Corporation Limited (MPRDC) - Revised proposal for final approval.

- i. The Managing Director, MP Road Development Corporation apprised the Committee that bids for Betul-Sarni-Tikadhan-Junnardeo-Parasiya Road was invited on VGF+ Deemed Shadow Toll basis and after selection of developer the Concession Agreement was also executed on 12.05.2011. However the bidder failed to achieve financial closure and the concession agreement was terminated. RfQ was again invited in March,2012 and 11 bidders were shortlisted but no financial bids were received when RfP was invited in June 2012. The last date for submission of bids was extended upto September 2012.However again no bids were received. MD,MPRDC reiterated that there was no surety to get bidders on the second call for those projects with VGF+Toll+ Deemed Shadow Toll model and also it will take another 3-4 months which will further delay the project. Therefore he has posed the revised project under Toll + Annuity basis.
- ii. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on BoT(Toll+ Annuity) basis.

5. Agenda Item No. 5 : Development / Road upgradation of Burhanpur Ring Road on BOT (Toll+Annuity) basis proposed by MP Road Development Corporation Limited (MPRDC) - Proposal for reconsideration.

- i. Reiterating its earlier decision dated 24.2.2012, the Committee found that there was no need of construction a Ring Road .It was decided that the Department should consider construction of only a By-Pass connecting Burhanpur-Indore and Burhanpur-Edlabad Roads.

6. Agenda Item No. 6 : Development / Road upgradation of Ater-Jaitpur Road including High level bridge across Chambal River(3/8 to 4/8 km)on BOT (Toll) basis with VGF proposed by MP Road Development Corporation Limited (MPRDC) - Proposal for final approval.

- i. MD, MPRDC explained that the proposal for Ater-Jaitpur Road was presented before the Committee but since there was revision in the financial analysis, it had been put up again before the Committee. It was decided by the Committee that:
 - ii. The necessary approvals for the Toll charges shall be obtained from the competent authority.
 - iii. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the document i.e, Concession Agreement with VGF as per existing policy of VGF support from Gol .
- 7. Agenda Item No. 7 : Proposal for Development / Construction of Tikamgarh (Dhajrai)-Jatara-Palera-Nowgaon Road (MDR) on BOT (Annuity + Toll) basis proposed by MP Road Development Corporation Limited (MPRDC) - Proposal for final approval.**
- i. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on BoT(Toll+ Annuity) basis.
- 8. Agenda Item No. 8 Development / Construction of Ujjain-Simhastha Bypass Road on BOT (Annuity + Toll) basis proposed by MP Road Development Corporation Limited (MPRDC) - Proposal for final approval.**
- i. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on BoT(Toll+ Annuity) basis.
- 9. Agenda Item No. 9 : Establishment of Aseptic Packaging Unit (Tetra Pack) in the premises of Main Dairy Plant of Indore Cooperative Milk Union, for Aseptically Packing Milk, Flavoured milk and Lassi etc - proposed by MP State Cooperative Dairy Federation (MPCDF) - For In principle approval.**
- i. Managing Director, MP State Cooperative Dairy Federation informed the Committee that the proposal is for in-principle approval and detailed documentation shall be done after appointment of Transaction Advisor. Thereafter the proposal shall again be put up for approval of this Committee.

- ii. The Committee decided to give in-principle approval to develop the project with clear concept of PPP model.
- 10. Agenda Item No. 10: Establishment of 30 MTPD Capacity Milk Drying Unit in the premises of existing Main Dairy Plant of Ujjain Cooperative Milk Union, Ujjain on PPP basis - In principle approval.**
- i. Managing Director, MP State Cooperative Dairy Federation informed the Committee that the proposal is for in-principle approval and detailed documentation shall be done after appointment of Transaction Advisor. Thereafter the proposal shall again be put up for approval of this Committee.
 - ii. The Committee decided to give in-principle approval to develop the project with clear concept of PPP model.

Additional Agenda with the permission of the chair-

- 11. Additional Agenda Item No. 1 : Proposal for Development / Construction of Bhadbhada Gate-Neelbad-Ratibad-Sehore (MDR) Road on BOT (Annuity +Toll) basis proposed by MP Road Development Corporation Limited (MPRDC).**
- i. The above proposal was discussed in detail and the Committee found that this road was constructed last year under CRF and was in good condition. Principal Secretary, Public Works Department mentioned that this should not have been posed under PPP.
 - ii. Hence the Committee decided that since the Department had made investment in constructing the Road under the CRF scheme and the road was completed in the last year only, there is no need to reconstruct the same road under PPP so early.
- 12. Additional Agenda Item No. 2 : Upgradation and Maintenance of existing Budhni-Rehti-Nasrullaganj-Khategaon Road an OMT Project on BOT (Toll) - basis proposed by MP Road Development Corporation Limited (MPRDC) Proposal for final approval.**
- i. The Committee discussed the proposal and recommended the projects for approval by the Cabinet. The Committee approved the documents on BOT(Toll)-OMT basis.

13. Additional Agenda Item No. 3 : Proposal for Development of 17 RoB's and 15 LHS on 17 locations of existing Railway Level Crossings in the State of M.P. on BOT (Toll) basis proposed by MP Road Development Corporation Limited (MPRDC).

- i. The Managing Director, MP Road Development Corporation apprised the Committee that in this project, construction of 17 RoBs and 15 LHS is to be considered under a single package. The justification for clubbing the whole project worth about ₹ 700 cr is that only able and experienced contractors shall be bidding for this work. The MD also informed that since toll would not be levied in RoBs falling under the city area therefore there would be cross subsidization of toll under the project.
- ii. After detailed discussion it was decided in principle to approve 17 ROBs and 15 LHS on 17 locations of existing Railway Level Crossings in the State of M.P. on BOT (Toll) basis as proposed by MP Road Development Corporation Limited (MPRDC). However it was decided that before taking further action, the detailed proposal in this regard will be examined by CIF.

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

**List of Participants in the 14th Meeting of the State Level Empowered Committee
(SLEC) for PPP Projects held on 8-02-2013**

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 S.R.Mohanty, , Principal Secretary, Govt. of M.P., Planning, Economics & Statistics Deptt.
5. Shri K.K. Singh, Principal Secretary, Govt. of M.P., Public Works Deptt.
6. Shri Ashok Shah, Commissioner, Institutional Finance, Govt. of M.P.
7. Shri Vivek Agarwal, Managing Director, MP, Road Development Corporation
8. Smt.Sudha Chaudhary, Managing Director, MP State Cooperative Dairy Federation, Bhopal.
9. Shri C.P.Agarwal, 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.
