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1.1 Background

The Special Accelerated Road Development Programme in North Eastern Region (SARDP-NE) is a major initiative of the Government of India aimed at rapid development of road infrastructure in the North Eastern region of the country comprising of the eight states Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim. The main objective of the programme is to link the state capitals and district headquarters of the states in NER with double lane NH or State Roads to the existing NH network. The programme will thus include improvement, upgradation or construction of National Highways and State Roads.

1.2 Proposals submitted to MoRTH by Arunachal Pradesh PWD

The original proposals submitted by PWD, Arunachal Pradesh to the Ministry of Road Transport and Highways under SARDP-NE consisted of 12 roads of standard with an aggregate length of 1607 Km requiring upgradation or improvement of riding quality, with the objective of improving the connectivity to district headquarters which were yet to be linked directly by any NH. Three of these roads belonged to PWD while ten fell under BRO including one combined project a part of which is owned by PWD. The length under the two agencies worked out to 150 Km under state PWD and 1449 Km under BRO. Subsequently, the original proposals submitted by PWD, AP under the programme were reviewed in a meeting in the office chamber of Chief Secretary on 8 November, 2004. In that meeting it was decided that where the traffic intensity was not high the width of the roads proposed may be limited to single lane or intermediate lane only. After this review the total length of roads proposed under the programme reduced to 1234 Km, (1066 Km of GS roads within Arunachal Pradesh under BRO and another 32 Km falling within Assam and 136 Km of State Roads under PWD, AP.

The Ministry of Road Transport and Highways had invited proposals under SARDP-NE from both the state PWD and the Border Road Organisation (BRO). The projects identified by the Ministry, therefore, have a mix of roads under the two organizations. The programme envisioned consists of three phases viz. A, B and C with total length of 3000 Km (36.00 Km under Phase: A, 1757 Km under Phase: B and 1207.00 Km under Phase: C).

However, after series of meetings and deliberation on parts of MoRTH, PWD (Arunachal Pradesh), Ministry of Power, BRO, Planning Commission and other allied agencies, the phasing and packaging of the road development programmes in Arunachal Pradesh has

changed significantly. With the introduction of Trans-Arunachal Highways and roads connecting the HEPs and District HQs, the road development programme has taken gigantic proportions. In a bid to streamline the road development program, APPWD has requested MoRTH to make following modifications in SARDP

- ✓ Out of the list of roads in modified Phase-'B', GoAP considers extremely important to take up first the access to District HQs and NH-153 in Arunachal Pradesh to be developed to 2-Laned Highway. Advantage of access to District roads are that most of these detours along major river basins where many HEP are identified. Govt. of A.P. has drawn 42 Nos. MOUs with various private Power Developers for generation of 42,000 MW of power so far. Therefore these roads need to be taken up under SARDP-NE (Phase-'A').
- ✓ 2-laned "Border Highways" envisaged under BADP, specially along Indo-China sector will not be possible without developing 2-laned access to radial roads/District HQs.
- ✓ Trans-Arunachal Highway (mid-belt) length is 1839 Km, of which 832 Km is falls on radial roads and 1007 Km is the missing gap. Missing gaps may be taken up under SARDP-NE (Phase-'B')
- ✓ Portion of Trans-Arunachal Highway in districts adjacent to Nagaland in Western Sector of Tirap & Changlang is of priority to combat insurgency activities.
- ✓ Out of the total 2733 Km (Tentative) "Border Roads", length of 212 Km (Approved by GoI under Phase-'A'), 1022 Km (approved by GoI under Phase-'B') and New roads of about 1499 Km are best fitted for taking up under "Border Area Development Programme (BADP)".
- ✓ Access to three District HQs have been modified to avail the shortest access from nearest Highway. Yingkiongis via Mariyang, Daporijo via Paka Gongo alignment and Changlangis along Kutchep, Longtoiroute emerging at Tirap-Gate in Assam (Near Ledo). The list of SARDP-NE projects cleared so far by GoI for A.P. has missed 2-laned highway access to Khonsa and Changlang.

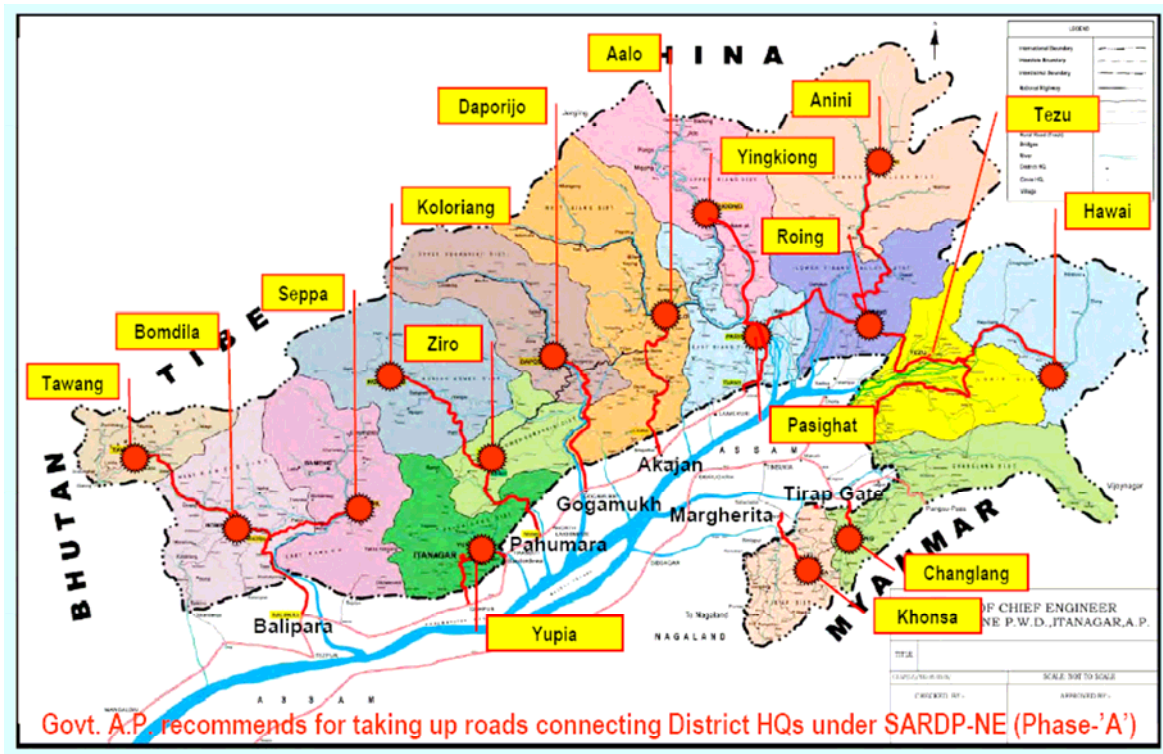
1.2.1 Access roads District HQs in Arunachal Pradesh

