

भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
(सड़क परिवहन और राजमार्ग मंत्रालय)
National Highways Authority of India
(Ministry of Road Transport & Highways)

उप महाप्रबंधक (तकनीकी) सह परियोजना निदेशक के कार्यालय
परियोजना कार्यान्वयन इकाई

Office of the Deputy General Manager (Tech) cum Project Director
Project Implementation Unit

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NHAI/PIU/DGL/11014/01/KD/2022/E- 159722/1624

15.07.2022

To

Regional Officer,
National Highways Authority of India
Madurai

Sub: NHAI-PIU-Dindigul- Four laning of Karur - Dindigul section of NH-7 from existing Km 292+600 to Km 373+725 and design Km 290+000 to Km 367+725 in the State of Tamil Nadu under BOT basis- Negative CoS proposal due to Non-Executed Items as per CA - Approval requested - reg.

Ref:

1. Concession Agreement dated 20.04.2006.
2. NHAI, HQ Lr. No. NHAI/Tech/NS-2/TN-4/Conc./2005/531, dated.15.10.2009.
3. This office Lr. No. NHAI/PIU/DGL/11014/02/Karur - Dindigul/CC/2020/2406 dated 31.12.2020.
4. This office Lr. No. NHAI/PIU/DGL/11014/10/Karur to Dindigul/NH-7/2021/949 dated 16.06.2021.
5. RO Madurai Email dated.07.07.2021.
6. This office Email dated.08.07.2021, 21.05.2022, 10.06.2022
7. IE, M/s Theme Engineering services Pvt Ltd., Lr. No. Theme/IE/Karur-Dindigul/NH-07/2022/1640 dated 27.06.2022.
8. This office E Mail dated 04.07.2022
9. IE E Mail dated 11.07.2022.

Sir,

Please refer IE, M/s. Theme Engineering services Pvt Ltd., letter cited at 7th reference & subsequent E Mail dated 11.07.2022 thereby recommending for obtaining approval of Competent Authority towards "Negative Change of Scope" proposal pertains to the Subject BOT Project for an amount of Rs. 9.43 Cr. duly considering the non-execution of various items set-forth in the provisions of CA by the BOT Concessionaire.

2) In this regard, the following are submitted;

- i. Project of "Design, Construction, Development, Finance, Operation and maintenance of Km 305.600 (End of Karur Bypass) to Km 373.725 (Dindigul) and improvement, operation and maintenance of Km 292.600 (Start of Karur Bypass) to Km 305.600 (End of Karur Bypass) on NH-7 in the State of Tamil Nadu under North-South corridor (NHDP Phase-II) on Build, Operate and Transfer (BOT) basis" to M/s TN(DK) Expressway Ltd., Hyderabad vide Concession Agreement dated 20.04.2006 for a Concession period of 20 years including Construction period of 30 months from Appointed Date i.e. 17.10.2006.

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- ii. Provisional Completion certificate for the stretch from Km 290/000 to Km 367/725 was issued on 04.11.2009 for a length of 77.725 Km.
- iii. As per Scope of Concession Agreement, the scheduled construction period is 16.04.2009; however, the project could not be completed due to delay in LA at inception and completed on 04.11.2009 with a delay of 202 days. As such Rs.94.89 Lakh has been deducted for the weekly damages (28.80 weeks) from the O&M Grant support which is payable to the Concessionaire as per Article. XXIII and Cl. 23.5 of CA as per the direction of 107th EC meeting & RO, Chennai Lr. No. NHAI/11015/20/09/RO Chennai/1550 dated 05.05.2015.

3) Negative CoS of completed stretch from Km 290/000 to Km 367/725 [PCC already issued];

- (i) Independent Engineer vide letter 7th cited has submitted the details of works completed as per CA, works executed through CoS and informed that all the works in respect of Karur- Dindigul section from Km 290/000 to Km 367/725(77.725 Km including Karur Bypass of 9.6 Km) was completed in all respects (including Punch List items) except the following items of works which are not completed fully.

- a) 4 Nos. of Minor Intersection,
- b) 2 Nos. of bus Shelter and 2 Nos. of Bus bay
- c) 137 Nos. of Rainwater Harvesting
- d) 19.37 Km of Earthen Road
- e) 481 Nos. of Median Street Light
- f) 160 Nos. of Hume Pipe at Minor Intersection
- g) 4 Nos. of Box Culvert
- h) 18 Nos. of High mast light
- i) 2.388 Km Stone pitching/Slope Protection
- j) 6.772 Km Metal Beam Crash Barrier
- k) 08 Location Video Camera
- l) 17 Nos. of Emergency Communication system
- m) 05 Nos. of Toll Plaza Sign Boards
- n) 02 Nos. Litte Bins
- o) 02 Nos. Drinking Water Kiosk

5) In this context, brief details of each item proposed under Negative CoS has been prepared and enclosed as **Annexure-A**. The abstract of the same is as under;

a) 4 Nos. of Minor Intersection:

- (i) As per the Concession Agreement, 163 Nos. of Minor Intersection Improvement was proposed. However, Concessionaire had completed 142 Junction improvement and the remaining 21 Nos. has been included in punch list during the issuance of PCOD.



