

**F. No. 1/11/2024-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 19<sup>th</sup> June 2024

**Office Memorandum**

**Record of Discussion of the 21<sup>st</sup> Meeting of the Approval Committee to consider the proposal of Department of Tourism, Government of Puducherry for Development of Multi-Tourism Product Zone at Manapet in Puducherry on PPP mode for support under the IIPDF Scheme reg.**

The undersigned is directed to forward the Record of Discussion of the 21<sup>st</sup> Meeting of the Approval Committee held on 15<sup>th</sup> March 2024 to consider the proposal of Department of Tourism, Government of Puducherry for development of Multi-Tourism Product Zone at Manapet in Puducherry on PPP mode under the IIPDF Scheme for information and necessary action.

2. This issues with the approval of Competent Authority.



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

To,

- i. Shri. Partha Sarathi Reddy, Adviser, NITI Aayog
- ii. Sri. K.Muralidharan, Director of Tourism, Puducherry
- iii. Sr. PPS to JS (ISD)

Copy for information:  
The Chief Secretary, Puducherry

**Record of Discussion of the 21<sup>st</sup> Meeting of the Approval Committee to consider the proposal of Department of Tourism, Government of Puducherry for Development of Multi-Tourism Product Zone at Manapet in Puducherry on PPP mode for support under the IIPDF Scheme.**

1. The 21<sup>st</sup> Meeting of the Approval Committee (AC) chaired by the Joint Secretary (JS), ISD Division, Department of Economic Affairs (DEA) was held on 15<sup>th</sup> March 2024 at 1100 hours to consider the proposal of Department of Tourism, Government of Puducherry for development of Multi-Tourism Product Zone at Manapet in Puducherry on PPP mode under the IIPDF Scheme. List of participants (attendees) is placed at **Annexure – I**.

**2. Project Overview:**

A brief overview of the project is provided below:

|  |   |                                 |
|--|---|---------------------------------|
| <b>Project Name</b>                                    | Development of Multi-Tourism Product Zone at Manapet in Puducherry under PPP Mode.    |                                 |
| <b>Purpose of Assistance</b>                           | PPP Transaction Advisory (TA) Costs   |                                 |
| <b>Sector</b>  | Social and Commercial Infrastructure  |                                 |
|  | Sub-sector – Tourism  |                                 |
| <b>Project Sponsoring Authority</b>                    | Government of Puducherry  |                                 |
| <b>Location</b>  | State: Puducherry Location: Manapet   |                                 |
| <b>PPP Mode Envisaged</b>                              | Design, Build, Finance, Operate and Transfer (DBFOT)                                  |                                 |
| <b>Estimated TA Costs</b>                              | Rs. 2,33,64,000 (Rs.1.98 Cr + 18% GST)  |                                 |
| <b>Payment Milestone as per the proposal submitted</b> | In deviation from IIPDF scheme  |                                 |
|  | <b>Deliverable</b>  | <b>Payment (% of total fee)</b> |
|  | Project Inception Report  | 15                              |
|  | Pre-Feasibility Report  | 20                              |
|  | Final Techno Financial Feasibility Report   | 25                              |
|  | Submission of BID document  | 20                              |
|  | Report on evaluation of bids  | 10                              |
|  | Award of work and signing of agreement  | 10                              |
|  | Additional Incentive  | 5                               |
| <b>IIPDF contribution sought (%)</b>                   | 100%  |                                 |
| <b>Current Status</b>                                  | TA is on boarded, inception report and pre-feasibility report prepared and submitted. |                                 |