MoRTH vide its letter No. NH-12037/66/2006/SARDP/PWD/NH-10, Dtd. 01.11.2007 recommended 257.40 kms of road to be taken up under SARDP (NE) Modified Phase-'A' in Arunachal Pradesh. Whereas, APPWD has requested that out of this, 212 km of road stretch namely Lumla-Tashigao via Dudunghar (Indo-Bhutan border, 49 km), Taliha-Tato (Indo-China border, 100km) and Migging-Bile (Indo-China border, 76km)

be taken up under BADP and the rest 32.5 km road stretch i.e. Jairampur-Pangsu Pass (NH-153) be taken up under SARDP (NE) Phase-‘A’. Further, 1827 km proposed by MoRTH under SARDP (NE) Phase-‘B’ connecting 14 District HQs as per Ministry’s letter No. NH-12037/66/2006/SARDP/PWD/NH-10, Dtd. 01.11.2007 alongwith New roads of 140 km to link 2 District HQs not considered in earlier SARDP-NE programme be included in SARDP (NE) Modified Phase-‘A’’. The final list for SARDP (NE) Modified Phase-‘A’ as suggested by APPWD is presented in the table below.

Sl No	Road	Length
Originally Proposed by MoRTH		
1	Jairampur-Pangsu Pass (NH-153)	32.5 km
Sub Total (A)		32.5 km
Proposed by APPWD		
1	Jonai-Sitapani (NH-52)	335 Km
2	Balipara-Bomdila-Tawang	315 Km
3	Nechipu to Seppa	99 Km
4	Papu Nallah to Yupia	10 Km
5	Ziro-Pahumara	124 Km
6	Joram to Koloriang	158 Km
7	Gogamukh-Daporijo	125 Km
8	Akajan-Aalo	160 Km
9	Pasighat-Mariyang-Yingkiong	140 Km
10	Meka-Roing-Anini	235 Km
11	Hawa Camp to Hawaii	126 Km
Sub Total (B)		1827 Km
New roads to link district HQs proposed by APPWD		
1	Tirap Gate-Longtoi-Changlang	60 Km
2	Margherita-Deomali-Khonsa	80 Km
Sub Total (C)		140 km
Total (A+B+C)		1999 Km

The roads to be taken up under SARDP (NE) Modified Phase-‘A’ are shown in the figure below.



1.2.2 Trans Arunachal Highways

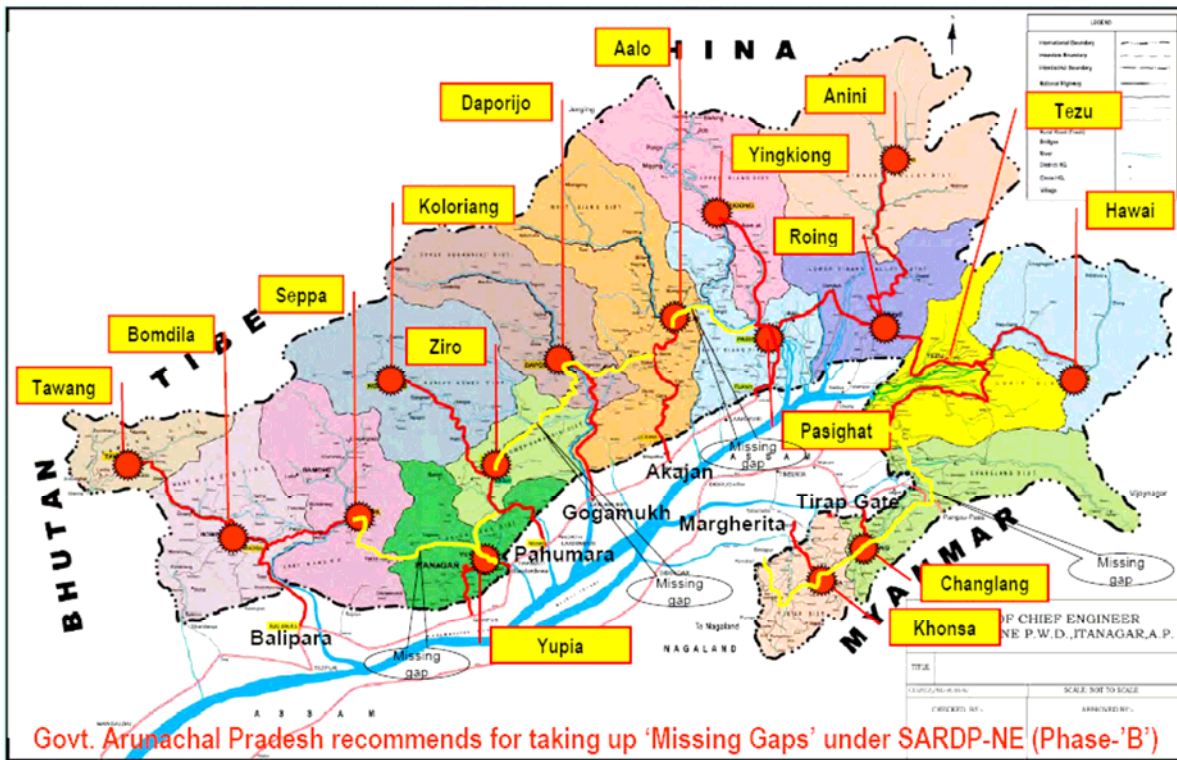
The Task Force on Connectivity and Promotion of Trade & Investment in NE has recommended construction of a Trans Arunachal Highways connecting Tawang/Balipara (passing through Bomdila –Nechipu –Seppa –Sagalee –Ziro –Daporijo –Along –Pasighat –Roing –Tezu –Mahadevpur –Namchik –Changlang –Khonsa –Kanubari) to NH-37 at Sibsagar. Prime minister, during his visit to Arunachal Pradesh in February, 2008 has formally announced this project and promised Rs.5500 crores of budgetary support for the project. This highway would connect