- (ii) Then IE, M/s. Egis bceom International, had stated that all the 21 Nos. of Junction Improvement said in the Punch List has been completed by the Concessionaire. However, IE has verified the site and found that junction at Km 313+245 (LHS), Km 332+380 (LHS), Km 350+590 (LHS) & 356+725 (RHS) were not completed and submitted the cost estimates as per SOR 2009-10 for an amount of Rs.30,87,995/-.

b) Balance construction of Bus bay and Bus shelter as per CA:

As per Concession Agreement, the Concessionaire had to construct 36 Nos. of Bus shelter and Bus bays from Km 290+000 to Km 367+725. However, Concessionaire had constructed only 34 Nos. of Bus shelter and Bus bays. Balance i.e. 2 Nos. of Bus shelter & 2 Nos. of Bus bays has to be constructed by the Concessionaire as per the CA which has been considered for negative change of scope. SOR 2009-10 has been followed for the balance work as per CA, as such, the value of Bus shelter(2 Nos.) and Bus Bays (2 Nos.) recommended by IE is for an amount of Rs. 28,79,030/-.

c) 137 Nos. of Rainwater Harvesting

As per Concession Agreement, the Concessionaire has to construct Rain water harvesting at every 500 m alternate side. As such total 137 Nos. for a length of 68.125 Km (Construction Scope). However, Concessionaire had not constructed any Rainwater Harvesting. As such, the total 137 Nos. considered for Negative CoS. SOR 2009-10 has been followed for the balance work as per CA, as such, the value of 137 Nos. Rainwater Harvesting is estimated for an amount of Rs. 56,23,713/- by the IE.

d) 19.37 Km of Earthern Road:

As per Concession Agreement, the Concessionaire has to construct an 3m width earthern road along the Highways for the Typical Cross section Type-III Four Lane divided carriage for Bypasses . As per CA said Type-III cross section has to be adopted for a length of 19.605 Km. However, concessionaire has completed 0.235 Km and remaining 19.37 Km length earthern road was not formed. Hence, the same has been considered for Negative CoS. SOR 2009-10 has been followed for the balance work as per CA, as such, the value of Earthern Road is estimated for an amount of Rs. 1,37,88,344/- by the IE.

e) 481 Nos. of Median Street Light:

As per Concession Agreement, the Concessionaire has to provide median lighting along the Highways for the Typical Cross section Type-II & IV. As per CA said Type-II & IV cross section has to be adopted for a length of 13.266 Km. However, the Concessionaire had not provided the Median lighting. Considering the spacing of Median light as 30m C/c, IE brought the number of median light as 481. Hence, the same has been considered for negative change of scope and the



same has been estimated by the IE for an amount of Rs. 1,54,88,200/- duly adopting the Market rate for the year 2021-22 i.e. Rs. 92,000/- with a depreciation of 65% i.e. 32,200/- per light.

f) 160 Nos. of Hume Pipe at Minor Intersection

As per Concession Agreement, the Concessionaire has to provide 600 m dia Hume pipe at 163 Nos. of Minor intersections. However, the Concessionaire had provided the Hume pipe at only 3 locations and left out the remaining 160 junctions. As such, the same has been considered for negative change of scope & accordingly, it has been proposed by the IE for an amount of Rs. 1,52,62,240/- duly adopting SOR 2009-10.

g) 4 Nos. of Box Culvert

As per Concession Agreement, the Concessionaire has to construct 12Nos of Box Culvert. However, the Concessionaire had constructed 8Nos of Box Culvert & 4 Pipe culverts in the lieu of balance 4 Box Culvert. Hence the difference in cost between Box & Pipe Culvert has been considered for negative change of scope. As such, it has been estimated by the IE for an amount of Rs. 44,66,334/- duly adopting SOR 2009-10.

h) 18 Nos. of High Mast Light:

As per Concession Agreement, the Concessionaire has to provide Highmast light at Grade Separated Junctions along the Highways. As per CA there are 9 Nos of Grade separator Junctions. However, the Concessionaire had not provided the Highmast Lighting at those grade separated. Considering two Highmast light at every Grade separated Junction (LHS & RHS), IE brought the number of Highmast light as 18 Nos. As such, the same has been considered for negative change of scope. Accordingly, IE has worked out the estimate for the not executed highmast lights for an amount of Rs. 98,53,215/- duly adopting the Market rate for the year 2021-22 i.e. Rs. 15,64,000/- with a depreciation of 65% i.e. Rs.5,47,400/- per light.

