

**F.No.1/13/2023-PIU**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**  
**Infrastructure Finance Secretariat**  
**Infrastructure Support & Development Division**  
**Private Investment Unit (PIU)**

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5<sup>th</sup> Floor, Jawahar Vyapar Bhawan,  
Tolstoy Marg, New Delhi  
Dated 11<sup>th</sup> September, 2023

**Office Memorandum**

**Subject: Record of Discussion of the 9<sup>th</sup> 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 Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project - reg.**

The undersigned is directed to forward Record of Discussion of the 9<sup>th</sup> 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 Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project, received from H.P Infrastructure Development Board (Govt. of H.P.), held on 25<sup>th</sup> August, 2023 for information and necessary action.

2. This issues with the approval of Competent Authority.



(Dr. Molishree)

**Deputy Secretary to the Government of India**

To,

1. Sh. Partha Sarathi Reddy, Adviser, NITI Aayog
2. Chief Executive Officer, HPIDB, New Himrus Building, Shimla-171001
3. Secretary (Finance), Finance Department, Government of Himachal Pradesh
4. Sr. PPS to JS (ISD)

Copy for information to:

1. Chief Secretary, Punjab,
2. Chief Secretary, Himachal Pradesh

**Subject: Record of Discussion of the 9<sup>th</sup> 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 Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project.**

1. The 9<sup>th</sup> Meeting of the Approval Committee (AC) chaired by the Joint Secretary, ISD Division, Department of Economic Affairs (DEA) was held on 25<sup>th</sup> August, 2023 at 1130 hours to consider granting approval for support under the IIPDF Scheme to the proposal of funding hiring of Transaction Advisor for Development of Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project received from H.P Infrastructure Development Board (Govt. of H.P.). List of participants (attendees) is placed at **Annexure – I**.

2. The basic details of the proposal as submitted by HPIDB is provided in the table below:

<b>Project Description</b>	Development of Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project.		
<b>Purpose of Assistance</b>	Transaction Advisory (TA) services		
<b>Sector</b>	Ropeways		
<b>Project Sponsoring Authority</b>	Himachal Pradesh Infrastructure Development Board (HPIDB), Govt. of H.P.		
<b>Payment Milestones Proposed</b>	<b>S. No.</b>	<b>Deliverables</b>	<b>Payment (%) of Total Amount</b>
	1	Inception Report/Conceptual Plan	
	2	After Due diligence of Feasibility Study Report	5%
	3	Submission of requisite documents to GOI from VGF	10%
	4	Final DPR after in-principle approval of VGF by GOI	15%
	5	Bid Process Management	10%
	6	Selection of bidder, Final approval for VGF and signing of Concession Agreement	20%
	7	Project Management Consultancy/COD of Project	40%#
	#Billing of Project Management Consultancy during the construction		

	<i>period shall be as under: 10% on achievement of compliance date/completion of Conditions precedent. 20% in equal quarterly installments during construction period. 10% on commercial operation date of project.</i>
<b>TA Cost</b>	Rs.1,44,04,000/- plus applicable GST (plus 18% GST i.e., Rs. 1,69,96,720/-).
<b>Assistance required under IIPDF</b>	Rs. 1,69,96,720/-. No TA cost has been disbursed till now.
<b>Current Status</b>	M/s USHA Breco Ltd., has been shortlisted as the TA through an open competitive transparent procurement process.

3. On behalf of the Chair, Deputy Secretary (DEA) welcomed the attendees to the 9<sup>th</sup> Meeting of the Approval Committee and informed that a proposal has been received from HPIDB seeking funding to the tune of Rs.1,69,96,720/- for the hiring of Transaction Advisor for Development of Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project. The proposal has been circulated to all the members of the Approval Committee (AC) and with the permission of the Chair, HPIDB was invited to make a presentation on the proposal.
4. HPIDB stated that the two shrines of Shri Anandpur Sahib ji and Shri Naina Devi ji are situated at a road distance of around 22 kms. Both the shrines are among the holiest places and devotees visiting the shrines have difficulty in traversing the difficult hilly terrain. The hilly terrain also poses severe danger to the travelling devotees. Further, the two shrines are in different States, namely, Punjab and Himachal Pradesh, respectively, which leads to increased coordination time in case of any mishap. In order to alleviate these difficulties and to promote tourism in the region, a ropeway project connecting the two shrines was planned to be bidden out earlier. However, no bids were received for the project and the bidding attempt was unsuccessful.
5. HPIDB also informed that a Memorandum of Understanding (MoU) has been signed on September 5, 2018 between the Govt. of Punjab and Govt. of Himachal Pradesh, with the objective of promoting the project. Under the MoU, both the respective governments have inter-alia, agreed to share the costs associated with the development of the project and provide land parcels at both the locations. The length of the Ropeway is approx.. 4 kms with the envisaged construction period of 24-30 months.
6. Hence, basis the learnings of the previous bids, the project is now proposed to be taken up on DBFOT mode with VGF support. For this purpose, RFP for on boarding TA from DEA and HPIDB panel of TAs was released on 04.01.2023 and thereafter, M/s USHA Breco Ltd. has been short listed for this assignment at