- (a) majority of District HQs
- (b) area of population concentration and agricultural / horticultural production
- (c) major hydro projects and river basins etc

This proposal involves only up-gradation of the existing network of ODR/MDR to double lane NH standards and construction of bridges. In fact stretches between Pasighat & Mahadevpur is already a NH and stretches of Tawang–Balipara, Nechipu–Seppa, Daporijo–Along, Namchik–Changlang are covered under SARDP–NE (Phase–‘B’).” Total road length of Trans Arunachal Highway is 1839 Km which includes 832 Km length of road already covered under SARDP-NE (Modified Phase-‘B’) Missing link is

of 1007 Km, will facilitate inter-district movement as well as direct access to State Capital Itanagar without detouring Assam.

The proposed alignment of Trans Arunachal Highway is shown in the figure below.



1.2.3 Roads connecting HEPs

According to the minutes of meeting held by Secretary, Power on 11.1.2008 with the Developers of Power Projects, the requirement of road connectivity to various power projects was approximately 1000 Kms for the eight power projects whose Developers participated in the meeting. However, certain portions of these road stretches are already covered under SARDP – NE. The net requirement for these projects is tentatively found out to be 850 kms. The Road connectivity requirement of the remaining Power Projects is yet to be assessed.

2.1 Proposed Packaging of road connectivity to Arunachal Pradesh

The micro level packaging can be firmed up at the Overall Masterplan stage. However, a broad packaging plan can be suggested at the outset as below, which can be further sub-divided into packages at an appropriate time.

1. Reconstruction/Rehabilitation/New construction of missing links in Trans Arunachal Highways (covering 1007 Kms). To be taken up in a staggered manner with district connectivity package and to complete by 2013.
2. District road connectivity programme, as suggested (in presentation to MoRTH, December 2008) by APPWD covering 1999 Km under SARDP-NE Phase A
3. Roads to HEPs of approximately 1000 Km.

Package I : New construction of missing links in Trans Arunachal Highways covering 1007 Km

Package III : District road connectivity programme covering roads of 1999 Km including improvement of existing roads which are part of the Trans Arunachal Highways

Package III : Roads to HEPs of approximately 1000 Km

A strategy needs be devised for packaging of roads with following objectives:

- ✓ Provide the best possible conditions for participation of contractors/developers by appropriate sizing of packages. The participation of local contractors may also be ensured by keeping in mind their capabilities/strengths while formulating the strategy of packaging of roads.
- ✓ Spread fixed costs for contractors/developers establishment and project implementation units over a reasonable network length to maximise resource use and keep construction costs down;
- ✓ Define networks that are reasonably contiguous

It is proposed that the road stretches which are contiguous in nature from across these above packages be further clubbed into sub-packages which would ensure minimal cost and ease of construction.

2.2 Implementation Plan

2.2.1 Proposed phasing plan of packages

The broad phasing plan proposed is as below

- ✓ Package I : Construction of missing links in Trans Arunachal Highways (covering 1007 Kms). To be taken up in a conjunction with district connectivity package and to complete by 2013.
- ✓ Package II: District road connectivity programme, as suggested (in presentation to MoRTH, December 2008) by APPWD covering 1999 Km under SARDP-NE Phase A and complete by 2014.
- ✓ Package III : Roads to HEPs of approximately 1000 Km. to be completed by 2013

2.2.2 Implementation Agency

There are several road stretches which are common to corridors proposed under the above mentioned packages. Therefore it is imperative that the above packages be developed and implemented by a single agency as it would lead to a better coordinated implementation program. It is proposed that APPWD be vested with responsibility of implementing these packages.

2.3 Suggested Implementation Mechanism

The mode of implementation as suggested by IL&FS is enumerated below.

2.3.1 Implementing Agency

It is proposed that APPWD in conjunction with a project development partner take up the implementation of three packages discussed earlier i.e. District road connectivity programme, construction of missing links in Trans Arunachal Highways and Roads connecting HEPs. This may help in better coordinated and organised execution of these projects as the above mentioned packages comprise of road stretches which are contiguous in nature and can be bundled optimally to ensure timely and cost-effective implementation.

For an efficient project development mechanism and timely implementation of projects, APPWD may enter into a Project Development and Promotion Partnership (PDPP) arrangement with IL&FS, the leading Infrastructure Development Institution of country for implementing the three packages.

A Joint Venture Company (JVC) could be formed by GoAP and IL&FS for undertaking the project development activities. IL&FS through its project development agency

IL&FS Infrastructure Development Corporation Ltd(IIDC) would provide the professional support to the JVC for discharging the entire concept to commissioning role.

2.3.2 Implementation models

At the outset it is envisaged that project would be implemented in EPC contract. However during the Overall Masterplan(enumerated in section 3.2) stage, other options like annuity may be explored. The roads connecting the HEPs may be structured as annuity projects.

2.3.3 Funding

The total cost involved in the above projects is estimated at around Rs 15,000 crores. The following sources of funding for implantation are envisaged.

