

State Level Empowered Committee for Public Private Partnership Projects

7th Meeting

14th July 2011

Venue: CS ante-chamber

Minutes

1. The seventh meeting of the State Level Empowered Committee (SLEC) for PPP projects was held on 14th July 2011.
2. The following were present:

1.	Shri Avani Vaish	Chief Secretary, in the Chair
2.	Shri G.P. Singhal	Principal Secretary, Finance Department
3.	Shri K.K. Singh	Principal Secretary, Public Works Department
4.	Shri A.J. Khan	Principal Secretary, (Incharge) Law Department
5.	Shri Vivek Agarwal	Managing Director, M.P. Road Development Corporation
6.	Shri Rakesh Shrivastava	Managing Director, Agro Industries Development Corporation
7.	Shri C.D. Agarwal	Advisor, M.P. Planning Commission

3. The Committee discussed the agenda items in details.

Agenda Item No. 1 : Proposal for in-principle / final approval for Development/ Construction of 73 Major Roads Project on BOT basis by MPRDC Ltd.-The Appraisal Memorandum for all the 73 projects were placed before the Committee (Annexure-A). The Committee noted that out of 73 projects, 59 projects are on pure Annuity basis, 10 projects are on Annuity + Toll basis and 4 projects are Toll + VGF basis. The Committee considered the proposals in detail and approved the same for implementation subject to the following:

- On the basis of the annuity commitments for these Projects and annuity commitments for already sanctioned projects there should be a ceiling for annuity payments per annum . The annual plan budget of the Public Works Department for Financial Year 2011-12 is Rs.2062.38 Crores and after considering a 10% growth in annual budget, the Departments annual budget for the next year is expected to be Rs. 2268.00 crores and in the subsequent year is expected to be Rs. 2495.00 Crores. As suggested by Planning Commission, 20% of the plan outlay can be considered as the annuity ceiling. Since payout of annuity is to begin from the year 2013-14, hence based on estimated budget

for the year 2013-2014, total annuity payments in that year should not exceed Rs. 500.00 Crores for all projects including the already sanctioned projects.

- Accordingly, in-principle/final approval was given to the 73 projects subject to the ceiling of Rs 500.00 crores for all commitments on annuity.

Agenda Item No.2- Final approval for project proposal for setting up Food Parks in Ratlam, Bhopal and Harda by Madhya Pradesh State Agro Industries Development Corporation Ltd(MPSAIDC) was given with the following modifications in the Request for Proposals (RfP) and Concession Agreement:-

- i. **RfP Para 6.3 and Concession Agreement Article -2 Clause 2.4 (Site Transfer Mechanism and Leashold Rights)**
MPSAIDC shall provide land for the project on **Licence basis**.
- ii. **RfP para 6.5- (Incentive/ Concession for the Project)**
Land premium shall be paid on total land under License.
- iii. **RfP para 6.6- (Land Use-Defining Minimum Development Objectives)-**
Minimum Development Objectives should also indicate the parameters for physical progress.
- iv. **RfP para 6.7 and Concession Agreement : Article 4-clause 4.2 and 4.2.1 (Performance Security and payment of performance security)-**
Decision was taken to clearly mention the amount of Performance security required .The value of this shall be 5% of the total estimated cost of the project.
- v. **RfP para 6.7 and Concession Agreement : Article 2-clause 2.6-(Concession Period)-**
Decision was taken that after an initial period of 30 years Concession, further extension in the concession period is to be done as per norms applicable for MPAKVN lands.
- vi. **RfP Para 6.7 and Concession Agreement : Article 4 clause 4.1.3 and 4.1.4 (Up-Front Land Premium and Periodic Land Premium):**
With regard to Land Premium the following payment option may be included-
 - a) - 100% Up-front payment at the time of signing of the Concession Agreement.

OR

 - b) - 20% of the total Up-Front Land Premium at the time of signing of the Concession Agreement, and
 - Balance 80% Land Premium in 4 equated yearly installments, commencing from the end of the first year (i.e. before beginning of second year) and upto the end of the 4th year from the date of signing of the Agreement in such a manner that the Net Present Value

(calculated with discount rate of @12%) is equal to the Total Up-Front Land Premium quoted/offered.

vii Concession Agreement Article 3 ; clause: 3.2.6- Other submission-

It was decided that preferred bidder shall hold atleast 51% of the paid-up equity share holding in the SPV for atleast 8 years from the Agreement date.

viii Concession Agreement Article 3 ; clause: 3.4.2-Non- Fulfillment of Condition Precedent and Termination by Authority-

Decision was taken that the existing clause is to be amended to the extent that Premium paid and Performance Security be forfeited.

ix Concession Agreement Article 3: Condition Precedent-

It was decided that Conditions Precedent related to the Authority shall be added.

x Concession Agreement Article 4-Clause 4.1.5- Annual Rent Payment-

It was decided that concessionaire shall remit Annual Rent Payment @3 % (three percent) of the total Land Premium for the project to the Authority.

The Committee directed that the draft RFP and Concession Agreement may be suitably revised / modified / amended in accordance with the above decisions wherever required/necessary.

