



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

No. DIF/PPP/345/SLEC-19/2014/467

Dated 11-02-2014

To,

1. Additional Chief Secretary, Govt. of M.P. Commerce & Industries Department, Mantralaya, Bhopal.
2. Additional Chief Secretary, Govt. of M.P. Planning Department, Mantralaya, Bhopal.
3. Additional Chief Secretary, Govt. of M.P. Finance Department, Mantralaya, Bhopal.
4. Principal Secretary, Govt. of M.P. Law Department, Vindhyachal Bhawan, Bhopal.
5. Principal Secretary, Govt. of M.P. Public Works Department, Mantralaya, Bhopal.
6. Principal Secretary, Govt. of M.P. Food & Civil Supplies Department, Mantralaya, Bhopal.
7. Secretary, Govt. of M.P. Information Technology Department, Mantralaya, Bhopal
8. The Managing Director, M.P. Road Development Corporation, Bhopal.
9. The Managing Director, M.P. Warehousing & Logistics Corporation, Bhopal.

**Sub: Minutes of the 19th meeting of the State Level Empowered Committee for
Public Private Partnership (PPP) Projects.**

The 19th meeting of the State Level Empowered Committee for PPP Projects was held on 5th February, 2014 under the Chairmanship of the Chief Secretary. As directed, copy of the minutes of the said meeting is enclosed herewith.

Encl: as above.

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Joint Director
Institutional Finance

Endt. No. DIF/PPP/345/SLEC-19/2014/468

Dated 11-02-2014

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

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Joint Director
Institutional Finance

State Level Empowered Committee for Public Private Partnership Projects

19th Meeting

5th February 2014

Venue: CS Ante Chamber

Minutes

The 19th Meeting of the State Level Empowered Committee (SLEC) for Public Private Partnership projects was held on 5th February 2014. The list of participants is at Annexure A.

Commissioner, Institutional Finance briefed the Committee about the proposals put up for consideration. He apprised that 06 projects are being put up in the original agenda and 03 projects as additional agenda. Out of these 09 projects, 05 projects are from MP Road Development Corporation, 01 project of Steel Silos from MP Warehousing & Logistics Corporation, 01 project of Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd was for amendments in minutes and 01 agenda item was for projects being dropped by Departments.

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

- 1. Agenda Item No. 1- Proposal for Development of Baretha - Ghodadongari Road – (MDR) on BOT (Annuity + Toll) basis proposed by MP Road Development Corporation Limited (MPRDC).**
 - i. Managing Director, MP Road Development Corporation apprised the Committee that this was a MDR Road and that the existing road needs to be developed.
 - ii. On examining the detailed area map, it was apparent that there was a Railway line between Shahpur to Ghadadongri .Constructing a road from Shahpur to Ghadadongri will require a lot of land acquisition since there was no right of way available.Thus there was need for development of road from Baretha to Ghodadongari where an old road already exists .
 - iii. Therefore the Committee discussed the proposal and recommended the project for development of Baretha - Ghodadongari Road – (MDR) on BOT (Annuity + Toll) for in-principle approval by the Cabinet. The Committee approved the documents on BOT(Annuity+ Toll) basis.

2. Agenda Item No. 2- Development of Manawar- Singhana- Kukshi Road on BOT(Toll + VGF) basis : Amendment in Concession Agreement.

- i. The project for Development of Manawar- Singhana- Kukshi Road on BOT (Toll + VGF) was recommended for approval by the State Level Empowered Committee in its 7th meeting dated 14th July,2011.The project was approved on VGF with upto 20% VGF as O&M grant from the Government of Madhya Pradesh. However, in the concession agreement for the said road project executed on 14.03.2012 the grant to be given to the Concessionaire was in the form of Equity Grant.
- ii. Managing Director, MPRDC informed that this was an error in the Concession Agreement and that the Concessionaire has agreed to an amendment in the Concession Agreement. The necessary amendment in Article 25.2.2 of the Concession Agreement was made on 8.10.2013 and as per amendment the Equity support was restricted to a sum not exceeding 20% of the Total Project Cost. There by enabling the balance grant to be disbursed as O&M grant by the Government of Madhya Pradesh.
- iii. The project has achieved Commercial Operation Date (COD) on 6.5.2013 and the first instalment of O&M Support is to be released within 90 days of COD.
- iv. The Committee discussed the proposal and consented to the amendment made in the Concession Agreement as an exceptional case.