- ✓ Government Budgetary Support would be the primary source of funding.
- ✓ Apart from funding from MoRTH, sources like NLCPR and NEC may be explored
- ✓ Annuity, based upon the viability, may be alternate source of funding. A mechanism may be created wherein recovery of part of the annuity is done from the HEP developers that may be beneficial from the upgradation of roads.
- ✓ Loan from multilateral funding agencies (ADB, World Bank etc). This can also finally get loaded to the Government Budgetary Support in future.

It is also envisaged that the project development work would involve significant amount of expenses for activities like preparation of DPRs and project management consultancy fees etc. The funding for these activities may be availed from MoRTH.

3.1 General

IL&FS is one of the largest Financial Institutions (FIs) in the country, playing a catalytic role in the development of infrastructure projects across the country on PPP basis, and complementary array of financial services. IL&FS was promoted by the Unit Trust of India (UTI), Central Bank of India and Housing Development Finance Corporation (HDFC) in 1987. Apart from the original promoters, the current shareholders include the State Bank of India, Orix Corporation (Japan), International Finance Corporation (IFC) Washington, Credit Commerciale de France (CCF) and Indivest Pte Limited (an affiliate of Govt. of Singapore Investment Corporation).

IL&FS Infrastructure Development Corporation Limited (IIDC), a wholly owned subsidiary, is the infrastructure development arm of IL&FS. IIDC has been established to domicile the extensive portfolio of infrastructure project development activities of IL&FS and to create other synergistic opportunities with State and Central government/public sector agencies. A detailed overview of the organisation is presented in Section 4.

For the last three years, IL&FS has been dedicatedly working in NER. With Government of Assam, IL&FS has created two JVCs namely Infrastructure Development Corporation of Assam (IDCAL) and Assam Power Project Development Company Ltd. (APPDCL). IDCAL is currently entrusted with development of a Brahmaputra riverfront in Guwahati, solid waste management project for Guwahati and various other urban infrastructure projects and APPDCL is involved in development of hydel power projects across Assam. In Nagaland, IL&FS has created a JV company, Infrastructure Development Company of Nagaland (IDCON) for development of industrial and power project as well as border trade centres. In Tripura, IL&FS has signed an Agreement with the State Govt and is presently implementing 740 MW thermal power project and associated transmission project. IL&FS is also engaged by State Government for preparation of DPR for Agartala and Srimantapur Land Customs Station in Indo-Bangladesh border.

3.2 Scope of Services & IL&FS's Role

It is envisaged that IL&FS would render the following services in order to carry out the project development work. The project will be implemented in two modules

Module I: Preparation of Overall Master Plan

- ✓ This module will entail the preparation of an overall Master Plan in consultation with APPWD for the successful development of the program under various schemes. The plan

will establish long-term vision for the state in terms of the connectivity. The plan would identify various projects comprising discrete stretches of roads falling under various schemes in the state.

- ✓ The main purpose of the plan will be to create projects which can be implemented on standalone basis in a time-bound manner. The projects in line with the guidelines of various schemes under which the Project is funded. At macro level these project would be created in a manner so as to confirm to the overall implementation of the program
- ✓ The plan will give timelines for their implementation including preparation of DPRs and procurement of contractors & supervision/monitoring consultants. The following factors will be taken into consideration while deciding the timeline:
 - To dovetail the projects with scheme under which they will be implemented.
 - To attract good quality and cost efficient services and
 - To implementation of the entire program in the timely manner.
- ✓ It is envisaged that at any given point after the preparation of the overall master plan, there would be projects at various stages of implementation, as follows:
 1. Under DPR preparation
 2. Under bidding for selection of contractor
 3. Under bidding for selection of supervision consultant/ independent engineerThe progress against the overall Project Plan will be periodically monitored by IL&FS.
- ✓ The masterplan will suggest measures for capacity building of APPWD for effective implementation and maintenance of the project. It will also address the issues of capability of contractors operating in Arunachal Pradesh and suggest framework to ensure their participation in the project.

Module II: Project Development

After the master plan has identified the long term vision for the State and the projects to implemented as a part of the program, the Project development activities for the identified will be taken in Module II.

- ✓ IL&FS shall also assist in procurement of consultant for the preparation of DPRs through transparent bidding process. It shall also supervise the technical studies. The cost of these studies will be borne by GoAP, however, IL&FS shall provide assistance for reimbursement of these expenses reimbursed from the Ministry of Road Transport & Highways.

- ✓ IL&FS would manage on behalf of the APPWD the competitive bidding process required for the effective implementation of the project by timely selection of contractors for construction. The outline of activities to be performed by IL&FS during pre-bid and post-bid stage would be as follows:
 - Develop qualification criteria and draft advertisements for inviting Expressions of Interest (EoIs) from contractors. IL&FS will submit APPWD the qualification criteria & draft advertisement for approval & issue.
 - Evaluate EoIs & recommend a list of pre-qualified bidders to APPWD.
 - Develop Request for Proposal (RFP) documents/bid documents, evaluation methodology and suitable legal documentation/contracts to govern APPWD's relationship with selected contractors. IL&FS will submit these documents to GoAP for approval before issuing to pre-qualified bidders.
 - Conduct pre-bid conferences/meetings on behalf of APPWD.
 - Evaluation of bids, culminating in the recommendation by IL&FS to APPWD on the selection of the bidder.
 - Assist APPWD during negotiation, final selection of contractors and signing of agreement between selected contractors with APPWD.

- ✓ IL&FS will also assist in the procurement of supervision consultant /independent engineer for Supervision which will include quality control during project construction and also during the maintenance period. The procurement will be done through transparent bidding process.

- ✓ IL&FS will incorporate appropriate safeguards against non-performance by the selected contractor(s)/consultant(s) into the contractual arrangements for the Project, including APPWD's rights to revoke such arrangements and substitute the contractors/consultants in the event of non-performance, which will be defined in the legal documentation or contracts for various packages, phases and components taken up for implementation of the Project.

