

F. No. 1/24/2023-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
Infrastructure Support & Development Division
Private Investment Unit (PIU)

5th Floor, Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi
Dated 19th December 2023

Office Memorandum

Record of Discussion of the 15th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands, for hiring Transaction Advisor (TA) for undertaking development of Eco-tourism Resorts and outsourcing of Megapode Resort on PPP mode.

The undersigned is directed to forward Record of Discussion of the 15th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands, for hiring Transaction Advisor (TA) for undertaking development of Eco-tourism Resorts and outsourcing of Megapode Resort on PPP mode, held on 15st December 2023 for information and necessary action.

2. This issues with the approval of Competent Authority.


(Dr. Kartik Agrawal)
Deputy Director

To,

- i. Shri. Partha Sarathi Reddy, Adviser, NITI Aayog
- ii. Ms. Nandini Paliwal IAS Commissioner-cum-Secretary, Managing Director, ANIIDCO
- iii. Ms. Pallavi Sarkar, IAS, Executive Director, ANIIDCO
- iv. Sr. PPS to JS (ISD)

Copy for information:
The Chief Secretary, Andaman & Nicobar Islands

Record of Discussion of the 15th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands, for hiring Transaction Advisor (TA) for undertaking development of Eco-tourism Resorts and outsourcing of Megapode Resort on PPP mode.

1. The 15th Meeting of the Approval Committee (AC) chaired by the Joint Secretary (JS), ISD Division, Department of Economic Affairs (DEA) was held on 15th December 2023 at 1115 hours to consider granting approval for support under the IIPDF Scheme to the proposal of Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands, for hiring Transaction Advisor (TA) for undertaking development of Eco-tourism Resorts and outsourcing of Megapode Resort on PPP mode. List of participants (attendees) is placed at **Annexure – I**.

2. Project Overview:

A brief overview of the project is provided below:

Project Name	Selection of Transaction Advisor for Development of Eco-Tourism Resorts at Long Island, Aves Island, Smith Island and Shaheed Dweep Island	Selection of Transaction Advisor for Outsourcing of Megapode Resort in Port Blair on PPP basis
Purpose of Assistance	PPP Transaction Advisory (TA) Costs	
Sector	Tourism Sector	
Project Sponsoring Authority	Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO)	
Location	Port Blair/ Andaman & Nicobar Islands (UT)	
PPP Mode Envisaged	Design Build Finance Operate and Transfer DBFOT	
Total Financial quote (Rs.)	1,96,21,963	1,25,75,000
GST@18% (Rs.)	35,31,953	22,63,500
Total Amount including GST (Rs.)	2,31,53,916	1,48,38,500
Payment Milestone Proposed	Deliverable	Payment (% of total fee)
	Submission of Draft Feasibility Report	10
	Submission of Final Feasibility Report	10
	Submission of Draft Bid Documents	20
	Submission of Final Bid Documents	20

	Floating of RFP	20
	Submission of the Evaluation Reports including response to queries	10
	Signing of the Concession Agreement	10
IIPDF contribution sought (%)	100%	
Current Status	TA is selected – M/s KPMG	TA is selected – M/s Deloitte

3. On behalf of the Chair, Deputy Director (DEA) welcomed the attendees to the 15th Meeting of the Approval Committee and informed that the project proposal has been received from Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands, seeking funding to the tune of Rs.3,79,92,416 including GST for hiring Transaction Advisors (TA) for undertaking development of Eco-tourism Resorts and outsourcing of Megapode Resort on PPP mode. DD (DEA) further informed that the proposal has been duly circulated to all members of the Appraisal Committee (AC) and with the permission of the Chair, ANIIDCO was invited to make a presentation on the proposal.
4. ANIIDCO stated that the Island Development Agency (IDA) is driving the comprehensive development of Long Island, Aves Island, Smith Island, and Shaheed Dweep through eco-tourism resorts, as outlined in the Master Plan prepared by technical consultant. After a meticulous selection process, Deloitte Touche Tohmatsu India LLP and KPMG Advisory Services Pvt. Ltd. emerged as technically qualified, leading to the issuance of the Letter of Intent on 18.07.2023 and the subsequent execution of the agreement on 28.08.2023.
5. ANIIDCO further informed that the Transaction Advisor's scope of work encompasses the preparation of a comprehensive feasibility report, incorporating financial modelling and a review of prior reports, along with securing CRZ Clearance. Additionally, the TA will be responsible for crafting the bid document, which includes the Request for Proposal (RFP) and Draft Concession Agreement (DCA). The TA will manage the bid process, providing support for the onboarding of the concessionaire, which involves tasks such as preparing the Project Information Memorandum, facilitating pre-bid conferences, and determining benchmark concession fees. Regarding outsourcing of Megapode resort, ANIIDCO indicated that full rights will be accorded to the concessionaire for O&M as well as further designing, developing the resort. ANIIDCO expressed their confidence for implementing the project and are optimistic of taking the project forward in an expeditious manner.
6. ANIIDCO apprised DEA of an Investors Conference organized at ITC, Maurya, New Delhi on 04.12.2023 which was attended by around 150 persons and many prominent hotel chain representatives. Accordingly,

