

**GOVERNMENT OF ODISHA**  
**FINANCE DEPARTMENT**

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Letter No. FIN-PPP-MEET-0001-2019 31216 /F, Date 10.11.2021

**From**

**Shri Krushna Chandra Satapathy,**  
**Director PPP-cum-Joint Secretary to Government**

**TO**

**The Additional Chief Secretaries/ Principal Secretaries/  
Commissioner -cum- Secretaries/Secretary to Government  
P&C/Finance/Revenue & D.M/ Housing & UD/ Energy/ Works/Forest &  
Environment/ Commerce & Transport/Law/ Water Resources/ Industries/  
Tourism/ Health & FW Department**

**Sub: Minutes of 56th Meeting of Empowered Committee on Infrastructure (ECI)  
held on 02-11-2021 (Tuesday) at 4.15 PM through virtual mode via MS-Team.**

Madam/Sir,

With reference to the subject cited above, kindly find herewith enclosed minutes of 56th Empowered Committee Infrastructure (ECI) held on 02<sup>nd</sup> November 2021 (Tuesday) at 4.15 PM through virtual mode via MS-Team.

Yours faithfully

*K. G. Satapathy*  
10/11/2021  
**Director PPP-cum-Joint Secretary to Government**

**Memo No. 31217 /F, Date 10.11.2021**

Copy along with copy of the enclosure forwarded to P.S. to Chief Secretary for information of Chief Secretary.

*K. G. Satapathy*  
10/11/2021  
**Director PPP-cum-Joint Secretary to Government**

**Memo No.** 31218 /**F, Date** 10.11.2021

Copy along with copy of the enclosure forwarded to Vice Chairman, BDA/Chairman, OHPC/ CMD, GEDCOL/ MD, GRIDCO/International Finance Corporation (IFC) for information.

*KG*  
*10/11/2021*

**Director PPP-cum-Joint Secretary to Government**

**Minutes of 56<sup>th</sup> Meeting of Empowered Committee on Infrastructure (ECI) held on 02-11-2021 (Tuesday) at 4.15 PM through virtual mode via MS-Team**

The Meeting was chaired by Chief Secretary. The list of participants in the meeting is annexed herewith.

With the permission of the Chair, Principal Secretary, Finance-cum-Secretary, PPP made a brief presentation on the recent development in PPP at national level such as National Infrastructure Pipeline (NIP), Asset Monetisation, the revamped VGF policy etc. The Principal Secretary impressed upon the Administrative Departments to conceptualise new projects including social infrastructure. The discussions followed through presentation on the detailed agenda items and the minutes recorded are as under:

**Agenda-1: Action taken report on decisions of 55<sup>th</sup> Meeting of ECI held on 25-03-2021**

- a. *Time extension for the project namely "Development of Integrated Residential Complex over 12 acres of land over Plot no.- 87/1264 & 87/1263/1802, Khata No.- 421 in Mouza: Sankarpur, Bhubaneswar on PPP mode" (TATA Ariana Project);*

VC, BDA mentioned that as per the decision of last ECI, the Concessionaire/Developer has agreed to the proposal of BDA "to grant time extension for 3 years charging penalty from the developer for the intervening period and for the extension period". However, consent on accepting the proposal may be obtained from the Developer within a month.

- b. *Change in the composition of the consortium and shareholding pattern of the Selected Bidder namely Consortium of Consortium of M/s Supreme Housing & Hospitality (P) Ltd. and M/s Z Engineers Constructions Pvt. Ltd. for "Development of Integrated Residential Complex in Bhubaneswar over land area of 25.5 Acres on PPP mode*

It was apprised to the ECI that the entire bid process has been cancelled and steps are being taken for refund of the bid security as per the provisions of the RfP.

- c. *Financial Assistance to meet the contractual obligations for payment of water charges to M/s MEIL (Bhubaneswar) Bulk Water Project Pvt. Ltd."*

ECI took note of the issue and observed that each entity as per contractual obligation should discharge their respective liability.

- d. *Approval of Standard Bid Document for Affordable Housing Projects (AHP) & Slum Rehabilitation & Redevelopment Housing(SRRH)*

ECI was intimated by H&UD Department and BDA that the standard Bid Documents, as approved by ECI, are being used while floating tenders and RFPs.