- ✓ IL&FS would provide support for preparation project and other contractual documents for availing support from MoRT&H and Multilateral Organisation like ADB, WorldBank.

IL&FS's role will thus provide end to end services starting from the project conceptualization to project commissioning. IL&FS will thus prepare a project to efficiently carry out preparation of DPR and to manage the competitive bidding process for selection of contractors and supervision consultants/independent engineers required for various packages, phases and components identified as part of the overall Project Plan. As required for the successful performance of its primary role, IL&FS will undertake other activities relating to

the marketing of various aspects of the Project to consultants/contractors and co-ordinating with APPWD for implementation of the Project.

3.3 Capacity Building:

IL&FS understands that to ensure long term sustainability of the project, continuous emphasis on capacity building is of the entire stakeholders is of critical importance. IL&FS would provide support in creating a continuous capacity building exercise for the benefit of officials of PWD, Contractors. The JVC, through GoAP would approach for support towards capacity building from various donor agencies like ADB, DoNER, NEC.

Capacity building exercise would be carried with support from professional organisation. Onsite training programme would be organised in reputed Construction Companies. Efforts to be made to create an Equipment Bank at Itanagar to support the road development initiatives.

3.3 Role of APPWD

To ensure timely completion of the project development activities, APPWD may take primary responsibility for the following:

- ✓ Coordinate with GoAP and its agencies.
- ✓ Provision of Project-related Information and Approvals
- ✓ Payments for project development expenses and IL&FS's remuneration
- ✓ Making land available free of encumbrances
- ✓ Security

3.4 Creation of a Joint Venture Company(JVC)

(a) Mission of the JVC:

The JVC would be jointly promoted by GoAP and IL&FS and the responsibility of project development activities would be vested with the JVC. The JVC would utilise the services of IL&FS IDC for carrying out the project development activities. The JVC will undertake measures for capacity building of APPWD for effective implementation and maintenance of the project. The JVC would create linkages/tie ups for capacity building of the Contractors, employees of APPWD.

(b) Creation of a Project Development Fund (PDF)

The PDF will be created to meet the project development expenses. The funds received from MoRTH for project development activities will be routed to the PDF through GoAP.

(c) **Share Capital of the JVC:**

- (i) A company shall be incorporated with an Authorized equity share capital of Rs. 10 lakh.
- (ii) The initial paid up capital of the Company shall be Rs. 1,00,000 (Rupees One Lakh only) divided into 10,000 (Ten Thousand) Shares of Rs 10 each. This can be enhanced proportionately in line with the requirement.
- (iii) The parties together with their respective Affiliates/Associates/Funds and /or Subsidiaries can initially hold equity shares in the following proportion.

Name of Shareholder	Percentage
GoAP	50%
IL&FS	50%
TOTAL :	100%

- (iv) The company shall be Board managed. While the Chairman of the JVC will be the nominee of GoAP, the CEO of the JVC will be nominated by IL&FS. Other Directors can be nominated by both the Parties in equal proportion.

3.5 Project Development Mechanism

- ✓ GoAP and IL&FS shall enter into MoA for the program management for development of the Highways in the State. IL&FS shall be a Project Development and Promotion Partner (PDPP).
- ✓ MoRT&H, GoI shall entrust the PWD, GoAP with the project development for the projects to be implemented by the Government of India. MoRT&H will pay 9% of the project cost to the State Govt. of carrying out the project development activities. This will be in addition to the cost of the DPR and other technical studies for the project.
- ✓ GoAP shall constitute a Project Development Committee (PDC) regular monitoring of the project development activities and granting timely approvals required for the same including techno- commercial feasibility study and project documentation. This would act as a decision making body for taking process forward for the project.
- ✓ The Technical and Legal consultant for the project shall be appointed through competitive bidding process and will follow the guidelines given by MoRT&H. The

procurement process shall ensure time bound and cost effective procurement of quality consultants.

- ✓ The fees of Technical consultant shall be paid by MoRT&H directly to the consultants.
- ✓ All other expenses towards Project Development shall be borne by GoAP through the funds received from MoRT&H which will be 9% of the project cost.

3.5 Fees and Payment Structure

IL&FS shall be entitled to receive the fees for each of the phases on the basis outlined below:

Module I

IL&FS will be entitled to receive, a payment of Rs. 25 lacs (plus the service tax). The fees are inclusive of out of pocket expenses comprising of travel, boarding & lodging, local travel and communications. The professional fees shall be payable as per following milestones:

Milestones	Fee Payable
Mobilisation Advance	10 %
Inception Report	30%
Draft Master Plan	40%
Final Master Plan	20%

Module II

IL&FS will be entitled to receive, a payment of Rs. 2% of the landed project Cost (plus applicable service tax). The fees are inclusive of out of pocket expenses comprising of travel, boarding & lodging, local travel and communications. The cost of the technical consultant shall be borne by MoRT&H directly. The direct costs towards the project development like cost of advertisement etc. shall be borne by GoAP directly. The professional fees shall be payable as per following milestones:

Milestones	Fee Payable
On award of the work	5% of the fee, on the basis of total estimated cost of the package/component
On selection of technical consultant	10% of the fee, on the basis of total estimated cost of the package/component
On submission of inception report	10% of the fee, on the basis of total estimated

	cost of the package/component
On submission of Draft DPR	15% of the fee, on the basis of total estimated cost of the package/component calculated at actual landed cost with adjustments.
On approval of DPR by APPWD/competent authority	5% of the fee, on the basis of total estimated cost of the package/component calculated at actual landed cost with adjustments.
On approval of DPR by MoRTH	10% of the fee, on the basis of approved sanctioned cost of the package/component with adjustments.
On issue of RFP to bidders for selection of contractor(s)	5% of the fee, on the basis of approved sanctioned cost of the package/component as per the DPR
On signing of contract between APPWD and selected contractor(s)	15% of the fee, on the basis of approved sanctioned cost of the package/component as per the DPR
On submission of RFP documents for selection of supervision consultant(s)/independent engineer(s)	5% of the fee, on the basis of approved sanctioned cost of the package/component as per the DPR
On signing of contract between APPWD and supervision consultant(s)/independent engineer(s)	10% of the fee, on the basis of approved sanctioned cost of the package/component as per the DPR with final adjustments.