- ANIIDCO also requested DEA to consider reimbursement of expenditure to be incurred for appointment of TA and Investors Conference.
7. After the presentation, the following points were discussed with the permission of the Chair:
- i. It was indicated that reimbursement of costs for investor conference is not covered under IIPDF scheme.
 - ii. It was informed that the proposed payment milestones are not as per the IIPDF scheme. Since the TA has already been onboarded in both cases, therefore, ANIIDCO may continue to release the payments to the TA as per the contracted milestones but the DEA will release as per IIPDF milestone.
 - iii. No retroactive financing is permitted under IIPDF Scheme, and hence, the amount already released by the PSA to the TA shall not be covered under the IIPDF Scheme.
 - iv. The development of Eco-tourism resorts in Long Island, Aves Island, Smith Island and Shaheed Dweep, bid documents, etc. including the masterplan for the project, had already been prepared in the previous instance. Hence, PSA shall ensure that there should be no duplication of work by the new TA.
8. ANIIDCO submitted the following:
- i. The release of funding under IIPDF Scheme as per milestone provided in IIPDF Scheme is accepted.
 - ii. It was also informed that till date no amount has been released to the TAs.
 - iii. The TOR for the eco-tourism project has been carefully prepared to ensure that there is no overlap.
9. In light of the above, AC unanimously decided to approve funding for hiring of TA for undertaking development of Eco-tourism Resorts at Long Island, Aves Island, Smith Island and Shaheed Dweep Island and outsourcing of Megapode Resort on PPP mode, subject to following:
- i. Reimbursement of costs for investor conference is not covered under IIPDF scheme.
 - ii. Funding for TA expenses under the IIPDF Scheme is approved up to Rs.3,79,92,416 (Rs.2,31,53,916 plus Rs.1,48,38,500) inclusive of taxes and net of payments made.
 - iii. Since the TA has already been onboarded in both cases, ANIIDCO may continue to release the payments to the TA as per the contracted milestones and seek funding from DEA as per the IIPDF milestones. ANIIDCO shall provide the project wise alignment of contracted payment milestones with those under the IIPDF Scheme.
 - iv. All conditions of the IIPDF Scheme shall be complied to by ANIIDCO and the Government of Andaman & Nicobar Islands.
10. The meeting ended with vote of thanks to the Chair.

Annexure – I

List of attendees of the 15th Meeting of the Approval Committee to consider granting approval for support under the IIPDF Scheme to the proposal of Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands, for hiring Transaction Advisor (TA) for undertaking development of Eco-tourism Resorts and outsourcing of Megapode Resort on PPP mode, held on 15th December 2023.

1. Department of Economic Affairs, Ministry of Finance

1. Shri B. Purushartha, JS(ISD) – in Chair
2. Sh. R. Shivakumar, Deputy Secretary
3. Dr. Kartik Agrawal, DD
4. Shri Dhruv Rohatgi, OSD
5. Shri Gaurav Jumrani, Consultant

2. NITI Aayog

1. Shri Partha Sarathi Reddy, Adviser (PPP)

3. Andaman & Nicobar Islands Integrated Development Corporation (ANIIDCO), Government of Andaman & Nicobar Islands

1. Ms. Nandini Paliwal IAS Commissioner-cum-Secretary, Managing Director, ANIIDCO
2. Ms. Pallavi Sarkar, IAS, Executive Director, ANIIDCO
3. Shri C Arvind, DANICS, Executive Director, ANIIDCO
4. Shri Mohd Pervaiz, General Manager (Projects), ANIIDCO
5. Shri. Saji Samuel, Sr. Manager (Projects), ANIIDCO