Meeting ended with a vote of thanks to the Chair.

Annexure A

PPP PROPOSALS ON ANNUITY			
S.No	Name of Project	Mode	Appx cost (Rs in Cr)
1	Tikamgarh-Orchha	Annuity	48.04
2	Devgularjod-Arandia	Annuity	57.84
3	Pipliya-Manasa	Annuity	63.21
4	Salsalai-Gulai	Annuity	31.03
5	Jaithri-Dharamdas	Annuity	38.7
6	Karthura-Chitrangi	Annuity	58.85
7	Beohari-Manpur	Annuity	58.36
8	Garhakota- Devri	Annuity	72.98
9	Rehli-Gorjhamar	Annuity	28.27
10	Dariapur-Jasawandi	Annuity	21.16
11	Badwah-Katekut	Annuity	34.99
12	Ashapur-Singot	Annuity	56.9
13	Bamkhlafata-Savardevala	Annuity	33.99
14	Punasa-Singhaji	Annuity	24.06
15	Beed-Attoot NVDA Road	Annuity	52.39
16	Alirajpur-Jobat	Annuity	45.31
17	Bawangaja-Bokrata Road	Annuity	47.01
18	AB Bambari Road	Annuity	17.19
19	Singhana-Chikalda	Annuity	23.04
20	Mangrol-Bagalwara	Annuity	30.79
21	Dehgoan-bamhori Road	Annuity	36.75
22	Babai-Itarsi Road	Annuity	56.31
23	Jaora-Sailana	Annuity	60.03
24	Raipuria-Bamniya	Annuity	25.73
25	Jawad-Khoh	Annuity	30.86
26	Soyat-Pidawa Road	Annuity	8.78
27	Sausar-Mordongri	Annuity	58.2
28	Sonapipari-Umbah Road	Annuity	43.73
29	Gadarwara-Tendukheda Road	Annuity	60.82
30	Dhaneta-Sahajpur	Annuity	22.45
31	Bichiya-Dindori	Annuity	84.05
32	Bailkhedu-Saroud Road	Annuity	23.55
33	Suraiya-Singori Road	Annuity	24.62
34	Phoolsagar-Shahpura	Annuity	156.9
35	Jawasa-Sunarpura Road	Annuity	38.87
36	Pawai-Prithvipura Road	Annuity	41.27

37	Ambha-Pinhat Road	Annuity	40.15
38	Tekna-Rameshwer	Annuity	37.5
39	Nadigoan-Seondha Road	Annuity	42.41
40	Sirsi-Musareedi	Annuity	20.04
41	Satanbada-Narwar Road	Annuity	46.26
42	Sijhata-Ater Road	Annuity	43.56
43	Poudi-Parsamniya	Annuity	31.42
44	Mangawar-Bekhuntpur Road	Annuity	26.29
45	Mandla-Pindra	Annuity	57.91
46	Slimnabad- Vilayatkalan	Annuity	114.85
47	Badnagar-Unhel	Annuity	79.22
48	Sundarabad-Runijia	Annuity	64.97
49	Gunnor-Maheva	Annuity	20.15
50	Chandla-Matondh	Annuity	51.89
51	Lateri-Bhagwantpur	Annuity	24.47
52	NH 86(Tyonda)- Ganjbasoda	Annuity	46.03
53	Itkhedi-Raslakhedi	Annuity	11.52
54	Kurawar-Iklera	Annuity	49.81
55	Ankhia-Dongargoan	Annuity	14.13
56	Kantaphod-Nachalbhor	Annuity	90.95
57	Bijwad-Deepgoan	Annuity	109.08
58	Harda-Chhipaner	Annuity	38.57
59	Betul-Atner	Annuity	45.39
	GRAND TOTAL		2723.6

PPP PROPOSALS ON TOLL + ANNUITY

S.No	Name of Project	Mode	Appx cost (Rs in Cr)
1	Panna-Amanganj	Toll+Annuity	97.13
2	Nagod-Kalinjer	Toll+Annuity	115.20
3	Seopur-Khwajapur	Toll+Annuity	61.8
4	Umari-Pratappur	Toll+Annuity	75.3
5	Datia-Bhandar Road	Toll+Annuity	52.83
6	Mundi-Sanawad(MDR)	Toll + Annuity	124.77
7	Waraseoni-Lalbarra	Toll+Annuity	42.51
8	Sitamau-Suwasara	Toll + Annuity	54.26
9	Damoh-Garhakota	Toll+ Annuity	71.88
10	Bahari-Hanumana	Toll+ Annuity	106.78
	TOTAL		802.46

PPP PROPOSALS ON TOLL				
S.No	Name of Project	Mode	Appx cost (Rs in Cr)	VGf
1	Patan-Reheti	Toll	175.96	33.88
2	Ashoknagar-Vidisha	Toll	87.06	17.09
3	Manawar-Kukshi	Toll	96.73	13.24
4	Sehora- Majhagoawn	Toll	92.65	18.05
	TOTAL		452.4	82.26