i) 2.388 Km Stone pitching/Slope Protection:

As per Concession Agreement, the Concessionaire has to protect the slope by Stone pitching for the embankment height for more than 3m. As such, total length of 20.995 Km warrants stone pitching as per site condition. However, the Concessionaire had completed Stone pitching only for a length of 18.607 Km leaving 2.388 Km. As such, the same brought into negative change of scope. SOR 2009-10 has been followed for the balance work as per CA, the value of was calculated by IE for an amount of Rs. 16,33,392/-.



j) 6.772 Km Metal Beam Crush Barrier:

As per Concession Agreement, the Concessionaire has to provide safety barrier along the centre median at places median width is 1.5 m and also in the length where tapers from 5 m to 1.5 m. As such IE brought out total length of 6.772 Km tapering portion from 5.0 m to 1.5 m where safety barriers were not provided. As such, the same has been considered for negative change of scope and accordingly the estimate has been recommended by IE for an amount of Rs. 1,99,63,856/- duly adopting the rate approved by Board of Engineer for the year 2017-18 i.e. Rs. 5360/- per RM with a depreciation of 45% i.e. Rs. 2948/- per RM.

k) 08 Location Video Camera:

As per Concession Agreement, the Concessionaire has to provide video Camera at all Major Junction and at least 4 other location. As CA, there 4 Nos. of Major Junction where Video Cameras to be installed. However, Concessionaire had not installed any Video Cameras at the Major Junction & other 4 location as stipulated in CA. As such, the same has been considered for negative change of scope. Accordingly the estimate has been recommended by IE for an amount of Rs. 5,56,856/- duly adopting the market rate for the year 2020-21 i.e. Rs. 91,214/- with a depreciation of 50% i.e. 45,607/- per Junction/Video Camera.

l) 17 Nos. of Emergency Communication system:

As per Concession Agreement, the Concessionaire has to provide Emergency Communication system at every 2.00 Km in staggered manner. As such total 39 Nos. of ECB to be provided for a length of 77.725 Km. However, the Concessionaire has provided 22 Nos. of ECB and remaining 17 Nos. not completed. As such, the same have been considered for negative change of scope and accordingly, IE has prepared the instant estimate for an amount of Rs. 9,43,500/- duly following the market rate for the year 2021-22 i.e. Rs. 1,58,715/- with a depreciation of 65% i.e. Rs. 55,500/- per ECB.

m) 05 Nos. of Toll Plaza Sign Boards:

As per Concession Agreement, the Concessionaire has to provide 14 Nos of sign boards at Toll Plaza. However, Concessionaire had provided only 09 Nos. of Sign Boards & remaining 05 Nos. were not executed. As such, the same has been considered for negative change of scope. As such, IE has proposed the estimate for an amount of Rs. 7,14,690/- duly following the market rate for the year 2021-22 i.e. Rs. 54285/- with a depreciation of 65% i.e. Rs.19000/- per sqm for board size greater than 0.99 sqm & Rs.15,500/- per sqm for board size less than 0.99 sqm.



n) Litter Bins & Drinking Water Kiosk:

As per Concession Agreement, the Concessionaire has to provide Litter Bins & Drinking Water Kiosk at every Bus Shelter. As apprised above, 2 Nos. of Bus bay & Shelter is left incomplete and the corresponding Litter Bins & Drinking water Kiosk was also not provisioned. As such, the same has been considered for negative change of scope for an amount Rs.9, 100/- by the IE.

o) Interest as per CA:

As per NHAI Policy Guideline No.8.3.36/2020 dated 10.07.2020, *Interest shall be chargeable on the recoverable amount of -ve COS, if Approval for -ve COS is given after PCOD: from the date of allowing Tolling/Annuity Payment for the section till recovery date.* As such, IE has calculated the interest from 05.11.2009 to 16.06.2022 at the rate of 13.38% (weighted average of SBI PLR) to an amount of Rs.15,91,71,040/-.