**Agenda-2: Permission for dilution of the shareholding of the Developer namely M/s Vipul Lavanya Developers Ltd. in favour of a Substitute Entity for "Development of Integrated Residential Complex over 3.96 Ha (9.775 Acres) of land at Mouza: Paikarapur, Bhubaneswar on PPP mode**

**Proponent: H&UD Department, Govt. of Odisha and BDA**

“Development of an integrated residential & commercial complex over 9.775 acres of land at Paikrapur, Bhubaneswar” got in-principle approval by ECI in its 09<sup>th</sup> Meeting held on 06-10-2010 and the bid outcomes were approved by ECI in its 18<sup>th</sup> Meeting held on 07-06-2012. M/s Vipul Limited was selected as successful bidder with the quoted lease premium of Rs. 89.67 Cr. Development Agreement (DA) was signed on 20-11-2012 upon payment of the 25% of lease premium by the bidder.

As per the DA, both the parties to the contract need to fulfil certain conditions precedent obligations, that both the parties failed to fulfil within the stipulated period of 365 days of signing of DA (BDA failed to execute the Lease Deed with Government of Odisha and own the possession of the land to be transferred to the developer. Whereas, the developer has failed to pay minimum 50% of the Lease Premium including the 1<sup>st</sup> Instalment paid earlier and Bank Guarantee for the rest Lease Premium. The Developer also failed to obtain the financial closure). As both the parties failed to fulfil the conditions precedent obligations in scheduled time, the Lease Agreement could not be signed between the parties.

Hence, the Developer approached BDA for termination of DA and refund of the 1<sup>st</sup> instalment of Lease Premium along with other fees paid by it **OR** handover proportionate land patch against the payment made by them(25% of the lease premium as 1st instalment) along with accrued interest on it @ 18% P.A.

In a subsequent development, the Developer has changed its view and requested BDA for dilution of its shareholding in the SPV Company in favour of M/s D N Homes Pvt Ltd, who has also expressed its interest to reconstitute the SPV and sought permission to execute the agreement.

On seeking advice, the Learned Advocate General in his communication on **07.10.2020** opined as follows

**“ In the event , BDA and the SPV Company wish to go ahead, they can do so, with concurrence of Housing and Urban Development Department by suitably modifying the Development Agreement, by ensuring “terms no less favourable than those contained in this Agreement” as provided for Article 14.4 read with Article 21.4 of the Agreement. Both parties should set out new timelines for fulfilment of respective obligation.”**

The matter was also placed in the 140th Authority Meeting of BDA held on 23.04.2021 under the Chairmanship of Principal Secretary to Government, H & UD Department and it was decided to seek the advice of Learned Advocate General again. On 10.07.2021 Learned Advocate General opined that since the ECI is the competent authority to sanction PPP projects and approve concession agreement as per Clause 4.2.2(j) Orissa PPP Policy- 2007, **the Development Agreement may be suitably modified with the concurrence of ECI instead of the Housing and Urban Development Department.**

The matter has been referred to Law Department, Government of Odisha to provide considered views on following matters:

1) Authorise BDA to exercise its powers substituting the Developer and modify the Development Agreement suitably.

2) Since the Condition Precedent of Developer has not been met, approval was sought for considering Compliance Date as the date of signing of supplementary agreement with the Developer.

The Law department, on consultation, opined that BDA may **waive the conditions precedent under article 3.1 and extend the fulfilment time beyond 365 days as per article 3.3 (f) of the Agreement.**

BDA may also permit M/s Vipul Limited to replace the Developer by executing a fresh tripartite agreement in terms of the Development Agreement.

**Decisions of ECI:**

After a complete discussion, ECI has considered the views of Learned Advocate General, Odisha and Law Department, Government of Odisha, and recommended BDA to go by the advises for amendments/modifications in the Development Agreement and signing Development Agreement. ECI further mentioned that the opinions of Learned AG and Law Department, Govt. of Odisha may be taken while signing the fresh Development Agreement and go ahead with the project to avoid any future complicity.

**Agenda 3 - Establishment of affordable healthcare projects Statewide – Rebidding of locations availing financial assistance under the revamped VGF Scheme of Govt of India**

**Proponent: Health & Family Welfare Department**

Additional Chief Secretary, H&FW apprised ECI that, in accordance with the decisions taken in the 54<sup>th</sup> ECI, H&FW had submitted the proposal & draft bid documents for Angul, Barbil, Bhadrak & Jharsuguda to Department of Economic Affairs, Govt of India (DEA) to avail Central Govt. assistance under the revamped VGF Scheme. On the VGF proposals, DEA has sought some clarifications which relate to project structure and require major modifications in the bid documents; accordingly they are placed before the ECI for considerate views and recommendation to the compliance proposal. The transaction advisor has reached out to prospective bidders for promotion of the project and made few modification suggestions which were placed before the ECI for consideration. He also apprised the ECI that recently on 01/11/2021 queries on the VGF proposal were received from NITI Aayog of which assessment was pending. IFC, the transaction advisor did a presentation on the queries and compliance proposal.