3.6 Activity Schedule

Module I

The master plan preparation will be prepared within 2 months of award of the work subject to provision of all relevant data, expeditious approvals and clearances from GoAP and MoRT&H. The detailed activity schedule is attached below:

SN	Activity	Date
1	Award of work	D
2	Inception report	D+2 W.
3	Draft Report	D+6 W
4	Final Report	D+8W

D: Signing of MoA ; W: Weeks

Module II

The module II of the program will start after the final report is accepted. However, some of the project can be taken for project development even before the master can is accepted. It is estimated that the process of Project Development is expected to take around 18 months from the award of the projects, subject to provision of all relevant data, expeditious approvals and clearances from GoAP and MoRT&H. The detailed activity schedule is as given below:

SN	Activity	Date
1.	Award of Projects to IL&FS from GoAP	D
2.	Selection of Technical and Legal Consultants	D + 12W
3.	Submission of Inception Report	D + 20W
4.	Pre-qualification of Developers process	D + 52W
5.	Submission of Draft Detailed Project Report by the Technical Consultant	D + 60W
6.	Approval of Detailed Project Report (DPR) by the APPWD	D + 62W
7.	Approval of Detailed Project Report (DPR) by the MoRT&H	D + 64W
8.	Issue of RFP	D + 66W
9.	Evaluation of Bids and Selection of preferred Bidders	D + 74W
10.	Negotiations & signing of concession agreement	D + 78W

D: Signing of MoA ; W: Weeks

Time lines mentioned above are only indicative and subject to expeditious approvals and clearances from GoAP and MoRT&H. The final timelines for a project will be worked out and submitted along with the inception report

4.1 IL&FS - Organisational Background

IL&FS is one of the largest Financial Institutions (FIs) in the country, playing a catalytic role in the development of infrastructure projects across the country on PPP basis, and complementary array of financial services. IL&FS was promoted by the Unit Trust of India (UTI), Central Bank of India and Housing Development Finance Corporation (HDFC) in 1987. Apart from the original promoters, the current shareholders include the State Bank of India, Orix Corporation (Japan), International Finance Corporation (IFC) Washington, Credit Commerciale de France (CCF) and Indivest Pte Limited (an affiliate of Govt. of Singapore Investment Corporation).

IL&FS Infrastructure Development Corporation Limited (IIDC), a wholly owned subsidiary, is the infrastructure development arm of IL&FS. IIDC has been established to domicile the extensive portfolio of infrastructure project development activities of IL&FS and to create other synergistic opportunities with State and Central government/public sector agencies.

IIDC has experience of working with the Central and a number of State Governments, playing a significant role in the evolution of project development from conceptualization to commissioning, formulating new policy paradigms, legal frameworks, regulatory structures, new financial processes and instruments aimed at delivery of commercialized projects in various infrastructure sectors ranging from transportation, water & sanitation, housing, industrial infrastructure, social infrastructure etc. We have an experienced professional team with diverse skill sets and core competence profile mapped to its requirements in the areas of technical, financial, legal, risk management, environment and social management and process management.

Presently IIDC is working with the Governments of Punjab, Kerala, Andhra Pradesh, Jharkhand, Chhatisgarh, West Bengal, Assam, Goa, Meghalaya, Mizoram etc, through either Project Development and Promotion Partnership (PDPP) arrangement or Joint Venture Company or exclusive MOAs for implementation of infrastructure projects with Private Sector Participation. IIDC is also associated with the various Central Government Ministries and Departments like Ministry of Commerce and Industries, Ministry of Urban Affairs, Department of Company Affairs etc.. We have also been associated with Ministry of Home Affairs for the Development of four integrated Check Post at Indo Nepal Border.

Our parent company , IL&FS also has a PDPP arrangement with the Government of Tripura, and joint venture companies with the Governments of Rajasthan (PDCOR & RIDCOR), Tamil Nadu (TNRDCL) and West Bengal (with Haldia Development Authority) for infrastructure project development.

We also take this opportunity to mention that IL&FS is the Executing Agency for US\$ 100 million under Private Sector Infrastructure Facility (PSIF)-II of the Asian Development Bank (ADB) for assistance to the eligible projects in the private sector in four selected states.

4.2 IL&FS Group Road Sector Experience

4.2.1 Sponsorship

(1) Rau Pitampur Toll Road

Commissioned in November 1993, the Rau Pitampur road was the first toll road in India. The project involved the strengthening of 11.5 km of an existing 2-lane State Highway. The project connects the town of Rau with the industrial city of Pitampur and has been domiciled in a Special Purpose Vehicle (SPV), 'MP Toll Roads Limited'. The construction of the road was completed within the scheduled time and within budgeted cost.

Project Cost: Rs. 6.81 Cr

(2) Vadodara Halol Toll Road

Commissioned in October 2000, the project envisaged the widening and strengthening of 32 km of the existing 2-lane State Highway to a 4-lane expressway connecting Vadodara with the industrial city of Halol. The project has been domiciled in an SPV, 'Vadodara Halol Toll Road Limited'. The construction of the road was completed within the scheduled time and budgeted cost.

The project is a World Bank best practice example for Environmental Risk Mitigation & Social Rehabilitation Plan.

Project Cost: Rs. 161.1 Cr

(3) Delhi - Noida Toll Bridge

The Delhi-NOIDA Toll Bridge connects South Delhi with NOIDA. The project includes a 550 metre, eight-lane bridge over the River Yamuna along with the approach roads on the South Delhi and NOIDA ends. Commissioned in February 2001, the Delhi NOIDA toll bridge is amongst the first large private sector initiatives in the surface transport sector in India. This is also the only Greenfield project of its size in India that has been completed in PPP outside budgetary resources. Despite being implemented during a period characterised by difficult economic conditions, the project was commissioned four months ahead of schedule.