3. Agenda Item No. 3- Proposal for Development of 8 Projects of Steel Storage Silos each with an installed / designed capacity of 50,000 MT for storage of Food grains in Sehore, Dewas, Vidisha, Ujjain, Satna, Harda, Hoshangabad and Raisen on DBFOT (VGF) basis under PPP - proposed by M.P.Warehousing & Logistics Corporation, Bhopal - For Final approval.

- i. Managing Director, MP Warehousing Corporation apprised the Committee that MPWLC had submitted proposal for setting up 10 projects for "Development of Steel Storage Silos", each with an installed capacity of 50,000 MT on DBFOT (with VGF) basis under PPP mode at different locations (Districts) in the State.The project proposals were earlier considered by SLEC in its meeting held on 6th April, 2013 for 'in-principle' approval. However, for agenda of the current SLEC meeting, only 8 proposals are being considered.

- ii. MPWLC had issued RFQ, shortlisted prospective bidders / developers and had called for financial proposals from shortlisted bidders (RFP). The 49th Meeting of the Empowered Institution for Viability Gap Funding (VGF) support held at Gol level, approved the documents with comments. DEA/GOI has accorded its in-principle approval for VGF to an extent of 20% for these 8 projects.
- iii. MPWLC apprised the committee that in 7 Projects (excluding Sehore, where a premium has been quoted), the lowest bids quoted by the successful bidders for grant ranges from 6.91% to 10.18%. They also apprised that all the variations made in the Concession Agreement were as per discussions with Planning Commission of India.
- iv. It was also informed that as directed by the Planning Commission of India, MPWLC had got the documents legally vetted.
- iii. The Committee discussed the proposal and recommended the project for in-principle approval by the Cabinet. The Committee approved the documents on DBFOT (VGF) basis.

4. Agenda Item No. 4 : Development / Construction of Rau to Pithampur Road (4 Laning of existing 2 Lane Road) on BOT (Annuity + Toll) basis proposed by MP Audyogik Kendra Vikas Nigam (Indore) Limited (MPAKVN - Indore)- Proposed amendment in Minutes of the meeting.

- i. The proposal for Development /construction of Rau-Pithampur Road (4 laning of existing 2 lane Road)on BOT(Annuity + Toll) basis was approved in the 17th meeting of the SLEC on 14th August 2013.
- ii. As requested by the Department of Commerce and Industries the following amendments were approved in the minutes issued for the said Road project:

Point No.	As per minutes issued	Amendment approved
4(ii)	" ACS Commerce & Industries informed that legal opinion has been <u>sought</u> ..."	In place of sought-" obtained regarding ".
4(iii)	"The Committee decided that to avoid any complications in future, a clarification regarding competing roads"	In place of competing-" existing roads " may be substituted. However ," SH and NH " has also to be mentioned.

5. **Agenda Item No. 5- Reconsideration of projects approved on PPP mode:**

- i. The following Departments have requested to drop the PPP projects approved in the earlier State Level Empowered Committee. The details are as below:

Name of Department	Name of Project	Cost of Project (Rs in cr)
Department of Information Technology	Development of IT Park at Bhopal,Gwalior,Jabalpur	Bhopal- 113.00 Gwalior- 80.00 Jabalpur- 70.00
Department of Commerce, Industries & Employment	Development of Mineral based SEZ at Jabalpur & Development of Agro based SEZ at Jabalpur	Mineral SEZ- 200.00 Agro SEZ-70.00

- ii. The Secretary, Information Technology informed that the projects for development of IT Park at Bhopal, Gwalior, Jabalpur were approved in PPP mode. However these projects are not being developed under PPP and the committee was being apprised of the same.
- iii. The committee was also apprised of the decision of the Department of Commerce, Industries & Employment to drop the following projects from PPP mode:
- a) Development of Mineral based SEZ at Jabalpur.
- b) Development of Agro based SEZ at Jabalpur.
- iv. The committee was apprised that as per Government of India's scheme for providing financial support for Transaction Advisory services under the IIPDF (India Infrastructure Project Development Fund) Rs 16.05 lakhs has been received by M.P. A.K.V.N. Jabalpur which will have to be refunded by the concerned authorities.

- v. The Committee discussed the proposal and consented to the dropping of the projects from PPP mode.