ECI took a note of queries of DEA and corresponding compliance suggestions. After detail deliberation the following decisions were taken:

1. The compliance proposal and amendments proposed to the draft bid documents based on comments received from the DEA and market feedback were discussed and the following were recommended:

SL No	Suggestions of Department of Economic Affairs, Govt of India	Recommendation of ECI
I.	VGF guidelines should be adhered for bidding.	As proposed, VGF payable during construction and O&M should be discovered through bidding. However, ceilings may be kept for each tranche and payment milestone.
II.	Concession Period – Possibility of longer concession period may be explored	Concession period shall be 32.5 years + 30 years with selection through competitive bidding, with first right of refusal to incumbent operator
III.	Operational cost should only include Salary and consumables.	Taking a note that, such provision lower the VGF payable and shall affect the viability and reduce bidders interest in the project, it was suggested that O&M cost should include

		<p>routine expenses of a privately run hospital as envisaged in the current project structure.</p> <p>DEA may be requested to place a proposal for considering the above before the Empowered Committee of Government of India for consideration.</p>
IV.	<p>Land may be given at nominal concession rate to ensure lesser VGF requirement.</p>	<p>In view of the extant policy of Government of Odisha, and considering that the charges are concessional and amount to lower than 1% of the total project cost, ECI recommended to retain the provision of grant of land at IPR rates without any changes.</p>
V.	<p>User Charges from Select &amp; Non-Select Patients to be predetermined and factored into to the concession agreement along with escalation matrix.</p> <p>Tariffs for Non-select patients to be capped</p>	<p>ECI considered the following facts for Non Select Patients:</p> <ol style="list-style-type: none"> <li>a. Fixing tariff and year wise escalation for all the treatment packages and monitoring of such tariffs would be very complex, expensive and raise possibilities of continuous disputes throughout the concession period</li> <li>b. Capping the tariff for non-select patients by benchmarking with BSKY rates would be arbitrary.</li> <li>c. Capping of tariffs for non-select patients would reduce revenue and cross-subsidy from non-select patients, and increase VGF requirements thus would make project unviable</li> <li>d. Capping of prices may curtail offering of high end services to non-select patients, reducing their interest in availing health services from the hospital</li> <li>e. Due to market competition, arbitrary pricing practice by Operator from Non-Select Patients is not likely to happen.</li> </ol> <p>It was suggested no such cap or predetermination of tariff for Non Select Patients may be recommended for instant project and accordingly DEA may be requested to consider the proposal without any modification.</p>
VI.	<p>A clear rationale for considering these projects under Sub-Scheme -II may be submitted by</p>	<p>As proposed suitable response may be submitted to DEA with facts and figures.</p>

	Government of Odisha  The Sub scheme –II is meant for only demonstration / pilot projects in education & health sector	
<b>SL NO</b>	<b>Suggestions based on market feedback</b>	<b>Recommendation of ECI</b>
VII.	Modify the technical eligibility requirement for 200-bed hospital	<ul style="list-style-type: none"> <li>• The suggestions to relax the eligibility conditions to broad base participation were recommended.</li> </ul>
VIII.	For assessment of minimum technical and financial eligibility criteria, the financials and experience up to Financial Year (FY) 2021 are considered	Recommended
IX.	Use of area proposed for Staff accommodation for Hospital services:  Concession agreement may have provision to grant permission to private partner to use of area for staff accommodation for purpose of Hospital operations on a one-is-to-one ratio and on a case-by-case basis with prior approval of the Authority and at NO additional VGF payments from the Authority at any time during the project	Recommended
X.	Queries of NITI Aayog and other Departments of Govt of India with respect to the VGF proposal.	For queries received in connection to the proposal, in interest of time, the responses and compliance proposal prepared by H&FW Department may be endorsed by PPP Directorate prior to submitting to Government of India.

2. In responses to DEA's queries, responses / clarification prepared by H&FW in consultation with PPP Directorate, Finance Department were recommended.
3. H&FW Department in consultation with Directorate of PPP may take suitable steps for submitting compliance and making necessary amendments to the Bid document for early approval from DEA and launching the project.
4. For Jeypore & Puri project, due to non-response of the winning bidder cancellation LoA by H & FW Department was noted. H & FW Department were advised to take necessary steps as per RfP including forfeiture of Bid Security.
5. Jeypore and Puri may be rebid as single projects and application for VGF be submitted to the DEA for financial assistance. These projects may be included in the current bid process if timely approval from DEA is received.