IL&FS has received 'best practice' recognition in terms of the construction practices followed.

Project Cost: Rs. 408.2 Cr

(4) Ahmedabad Mehsana Toll Road

The Project involved four laning of 52 km of the existing State Highway linking Ahmedabad and Mehsana, undertaken by Ahmedabad Toll Road Company Limited (AMTRL). The State Highway links Ahmedabad, the commercial capital of Gujarat, to Mehsana, an important oil town to the north. The road caters to significant levels of commercial traffic movement between Gujarat and parts of North India.

Commissioned in February 2003, the project was completed 8 months ahead of schedule and within budgeted cost.

Project Cost: Rs. 323.05 Cr

(5) East Coast Road

The Tamil Nadu Road Development Corporation implemented the rehabilitation and maintenance of the 113.2 km East Coast Road between the cities of Chennai and Pondicherry. The SPV is a joint venture of IL&FS and the Tamil Nadu Industrial Development Corporation Limited – a Government of Tamil Nadu entity. The project was commissioned in March 2002.

The ECR showcases state-of-the-art developments in road construction technologies. The project was completed within 90% of estimated time frames and budgets.

Project Cost: Rs. 61.0 Cr

(6) North Karnataka Expressway

The Belgaum-Maharashtra Border Road falls on the NH-4, high-traffic density corridor connecting, Chennai, Bangalore, Pune and Mumbai. The project commenced on June 20, 2002 with December 19, 2004 set as the project completion date.

The project achieved provisional completion five months ahead of schedule, on July 19, 2004. The entire stretch has been opened to traffic.

Project Cost: Rs. 542.32 Cr

(7) The Narmada Toll Bridge

Narmada Infrastructure Construction Enterprise implemented the construction and operation of a two-lane toll bridge at Zadeshwar across the River Narmada along with the approach roads on the National Highway 8. The project was commissioned in November 2000.

Project Cost: Rs. 144.05 Cr

(8) Thiruvananthapuram City Roads Improvement Project

Thiruvananthapuram Road Development Corporation Limited (TRDCL), the Consortium of ITNL and PLL have been awarded the first intra-city Road Improvement Project in the country. The project envisages the improvement of the 42 km city road network, spanning 13 corridors, 63 junctions, two flyovers and an underpass in Thiruvananthapuram.

Financial Close for the Project was achieved in a record 30 days. The project is scheduled for commissioning by July 2006

Project Cost: Rs. 221.39 Cr

(9) Western Freeway Sea Link Project

IL&FS and Maharashtra State Road Development Corporation (representing the Government of Maharashtra) have entered into an agreement for developing the Worli-Nariman Point section of the Western Freeway Link Project. The project is to be sub-divided into six major links aggregating 14.77 km. To be implemented as a toll facility, the sea link route will have major cable stayed bridges and short-term span stayed bridges.

Project Cost: Rs. 2000 – 2500 Cr (Estimated)

(10) Kerala High Speed Corridor Project

The Government of Kerala (GoK) is developing a 525 km, Access Controlled High Speed Corridor (HSC) traversing the state from North to South connecting Kasargod and Thiruvananthapuram on a commercial format. GoK is also considering the development of Activity Nodes – industrial and commercial centres along the proposed corridor. The project is to be taken up in three phases, spread over 15 years.

IL&FS & Government of Kerala are in the process of incorporating a SPV to undertake the activity. Based on the financial viability the project is to be implemented in three phases.

Project Cost: Rs. 2500 Cr (Estimated)

(11) Kotakatta – Kurnool Road Project

Design, Construction, Development, Finance, Operation and Maintenance of “km 135.469 (End of proposed Kotakatta Bypass) to km 211.000 (Kurnool), covering 74.651 kilometers” on NH-7 on BOT Annuity basis in the State of Andhra Pradesh. The Concession has been awarded to the Consortium of Infrastructure Leasing & Financial Services Limited and IL&FS Transportation Networks Limited. The SPV has been formed in the name of Andhra Pradesh Expressway Limited (APEL). The Concession has been awarded to APEL for a period of 20 years from the commencement Date including construction period of 30 months

Project Cost: Rs. 745 Cr

(12) Rajkot – Jetpur – Gondal Project

The project envisages conversion of the Jetpur - Gondal - Rajkot and Rajkot Bypass section of NH-8B into an access controlled four-lane highway with service lanes along certain sections and strengthening of the existing lanes and improvements to Gondal-Rajkot section. The Project is promoted by Infrastructure Leasing & Financial Services Limited (IL&FS) and IL&FS Transportation Networks Limited (ITNL). A Special Purpose Vehicle (SPV), “West Gujarat Expressway Limited” (WGEL), would implement the project. WGEL, the Concessionaire, would implement, operate and maintain the Project facilities for a total period of 20 years

Project Cost: Rs. 240 Cr (Estimated)

4.2.2 Advisory

(1) The Second Vivekananda Toll Bridge Project

The project envisages a 6.1 km, integrated 6-lane bridge along with approach road network over the River Hoogly, 50 metres downstream of the present Vivekananda Bridge. The project bridge will connect NH2 – NH6, Durgapur Expressway on the west bank with NH34 – NH35, Belghoria Expressway and the Netaji Subhash Chandra Bose Airport on the east bank. The project is scheduled for completion by 2007.

Project Cost: Rs. 646.88 Cr

Role of IL&FS

Merchant Banker

Lenders’ Engineer

Project Advisor

(2) Pune – Sirur Toll Road

The project envisages the widening and strengthening of 54 km of the 2-lane State Highway connecting Pune with Sirur to a 4-lane corridor. The SPV involved is Ashoka Infrastructure Private Limited (AIPL). The project is expected to commission by May 2005.