6) Modifications:

Upon perusing the detailed submission of Independent Engineer towards the necessity to propose the instant Negative COS proposal and the items & value considered towards the same, this office has incorporated certain modifications in the proposed estimate of IE which is tabulated as under;

S. No	Name of the Work	Amount recommended by IE (Rs.)	Amount modified at PIU-Dindigul (Rs.)	Remarks
1	Minor Intersection	30,87,995	68,70,082	Various dimensions have been corrected as per CA/GFC Drawings.
2	Bus Bay & Bus Shelter	28,79,030	29,78,029	
3	Rainwater harvesting	56,23,713	55,33,156	
4	Gravel service road	1,37,88,344	1,37,88,344	
5	Cross sections: Median street Lightings	1,54,88,200	2,53,14,650	Quantity of Foundation work included
6	Minor Intersections : Hump Pipe	1,52,62,240	2,04,62,876	Diameter of Hume pipe considered as 600mm as per CA
7	Box Culverts	44,66,334	44,66,334	
8	Highway Lighting at grade intersections (Highmast)	98,53,200	1,05,68,733	Quantity of Foundation work included
9	Stone pitching/slope protection	16,33,392	16,33,392	
10	MBCB(Median)	1,99,63,856	1,99,63,856	
11	Video cameras at all major intersections and 4 cameras at identified locations	5,56,856	6,68,571	Quantity of Foundation work included
12	Emergency communication system(ECB)	9,43,500	1,1,25,553	
13	Toll plaza signs	7,14,690	7,14,690	
14	Litter Bin	5,000	-	Included in Bus bay & Shelter
15	Drinking water Kiosk	4,380	-	
Total Amount		9,42,70,730/-	11,40,88,266/-	

* Note: SOR 2009-10 has been adopted. Certain items have been adopted with available Market rates with considerable depreciation value. Details may be referred in Annexures.

8) Recovery of Toll Revenue due to Negative COS:

- (i) As per Para 7.1.NHAI Policy Guidelines dated 10.07.2020 [Determination of Cost of COS works], it is mentioned that, *"In case of the DBFOT-Toll projects the Investments are made by the concessionaires, which are recovered through collection of Toll. During the project implementation, there may be scenarios when complete site could not be handed over and PCOD granted for completion of work on the handed over land/ROW. Depending upon the condition of road, tolling is allowed either for full project length or for the fully completed project length only"*. Further vide Para 7.1 (i) it is mentioned that, *"In cases tolling allowed for full length on construction of main carriageway but work as per full scope for items other than main carriageway is not constructed, the collected toll is to be compensated by concessionaire by way of investment through payments to Authority for -ve COS/RIS."*
- (ii) In this regard, it is to inform that, the Total Project Cost (TPC) is Rs. 327.20 Cr. The instant negative CoS proposal is amounting to Rs. 11.41 Cr. which is 3.49% of Total Project Cost. Accordingly, the amount receivable on account of non-execution of above works has been calculated as detailed under;

Year	Toll Collection in Cr	Percentage of Revenue corresponding to Negative CoS in Cr.
	Velanchettiyur	
2009-10	9.63	0.34
2010-11	26.21	0.91
2011-12	31.39	1.10
2012-13	37.04	1.29
2013-14	37.17	1.30
2014-15	37.93	1.32
2015-16	40.53	1.41
2016-17	40.38	1.41
2017-18	50.02	1.75
2018-19	48.97	1.71
2019-20	49.50	1.73
2020-21	42.79	1.49
2021-22	57.30	2.00
2022-23 (upto 30.06.2022)	16.30	0.57
TOTAL	525.16	18.33

9) Interest:

As per Para 7.3. NHAI Policy Guidelines dated 10.07.2020 (Interest shall be chargeable on the recoverable amount of -ve CoS), vide Para 7.3 (i) it is mentioned that *"if approval for -ve COS is given after PCOD: from date of allowing Tolling/Annuity payment for the section till recovery date"*. As such interest will be applicable from date of allowing Tolling i.e. 05.11.2009 till the date of recovery. As such, in this proposal, Interest has been calculated upto 30.06.2022 i.e. 4620 days at the rate 13.38% (weighted average as recommended by IE) for the modified amount of Rs. 11.41 Cr. The interest is worked out as Rs.19.32 Cr upto 30.06.2022.

In view of the above and based on the detailed submission furnished by Independent Engineer and due modifications incorporated in PIU based on the actual execution at site by the BOT Concessionaire, the instant Negative COS proposal pertains to the subject BOT Project of Four Laning of Karur-Dindigul stretch from Km 290/000 to Km 367/725 for an amount of Rs.11.41 Cr. & an amount of Rs. 18.33 Cr. towards Recovery of collected toll revenue w.r.t. Negative COS and Rs.19.32 Cr towards interest [upto 30.06.2022] is hereby recommended for obtaining approval of the Competent Authority.

Yours sincerely,

Encl: As above.

K. Govindasamy
(Govindasamy K) 15/7/22
Project Director

Copy to:

- (i) The CGM (T)-TN, NHAI HQ, New Delhi - For kind information.
- (ii) Authorized Signatory, M/s Theme Engineering Services Pvt Ltd., jaipur.
- (iii) ~~A~~ Authorized Signatory, M/s TNDK Expressway Pvt Ltd., Velanchettiyur.