

No. RW/NH-24036/27/2010-PPP
GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT & HIGHWAYS
(PPP Zone)

Transport Bhawan,
1, Parliament Street,
New Delhi-110 001

Dated the 27th February, 2013

OFFICE MEMORANDUM

Sub: Updating of the construction cost considered in the B.K. Chaturvedi Report.

As per the current practice, the projects on PPP basis are appraised by Public Private Partnership Appraisal Committee (PPPAC) for approval. These projects are referred to Standing Cost Committee prior to referring them to PPPAC in line with the direction of Secretary (Finance) vide D.O.No. 2A/9/2010-PPP dated 26/08/2010.

2. The B.K. Chaturvedi Committee Report was prepared in August, 2009. Since then, the costs have escalated and, therefore, the average unit cost considered in the B.K. Chaturvedi Report is required to be updated. In the EFC meeting chaired by Secretary (Finance) on 22.01.2013, it has been decided that for such revision, the increase in prices based on the inflation index between the time the B.K.Chaturvedi Report was finalized and the present should be factored in.

3. Accordingly, based on Wholesale Price Index (WPI), the cost norms recognized and captured in the BKC report are now being updated as under :-

	Cost per km as per BKC	Cost per km (2010-11)		Cost per km (2011-12)		Cost per km (2012-13)*	
	(Rs. In Cr.)	Escalation	(Rs. In Cr.)	Escalation	(Rs. In Cr.)	Escalation	(Rs. In Cr.)
2-lane with paved shoulders on Toll/Annuity mode.	3.50	9.56%	3.83	8.94%	4.18	8.94% (same as 2011-12)*	4.55
4-lane on Toll/Annuity mode.	9.5		10.41		11.34		12.35
6-lane on Toll/Annuity mode.	10		10.96		11.94		13.00

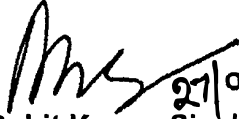
* WPI for the year 2012-13 is not available as of now. Therefore, the escalation of previous year of 8.94% has been considered for 2012-13 and similarly for subsequent year. The escalation is based on Whole Sale Price Index available on the website of Senior Economic Advisor, Ministry of Commerce & Industry.

Contd. to.....2/-

Ans
27/2/13

4. The projects with average per km cost below the above updated cost norms shall be exempted from the purview of Standing Cost Committee and shall be proposed directly to PPPAC for appraisal.

This issues with the approval of Minister (RT&H)


(Rohit Kumar Singh)
Joint Secretary to the Government of India
Tel. No. 23753991

To:

1. Shri R.S. Gujral, Secretary, Department of Expenditure, Ministry of Finance, New Delhi.
2. Shri Arvind Mayaram, Secretary, Department of Economic Affairs, Ministry of Finance, New Delhi.
3. Ms. Sindhushree Khullar, Secretary, Planning Commission, Yojna Bhawan, New Delhi.
4. Shri S.S. Ganapathy, Advisor (PAMD), Planning Commission, Yojna Bhawan, New Delhi.
5. Shri R.P. Singh, Chairman, NHAI, New Delhi.
- ✓ 6. Shri C. Kandasamy, DG (RD) & SS, MoRTH.
7. Dr. T.T. Kumar, AS & FA, MoRTH.
8. Shri V.L. Patankar, ADG, MoRTH
9. Shri Chaman Lal, ADG, MoRTH
10. Shri S. N. Das, ADG, MoRTH
11. Shri Rohit Kumar Singh, JS (Highways) , MoRTH.

Copy for information to:

1. PS to Hon'ble Minister (RT&H)
2. PPS to Secretary (RT&H)