Project Cost: Rs. 137.52 Cr

Role of IL&FS

Merchant Banker
Lenders' Engineer
Project Advisor
Toll Auditor

(3) Nashik – Niphad Toll Road

The project, connecting the city of Nashik with Niphad, envisages the upgrading, strengthening and widening of 22 km of an existing 5.5 – 7 m State Highway to a 7 – 12 m corridor. The project has been domiciled in a Special Purpose Vehicle under the name and style of I.S. Infrastructure and Buildcon Private Limited (ISIBPL). The project was commissioned in February 2004.

Project Cost: Rs. 16.55 Cr

Role of IL&FS

Merchant Banker
Lenders' Engineer
Project Advisor
Toll Auditor

(4) Jabalpur – Narsinghpur – Piparia Toll Road

The project connecting Jabalpur with Piparia envisages the reconstruction, strengthening, widening and rehabilitation of 140 km of a single lane State Highway to a 5.5 m corridor. The project is expected to commission by December 2004.

Project Cost: Rs. 80.72 Cr

Role of IL&FS

Merchant Banker
Lenders' Engineer
Project Advisor
Toll Auditor

(5) Jas Toll Road

The project envisages the widening and rehabilitation of 32.5 km of a 2-lane National Highway (NH-4) to a 4-lane corridor with a provision of six-laning. The project was commissioned in April 2004.

Project Cost: Rs. 221.72 Cr

Role of IL&FS

Merchant Banker

Lenders' Engineer

Toll Auditor

(6) Karnataka Road Development Corporation Limited - Bridges

Karnataka Road Development Corporation Limited (KRDCL) has been mandated by the Government of Karnataka to finance, build, operate and maintain 80 Bridges with recovery of the investments through toll charges at the various locations across the State.

Role of IL&FS

IL&FS has been mandated to develop a Tolling Program to enable KRDCL to recover the investment on these bridges.

(7) Dewas Bypass Toll Road

The project envisages the construction of a 19.80 km two-lane cement concrete road from km 159/400 of Bhopal - Ujjain Road (State Highway-18) to km 577/600 of Agra - Mumbai Road (National Highway-3). Estimated to cost Rs.56.50 crore, the project was commissioned in May 2004.

Role of IL&FS

Lenders' Engineer.

Project Cost: Rs. 56.5 Cr

(8) Nanded City Roads Project

As part of city development initiatives for upgrading the infrastructure within the city and peripheral areas around it, the city of Nanded has identified projects for implementation. Nanded is among the list of eligible cities shortlisted for grant assistance under the proposed Jawaharlal Nehru Urban Renewal Mission (JNNURM). IL&FS has been appointed as the program manager and will provide all services to Municipal Corporation of Nanded related to Financial Appraisal and advice regarding funding of the Projects as well as their implementation and each of its various Constituent projects, as required by Municipal

Corporation of Nanded. ITNL has been mandated by IL&FS to monitor the preparation of DPR and construction supervision during construction stage

4.2.3 State Specific Road Companies

(I) Road Development Corporation of Rajasthan

(1) Introduction

Road Development Corporation of Rajasthan Ltd (RIDCOR), incorporated in October 2004, is a 50:50 Joint Initiative of Government of Rajasthan (GoR) and IL&FS. RIDCOR is managed by a high powered Board comprising three nominees from GoR, three nominees from IL&FS and one independent director reflecting the Company's public-private partnership identity.

(2) The Mega Highways Project

- (a) As part of the 'Mega Highways Project', Government of Rajasthan has proposed to improve the following important North-South road corridors/road stretches, aggregating to 1053 km of two lanes with paved/hard shoulder configuration including provision of bye-passes, Road Over Bridges and geometric improvements wherever found economically feasible:

Name of Corridor	Length (Km)
Phalodi to Ramji Ki Gol	292
Hanumangarh to Kishangarh	407
Alwar to Sikandra	81
Lalsot to Kota and Baran to Jhalawar	273
Total	1053

- (b) The Mega Highways Project is the single largest road sector project in the country taken up under the Public-Private Partnership (PPP) framework. The Project is expected to emerge as a benchmark for development of roads in the PPP framework and would also position Rajasthan as the most favoured investment and tourism destination in the country.

(II) Tamil Nadu Road Development Company

(1) Introduction

Tamil Nadu Road Development Company Ltd (TNRDC), incorporated in May 1998, is a 50:50 Joint Initiative of Tamil Nadu Industrial Development Corporation Ltd (TIDCO), the investment arm of Government of Tamil Nadu (GoTN) and IL&FS.

TNRDC was set up with the mandate of developing road sector initiatives by catalyzing private sector resources and investments under Public-Private Partnership (PPP) framework

TNRDC is managed by a high powered Board comprising three nominees from TIDCO, three nominees from IL&FS and three independent directors reflecting the Company's public-private partnership identity

East Coast Road (ECR) is an important tourism road corridor in Tamil Nadu connecting Chennai with Cuddalore through Pondicherry. The road was formed in 1998 under an Asian Development Bank funded project. Within two years of its formation, ECR started showing signs of distress adversely affecting its service quality. Prevalence of dangerous curves and other geometric deficiencies led to occurrence of number of accidents

Annexure I: Landed Project Cost

Landed Project Cost may be defined as follows:

- a) The costs incurred for carrying out Project related activities such as formulation, development, design, engineering, construction, operation, management consultancy, etc.
- b) Total capital outlay on the Project, which includes, material, labour transport, consumables, testing, commissioning overheads, sundries, contingencies, insurance, supervision, etc. IT shall also include Government grant (VGF or under any other format)
- c) Any fees (including professional and success fees), commissions, levies and taxes.
- d) Expenses related to fund mobilisation such as fees for financial services, brokerage, interest, commission, publicity expenses, etc.
- e) Interest during construction.
- f) Project Cost of Real Estate Component, including land cost (if any)
- g) Environment and Social Impact Mitigation Cost as per the requirement of approvals.