#### **Agenda 4- Upper Indravati Pumped Hydropower Storage - Status Review**

**Proponent: Odisha Hydro Power Corporation (OHPC) / Energy Department**

The Status review has been deferred to be discussed in the forthcoming meeting.

#### **Agenda 5- Odisha Solar Park PPP Project – 275 MW – Status Review**

The Status review has been deferred to be discussed in the forthcoming meeting.

#### **Agenda 6- Four Laning of Sambalpur-Rourkela SH-10 Project on DBFOT pattern**

**Proponent: Works Department**

An amount of Rs. 137.566 crores (Rs.82.783 Cr in 1<sup>st</sup> Phase and Rs. 54.783 Cr in 2<sup>nd</sup> phase) was approved by ECI in its 37<sup>th</sup> Meeting held on 31-10-2016 as expenditure to be incurred for Change in Scope (COS) of work on account of 24 numbers of additional works.

But on receipt of Financial Status Report submitted by Independent Engineer, the expenditure proposal for COS has been revised to Rs. 137.092 Crores. The Financial Status report of Independent Engineer reveals that, 1<sup>st</sup> Phase is completed and 2<sup>nd</sup> phase is in progress. In 1<sup>st</sup> Phase, expenditure amounting to Rs. 66.497 Cr has been incurred against the approved amount of Rs. 82.873 Cr. in 2<sup>nd</sup> Phase, Rs. 3.699 Cr has been incurred so far and a revised estimate of Rs. 53.457 Cr to be incurred. Apart from the COS approved earlier, some other works amounting to Rs. 13.437 Cr executed in Phase-II is recommended for approval.

The estimated cost of flyover bridge @Km 53/000 to be constructed under Phase-II COS has been revised to Rs. 36.941 Cr against earlier sanctioned cost of Rs. 26.587 Cr due to price hike along with provision of GST of 12%.

#### **Decisions of ECI:**

1) In-principle approval has been accorded to the revised Change of Scope (COS) proposals for 35 items of gross expenditure amounting to Rs. 137.09 Cr. in lieu of COS proposals for 24 items of gross expenditure amounting to Rs. 137.56 Cr. approved earlier, in the 37<sup>th</sup> ECI Meeting.

2) ECI has also accorded in-principle approval for implementation of FASTTAG including the cost of Infrastructure Spares and O&M for 5 years amounting to Rs. 1.44 Cr excluding GST to be given to concessionaire as Change of Scope.

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

(Approval has been taken on File No. FIN-PPP-MEET-0001-2019)



## Annexure

### List of Participants

Sl. No.	Name	Designation	Department/Organisation
1	Shri Pradeep Kumar Jena	DC-cum-Additional Chief Secretary	Planning & Convergence Department
2	Dr. Mona Sharma	Additional Chief Secretary	Forest & Environment
3	Shri Raj Kumar Sharma	Additional Chief Secretary	Health & Family Welfare
4	Shri Surendra Kumar	Principal Secretary	Tourism
5	Shri Vishal Kumar Dev	Principal Secretary, Finance – cum- Secretary (PPP)	Finance
6	Shri Bishnupada Sethi	Principal Secretary	Revenue & Disaster Management
7	Shri Nikunja Bihari Dhal	Principal Secretary	Energy
8	Shri G Mathivathanan	Principal Secretary	Housing & Urban Development
9	Shri Hemant Sharma	Principal Secretary	Industries
10	Shri Madhusudan Padhi	Principal Secretary	Commerce & Transport
11	Shri Kisan Kumar	Commissioner-cum-Secretary	Works
12	Shri P K Nanda	Secretary in Charge	Law
13	Shri Sanjay Kumar Singh	Vice Chairman	BDA
14	Shri Hemant Kumar Dutta	Special Secretary	Works
15	Shri M Mishra	Special Secretary	Works
16	Shri Sushanta Kumar Mishra	Additional Secretary	Housing & Urban Development
17	Shri Sanjay Kumar Mishra	Managing Director	OPTCL
18	J P Nanda	Managing Director	GRIDCO
19	Smt Jasmine Patnaik	Joint Secretary	Health & Family Welfare
20	Shri Mozzam Mekan		IFC
21	Shri Partha Tripathy		IFC
22	Shr Pranab Mohan		IFC
23	Ms Subhada Kant		IFC
24	Ms Susmita Sahoo		IFC
25	Shri Krushna Chandra Satapathy	Director	Directorate, PPP
26	Shri Ujjwal Kumar Nayak	Under Secretary	Directorate, PPP
27	Shri Krishna Chandra Padhy	Consultant	Directorate, PPP
28	Ms Snehamayee Naik	ASO	Directorate, PPP