

**F.No.1/30/2023-PIU**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**Infrastructure Finance Secretariat**  
**ISD Division**  
**(PIU)**  
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**STCs Building, Janpath New Delhi**  
**Dated: 1<sup>st</sup> December 2025**

**Record of Discussion**

**Subject: Record of Discussion of the 52<sup>nd</sup> meeting of the Empowered Committee to consider the proposal of Department of Higher Education, Ministry of Education, 'Development of Infrastructure at IIM Udaipur Campus on PPP mode,' for granting final approval for VGF support regarding: -**

**Reference: (i) 116<sup>th</sup> PPPAC & 46<sup>th</sup> EC meeting held on 19<sup>th</sup> Oct 2024**  
**(ii) 52<sup>nd</sup> EC meeting held on 27<sup>th</sup> Nov 2025**

**Sir/Madam,**

The undersigned is directed to forward the Record of Discussion of the 52<sup>nd</sup> meeting of the Empowered Committee held on 27<sup>th</sup> November 2025 at 3:00 PM to consider granting final approval for VGF support to the proposal "Development of Infrastructure at IIM Udaipur Campus on PPP mode".

**2.** This issues with the approval of the Competent Authority.



**Arya Balan Kumari**  
**(Joint Director-PIU)**

**To,**

- 1. Secretary, Department of Expenditure, North block, New Delhi-01**
- 2. Secretary, Department of Higher Education, Ministry of Education, Shastri Bhawan, New Delhi-01**
- 3. CEO, NITI Aayog, Yojana Bhawan, New Delhi-01**
- 4. Director, IIM-Udaipur**

**Copy to:**

- 1. Sr. PPS to Secretary (EA)**
- 2. PPS to JS (IFS)**

**Subject: Record of Discussion of the 52<sup>nd</sup> meeting of the Empowered Committee to consider the proposal of Department of Higher Education, Ministry of Education, 'Development of Infrastructure at IIM Udaipur Campus on PPP mode,' for granting final approval for VGF support regarding**

1. The 52<sup>nd</sup> meeting of the Empowered Committee was held on 27<sup>th</sup> November 2025 at 3:00 PM under the Chairmanship of Secretary (EA) to consider granting final approval for VGF support to the proposal, "Development of Infrastructure at IIM Udaipur Campus on PPP mode". List of attendees is placed at **Annexure-I**.
2. The main details of the proposal are given in the Table-1 below:

**Table-1**

<b>Project Description</b>	Selection of a Private partner to develop Infrastructure at IIM-Udaipur on PPP mode with VGF support
<b>Type of PPP (BOT, BOOT, BOLT, OMT etc.)</b>	DBFOT (Design, Build, Finance, Operate and Transfer)
<b>Location</b>	Udaipur, Rajasthan
<b>Administrative Ministry/Department</b>	Department of Higher Education
<b>Name of Sponsoring Authority</b>	Indian Institute of Management, Udaipur
<b>Name of the Implementing Agency</b>	Indian Institute of Management, Udaipur
<b>Proposed under</b>	Sub-scheme I
<b>Concession Period</b>	30 years
<b>Construction period</b>	30 months
<b>Revenue Stream of the project</b>	<b>Main revenue streams are:</b> <ul style="list-style-type: none"> <li>▪ Pre-defined user charge to be collected from students for Regular Student Hostel</li> <li>▪ Pre-defined user charge payable by IIM-U for Married Student Hostel and Executive Hostel</li> </ul>
<b>Tariff</b>	IIM-U will fix the user charge to be collected by the Concessionaire

3. Details of TPC and VGF as approved in principle by the 40<sup>th</sup> EC and as discovered by the market through bidding are given in the table-2 below:



**Table-2**

<b>Particulars</b>	<b>Amount</b> (In Rs. crore)
Estimated Project Cost (EPC) as per In-Principle Approval	<b>100.43</b>
Total Project Cost (TPC) as per Financial Close	<b>98.69</b>
Total Capex VGF as per In-Principle Approval	<b>60.26</b> (60% of EPC)
Total Capex VGF as per Financial Close (quoted by Bidder)	<b>18.69</b> (18.61% of EPC) (18.94% of TPC)
Gol capital grant	<b>18.69</b> (18.61% of EPC) (18.94% of TPC)

