

F.No.4/1/2023-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Private Investment Unit (PIU)

5th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated 3rd May 2023

Office Memorandum

Subject: - Record of Discussion of the 5th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of hiring Transaction Advisor for Development of Data Centre at Tuem, Pernem, Goa on PPP mode-reg.

The undersigned is directed to forward Record of Discussion of the 5th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of hiring Transaction Advisor for Development of Data Centre at Tuem, Pernem, Goa on PPP mode, received from Department of Information Technology, Electronics and Communications, Government of Goa, held on 29th March 2023, for information and necessary action.

2. This issues with the approval of Competent Authority.


(Dr. Kartik Agrawal)
Deputy Director

To,

1. Sh. Partha Sarathi Reddy, Adviser, NITI Aayog
2. Sh. Sanjeev Ahuja, Secretary (IT), Department of Information Technology, Electronics and Communications
3. Sh. Praveen Volvotkar, Director (IT), Department of Information Technology, Electronics and Communications
4. Sr. PPS to JS (ISD)
5. Sr. PPS to Deputy Secretary, ISD

Record of Discussion of the 5th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of hiring Transaction Advisor for Development of Data Centre at Tuem, Pernem, Goa on PPP mode.

1. The 5th Meeting of the Approval Committee (AC) chaired by the Joint Secretary, ISD Division, Department of Economic Affairs (DEA) was held on 29th March 2023 at 1530 hours to consider granting approval for support under the IIPDF Scheme to the proposal of hiring Transaction Advisor for Development of Data Centre at Tuem, Pernem, Goa on PPP mode. List of participants is placed at **Annexure – I.**
2. The basic details of the proposal as submitted by the Department of Information Technology, Electronics and Communications, Government of Goa is given below:

Project Description	Development of Data Centre at Tuem, Pernem, Goa
Purpose of Assistance	Assistance to hire Transaction Adviser
Sector	Communication
Project Sponsoring Authority	Department of Information Technology, Electronics and Communications (DoITE&C), Government of Goa (through Goa Information Technology Development Corporation).
Location	Tuem, Pernem, North Goa, Goa
PPP Mode Envisaged	Design Build Finance Operate & Transfer (DBFOT) mode
Payment Milestones Proposed	Same as provided in clause 6.2 of the IIPDF Scheme
Expected cost to hire TA	Rs. 4.72 Cr (incl. taxes)
Assistance required from IIPDF	100%

1. On behalf of the Chair, DD (PIU) welcomed the attendees to the 5th Meeting of the Approval Committee (AC) and informed that a proposal has been received from Department of Information Technology, Electronics and Communications, Government of Goa, seeking funding to the tune of Rs. 5.43 Cr (Rs. 4.60 Cr plus taxes) for hiring of TA to Develop of Data Centre at Tuem, Pernem, Goa on PPP mode. DD (PIU) further informed that the proposal has been duly circulated to all members of the AC and with the permission of the Chair, Department of Information Technology, Electronics and Communications (DoITE&C), Government of Goa was invited to make a presentation on the proposal.

2. DoITE&C informed that India's data centre capacity is currently 870 MW and expected to grow to 2100 MW by 2025. Most of the data centers are in Mumbai, Chennai and Hyderabad. As technology adoption increases there will be growing need for data centers. In this regard, Government of Goa intends to set up Tier-III (99.982%) or Tier-IV (99.995% uptime) Cloud based Data Centre of 5 MW IT load on PPP mode. The said facility shall comprise of a network of computers, storage systems and computing infrastructure that organisations use to assemble, process, store and disseminate large amounts of data. The core components of data centre will include:
 - i. Shell & Core i.e. physical location with security access controls and sufficient square footage (to house the data centre's infrastructure and equipment).
 - ii. Storage & computer infrastructure along with servers, storage subsystems networking switches, routers, firewalls, cabling and physical racks.
 - iii. Support infrastructure such as power distribution and supplemental power subsystems, electrical switching, UPS and backup generators.The data centre is expected to create a suitable IT ecosystem to utilize information communication technology tools for convenient, affordable, accessible and efficient citizen delivery, thereby making Goa a promising IT destination in the country. In this regard financial assistance for Transaction Advisory (TA) cost through IIPDF Scheme is being sought.

3. Then, with the permission of the Chair, the following issues were deliberated: -
 - i. The only incentive for the concessionaire currently envisaged in the project proposal is providing land free of cost which is just around 1 to 2% of the project

cost. Further, the concessionaire is expected to provide an upfront fee or Revenue Share to the government. In such a case, it there may not be market appetite for such a project. The PSA should do some stakeholder consultations and come up with better formulation to attract quality developers.

- ii. Whether the proposed data centre will only exclusively cater to public authorities or whether private entities will also be able to store their data in it? Whether any assured usage is proposed to be provided to the concessionaire? It would add to the viability of the project if concessionaire is allowed to host data for private firm also in addition to assured data hosting for the government.
 - iii. The estimated TA cost of Rs. 5.428 Cr appears to be on the higher side. Further, it was suggested that the team composition of the TA may be kept as per requirement and transaction specific.
4. The DoITE&C informed that the points raised by the AC will be taken into account while going forward with the proposal and the terms and conditions of the concession will be determined basis the advice of the TA and market sounding. The DoITE&C also submitted the revised cost proposal with total estimated TA Cost of Rs. 4.72 Cr (Rs. 4.00 Cr plus taxes). The DoITE&C stated that the envisaged TPC of the project is Rs.150 Crore and the proposed TA cost of Rs.4.00 Crore (approx. 3.50% of the TPC of the project) is expected considering that Data Centre is a newly added infrastructure sub sector in Harmonised Master List of sub sectors and that there is no established financial model or model concession agreement for the project proposal.
5. Considering the above, the AC unanimously decided to approve funding for hiring of Transaction Advisor for Development of Data Centre at Tuem, Pernem, Goa on PPP mode subject to following:
- i. The actual disbursement shall be subject to the lesser of the amount quoted by the onboarded TA or Rs. 4.72 Cr (incl. of taxes).
 - ii. All conditions of the IIPDF Scheme shall be complied by the Government of Goa.
6. The meeting ended with vote of thanks to the Chair.

Annexure – I

List of attendees of the 5th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of hiring Transaction Advisor for Development of Data Centre at Tuem, Pernem, Goa on PPP mode, held on 29th March 2023.

1. Department of Economic Affairs, Ministry of Finance

1. Shri. Baldeo Purushartha, JS(ISD) – in Chair
2. Shri. R. Shivakumar, Deputy Secretary, ISD
3. Dr. Kartik Agrawal, Deputy Director
4. Sh. Rohan Nair, OSD

2. NITI Aayog

1. Shri Ch. Partha Sarathi Reddy, Adviser (PPP)
2. Shri. Chandrashekhar Jain, Consultant (PPP)

3. Department of Information Technology, Electronics and Communications, Government of Goa

1. Shri. Praveen Volvotkar, Director (IT)
2. Shri. Akash Kantak, Deputy Director (IT Infrastructure)
3. Shri. Pradeep Gaonkar, Assistant (IT)