The following projects were considered as an **Additional Agenda** item by the Committee:

6 Additional Agenda Item No. 1- Proposal for Development / Construction of Khandwa Bypass on BOT (Annuity + Toll) basis proposed by MP Road Development Corporation Limited (MPRDC) :

- i. Managing Director, MP Road Development Corporation apprised the Committee that Madhya Pradesh Road Development Corporation has proposed revised Proposal for development / construction of Khandwa Bypass on BOT (Annuity + Toll) basis.
- ii. The Committee discussed the proposal and decided to defer the proposal.

7. Additional Agenda Item No. 2- Revised Proposal for Development / Construction of Hata - Fatehpur - Rajpura - Silapuri - Bajana -Darguwan Road - SH 48 (for balance incomplete work) on BOT (Annuity + Toll) basis proposed by MP Road Development Corporation Limited (MPRDC):

- i. Managing Director, Madhya Pradesh Road Development Corporation apprised that revised proposal for Development / Construction of Hata - Fatehpur - Rajpura - Silapuri - Bajana -Darguwan Road - SH 48 (for balance incomplete work) on BOT (Annuity + Toll) basis is being presented before the committee.
- ii. The project was earlier approved and awarded. However, due to various reasons, the concessionaire stopped work on the project . Finally, MPRDC issued Termination Notice to the Concessionaire (M/s. Soubhagya) on 19.02.2013. Further, the Bankers also failed to procure a substitute concessionaire. MPRDC has now proposed to award the project (Balance Work) to a new concessionaire on PPP basis.
- iii. The Committee discussed the proposal and recommended the project for development of Hata - Fatehpur - Rajpura - Silapuri - Bajana -Darguwan Road - SH 48 on BOT (Annuity + Toll) for in-principle approval by the Cabinet. The Committee approved the documents on BOT(Annuity+ Toll) basis.

8. Agenda Item No. 3- Revised Proposal for Operation and Maintenance of existing Bela-Govindgarh-Churhat Road on BOT (Toll) - OMT basis proposed by MP Road Development Corporation Limited (MPRDC):

- i. Bela - Govindgarh - Churhat Road Project for upgradation, operation & maintenance was earlier considered and approved by SLEC in its 12th meeting held on 25th April, 2013. However, as reported by MPRDC, in its first attempt though it received financial proposals from 2 bidders, however, both required VGF (grant), lowest being of 6.28%. It decided to reinvited the bids. Against second attempt, it did not receive any financial bid.
- ii. MPRDC has now forwarded the revised Proposal for Operation and Maintenance of existing Bela-Govindgarh-ChurhatRoad on BOT (Toll) - OMT basis.
- iii. The Committee discussed the proposal and recommended the project for development of Bela-Govindgarh-Churhat Road on BOT (Toll) - OMT basis for in-principle approval by the Cabinet. The Committee approved the documents on BOT(Toll)-OMT basis.

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

(Approved by the Chairperson.)

(Ashish Upadhayaya)
OSD & Commissioner Institutional Finance
&
Ex Officio Secretary to the SLEC.

List of Participants in the 19th Meeting of the State Level Empowered Committee (SLEC) for PPP Projects held on 5-02-2014

1. Shri Anthony de Sa, Chief Secretary, in the Chair
2. Smt Ajita Bajpai Pande, Additional Chief Secretary, Govt. of M.P. Planning, Economics & Statistics Deptt.
3. Shri Ajay Nath, Additional Chief Secretary, Govt. of M.P., Finance Deptt.
4. Shri Ashish Upadhyaya, OSD & Commissioner, Institutional Finance, Govt. of M.P.
5. Shri Manohar Agnani, Secretary, Govt. of M.P , Food & Civil Supplies Deptt.
6. Shri Vivek Aggarwal, Managing Director, MP Road Development Corporation, Bhopal.
7. Shri Hari Ranjan Rao, Secretary, Govt of M.P. Information Technology Deptt.
8. Shri Sheo Shekhar Shukla, Managing Director, MP Warehousing & Logistics Corporation, Bhopal.
9. Shri.R.K. Verma, Secretary, Govt of M.P. Law Deptt.
10. Shri Manish Singh, Managing Director, M. P. Audyogik Kendra Vikas Nigam (Indore) Limited.
11. Shri V.S.Verma, Secretary, Govt of M.P. Public Works Deptt .
12. Shri. Anil Chansauria, Chief Engineer, BOT, ,MP Road Development Corporation, Bhopal.
13. Shri J.K.Dubey, Chief Engineer, MP Warehousing & Logistics Corporation, Bhopal.
14. Shri Narendra Kumar, Chief Engineer, MP Road Development Corporation, Bhopal.