4. On behalf of the Chair, JS(ISD) welcomed the participants to the meeting and requested Director, IIM-Udaipur to make a presentation to the EC. It was appraised that the proposal was earlier recommended for final approval by the 116<sup>th</sup> PPPAC & for In-principle approval of VGF by the 46<sup>th</sup> EC in its meeting held on 19<sup>th</sup> Oct 2024 for the development of Infrastructure at IIM Udaipur Campus on PPP mode. It was also appraised that the proposal received for final approval of VGF was duly circulated to all the EC members.
5. The Director, IIM Udaipur has made the presentation to the EC members. IIM-U intends to develop Student Hostel (150 rooms) for regular students, Married student hostel (30 rooms) for PhD students and Executive hostel (110 rooms) for executive trainees within the campus. Further to 'in-principle approval', the bidding process was conducted, and the concession agreement was signed between the Indian institute of Management, Udaipur and M/s KCC IIMU Living Private limited, Jaipur on 5<sup>th</sup> June 2025. Subsequently, the Concessionaire has achieved the financial closure, and the financing agreement was executed on 4<sup>th</sup> September 2025. The escrow agreement and substitution agreement were also executed on 11<sup>th</sup> September 2025.
6. The Director (IIM-U) explained that the In-principle approval was for Rs.60.26 crore, however, the lowest bid received was for Rs.18.69 crore only. The lower VGF was due to following factors:- (i) Lower Equity IRR considered by Concessionaire; (ii) Escalation in user charge increased from 6% to 8% once in 2 years based on the recommendation as per in-principle approval; (iii) Allowing Partial COD resulted early revenue realization; (iv) Increase in Gross revenue on account of higher escalation and partial COD; (v) Reduced O&M cost assumed by Concessionaire; (vi) Favourable lending terms for Concessionaire such as 12.5 years of repayment period, Debt repayment starting from 31/08/2028 whereas partial COD will generate revenue from June 2027 and percentage of debt repayment in initial years is lower; (vii) The project cost is

reduced by ~ Rs 2 crore and (viii) GST Input credit adjustment for construction period is added by Concessionaire in cash flow during initial operation period.

7. After the presentation, the Chair asked the EC members for their observations. DoE and DHE supported the grant of the final approval to the project and stated that they have no further comments to offer.
8. PD, NITI Aayog also supported that proposal and highlighted that the lower VGF was justified as project revenues increased due to escalation, while operating expenses decreased. These factors enhanced private sector efficiency and balanced risks.
9. The Chair raised the following observations:

- a) How many bidders participated in the bidding process?
- b) What was the highest bid received?

10. The PSA submitted the following response:

- a) Total four bidders participated in the bidding process, out of which only two were technically qualified.
- b) The highest bidder quoted a VGF of 47% of the project cost.

### Recommendation

11. After detailed deliberations, the EC unanimously recommended the proposal for granting Final Approval of VGF under Sub-scheme I of the VGF Scheme with the following conditions:

- a) Gol VGF (Capex) support shall be capped as per table below: -

**Table-3**

<b>Particulars</b>	<b>Amount</b> (In Rs. crore)
Total Project Cost (TPC) as per Financial Close	<b>98.69</b>
Total Capex VGF as per Financial Close (quoted by Bidder)	<b>18.69</b> (18.94% of TPC)
Gol capital grant	<b>18.69</b> (18.94% of TPC)

- b) All conditions of the VGF Scheme, such as entering into Tripartite Agreement, etc., shall be adhered to.

- c) The Project Sponsoring Authority shall closely monitor the progress of the project and adhere to the timelines to complete it on schedule without any delay.

12. The meeting ended with vote of thanks to the Chair.

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## **Annexure-I**

**List of the participants of the 51<sup>st</sup> meeting of the EC is as follows:**

**a) Department of Economic Affairs, Ministry of Finance**

1. Ms. Anuradha Thakur, Secretary, EA- In Chair
2. Shri Alok Tiwari, Joint Secretary (IFS)
3. Ms. Arya Balan Kumari, Joint Director (PIU)
4. Shri Rajender Singh, SO (PIU)
5. Shri Manjeet Yadav, ASO (PIU)

**b) NITI Aayog**

1. Shri Partha Sarathi Reddy, Programme Director

**c) Department of Expenditure**

1. Shri Nirnay Pratap Singh, Deputy Director

**d) Department of Higher Education**

1. Shri Vishwajeet Kumar, Director

**e) IIM, Udaipur**

1. Prof. Ashok Banerjee, Director