aforementioned consultancy fee through an open competitive transparent bid process.

7. With the permission of the Chair, the following issues were deliberated:
  - i. The payment milestones of the onboarded TA being in variance with those specified under the IIPDF Scheme. However, IIPDF Scheme Guidelines provide an option for the Approval Committee (AC) to consider variation in payment milestones for cogent reasons.
  - ii. The payment milestone No.4 of providing final DPR post In Principle Approval for VGF support may be reconsidered as Final DPR needs to be submitted along with other documents for seeking In Principle approval for VGF support to the DEA.
  - iii. The condition that concessionaire shall be given right to explore lands for commercial exploitation, subject to the permission of the Authority, may be revisited. All land parcels proposed to be made available to the concessionaire for commercial development should be identified upfront before bidding of the project and made available to the concessionaire for commercial development without seeking any subsequent approvals from the authority.
  - iv. Since the project is conceived on VGF support from the initial stage itself, whether the RFP issued for onboarding TA contains provision for the additional incentive under the IIPDF payment milestones if the project is ultimately bid out on premium.
8. Regarding the observations, HPIDB informed that:
  - i. The payment milestones of the onboarded TA are more in sync with the project contours. It ensures a long term commitment of the TA for the success of the project as a higher proportion of payment is scheduled to be made at a later stage, for managing the project consultancy once the concession agreement is signed.
  - ii. The DPR will be submitted along with other requisite documents for seeking In Principle approval for VGF support. However, in case the Empowered Committee suggests certain changes in project contours then revised DPR incorporating such changes would be required to be submitted as the Final DPR.
  - iii. The land parcels proposed to be made available to the concessionaire for commercial development will be made available without any requirement of subsequent approvals by the PSA.
  - iv. The issued RFP does not contain such provision for additional incentive as is provided under the IIPDF Scheme.
9. Considering the above discussions, the AC unanimously decided to approve funding for hiring Transaction Advisor for Development of Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project, subject to the following:



- i. As the TA has been onboarded and the payment milestones are intended to ensure skin in the game of the TA and are back-loaded vis-à-vis the milestones under the IIPDF Scheme, hence, the proposed milestones as per the RFP through which the TA has been onboarded shall be followed for disbursement under the IIPDF Scheme.
- ii. Further, since the issued RFP does not contain enabling provision for the additional incentive of 5% as is available under the IIPDF Scheme, hence, the same shall not be requested from the PSA if the project is bid out on a premium.
- iii. The funding is approved to the tune of Rs.1,69,96,720 (inclusive of taxes) which is the bid amount discovered through open competitive transparent bid process. The actual disbursement shall be subject to the lesser of the bid amount or actual expenditure.
- iv. All conditions of the IIPDF Scheme shall be followed by Government of Punjab and Government of Himachal Pradesh.

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

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## Annexure – I

List of attendees of the 9<sup>th</sup> 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 Shri Anandpur Sahib ji to Shri Naina Devi ji Passenger Ropeway Project, held on 25<sup>th</sup> August, 2023.

**1. Department of Economic Affairs, Ministry of Finance**

- i. Shri Baldeo Purushartha, JS(ISD) – in Chair
- ii. Dr. Molishree, Deputy Secretary
- iii. Dr. Kartik Agrawal, Deputy Director

**2. NITI Aayog**

- i. Shri Partha Sarathi Reddy, Adviser (PPP)

**3. HPIDB**

- i. Shri Deepak Bhardwaj, General Manager.
- ii. Shri Praveen Kumar, Asstt. General Manager.
- iii. Shri Surjan Chauhan, Asstt. Manager.