3. On behalf of the Chair, Joint Director (DEA), welcomed the attendees to the 21<sup>st</sup> Meeting of the Approval Committee and informed that the project proposal has been received from Department of Tourism, Government of Puducherry, seeking funding to the tune of Rs. 2.3336 Cr inclusive of GST for the development of Multi-Tourism Product Zone at Manapet in Puducherry under PPP mode. The Joint Director (DEA) further informed that the proposal has been duly circulated to all the members of the Appraisal Committee (AC) and with the permission of the Chair, Department of Tourism was invited to make a presentation on the proposal.
4. Department of Tourism made a presentation on the proposal wherein it was informed that the Department of Tourism, Government of Puducherry owns 100 acres of land at Manapet, Puducherry on the seafront and intends to undertake the proposal of Development of Multi-Tourism Product Zone at Manapet in Puducherry under PPP Mode.
5. During the presentation, it was also informed that the envisioned Multiproduct Tourism Zone in Manapet follows a Nucleus Model, allowing for significant built-up area development and integration of core, supplementary, and complementary tourism offerings. The core tourism products encompass Multi Attraction Park, MICE/ Fintech Park, Film City, Spiritual/Wellness Healing Centre, Golf Course and Yacht Marina. The supplementary tourism will encompass Multi-themed Luxury Hotels and Resorts, High-end Restaurants, theme-based cafes and Fine Dining Restaurants, Commercial Complexes, Retail spaces etc. and the Complimentary products will include Parking Spaces, Toilet Blocks, Green Covers/ Recreational Parks, Tourist Information Centres, Medical Services etc.
6. D/o Tourism further informed that the objective of the project is to boost the local economy, create jobs, and preserve Manapet's natural charm by partnering with private entities. This initiative seeks to make Manapet a top destination for travellers, showcasing its rich culture and scenic landscapes while benefiting the community.
7. After the presentation, the following points were discussed with the permission of the Chair:
  - i. The Chair enquired on the roles and responsibilities of the Concessionaire. D/o Tourism on the same submitted that the Concessionaire is responsible for entire development of Multi-Tourism Product Zone and shall finance the project.
  - ii. The Chair highlighted that the project entails divergent developments. It was enquired whether a single concessionaire will have the competency to run all the projects. D/o Tourism on the same submitted that the concessionaire is to be granted liberty to hire sub-concessionaires to run the varied projects under the Multi-Tourism Product Zone.
  - iii. DEA queried on compulsory and optional developments for the proposal. Department of Tourism on the same informed that the DoT is in process of preparing the feasibility study with the on boarded TA and will be in a position to determine the minimum development obligations(compulsory or optional) only after the feasibility study. Further, it was informed by D/o

- Tourism that a revenue-sharing model has been envisaged for the said proposal.
- iv. NITI Aayog queried on the role of the TA. Department of Tourism responded that the role of TA entails the following.
    - a. Feasibility assessment.
    - b. Detailed market assessment.
    - c. Market sounding and marketing. Identification of optimal product mix.
    - d. Carrying out financial feasibility.
    - e. Prepare financial models.
    - f. Development of Project on appropriate PPP mode.
    - g. Project structuring and optimal risk allocation between the Authority and Private Sector Participant.
    - h. Carrying out the Bid Process Management and onboarding of Concessionaire.
  - v. NITI Aayog further enquired whether the project is to be bid out as single package or multiple packages. It was apprised by the Department of Tourism that the project is to be bid out as a single package.
  - vi. DEA queried whether Concessionaire has control over seafront and if entry to the beach is restricted. Department of Tourism responded that Concessionaire would have control over the seafront and charge for the facilities. However, access to the beach will be open for public.
  - vii. DEA recommended that appropriate project structuring may be undertaken and optimal risk allocation should be made between the parties involved. Further, it may be ensured that the PSA is capturing all revenue streams of the Concessionaire.
8. In light of the above, AC unanimously decided to approve funding for hiring of TA for undertaking development of Multi-Tourism Product Zone at Manapet in Puducherry under PPP mode, subject to following:
- i. Funding for TA expenses under the IIPDF Scheme is approved up to **Rs. 1,98,59,400** (Rs. 23364000- Rs. 3504600) inclusive of taxes.
  - ii. The payment already released by the PSA to TA on account of submission of inception report shall not be reimbursed by DEA as retrospective financing of cost is not permitted under IIPDF scheme. Since, Rs. 3504600/- has been already disbursed to the TA on account of inception report before the approval of Approval Committee, the same will not be reimbursed.
  - iii. The payment milestones specified under the IIPDF Scheme will be followed.
  - iv. All conditions of the IIPDF Scheme shall be complied to by Department of Tourism and the Government of Puducherry.
9. The meeting ended with vote of thanks to the Chair.

## **Annexure – I**

List of attendees of the 21<sup>st</sup> Meeting of the Approval Committee the proposal of Department of Tourism, Government of Puducherry for Development of Multi-Tourism Product Zone at Manapet in Puducherry on PPP mode for support under the IIPDF Scheme, held on 15<sup>th</sup> March 2024.

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

1. Shri Baldeo Purushartha, JS(ISD) – in Chair
2. Shri Rahul Singh, Joint Director
3. Ms. Arya Balan Kumari, Joint Director
4. Shri Dhruv Rohatgi, OSD
5. Shri Gaurav Jumrani, Consultant

**2. NITI Aayog**

1. Shri Partha Sarathi Reddy, Adviser (PPP)

**3. Department of Tourism, Government of Puducherry**

1. Sri K.Muralidharan, Director of Tourism
2. Sri S.Subramanian, Senior Manager, Dept Tourism Pondicherry
3. Sri. Koundinya Someswara, Associate Director, KPMG
4. Smt. Anumega Raj, Manager, KPMG