THE HIMACHAL PRADESH INFRASTRUCTURE DEVELOMENT

ACT, 2001

ARRANGEMENT OF SECTIONS

Sections:

CHAPTER-I

PRELIMINARY

1. Short title, extent, scope and commencement.
2. Definitions.

CHAPTER-II

ESTABLISHMENT AND CONSTITUTION OF THE BOARD

3. Establishment and incorporation of the Board.
4. Headquarter of the Board.
5. Constitution of Board.
6. Term of office of members.
7. Filling up of casual vacancies.
8. Meetings of Board.
9. Temporary association of persons with Board.
10. Constitution of Committees.
11. Powers of Chairperson, Chief Executive Officer and Committees.
12. Appointment of officers and other employees of the Board.
13. Acts and proceedings of Board presumed to be valid.

CHAPTER-III

FUNCTIONS OF BOARD

14. Functions of Board.

CHAPTER-IV

PROCEDURE FOR PERFORMANCE OF FUNCTIONS OF THE BOARD.

15. Procedure for identifying Projects.
16. Parameters for concession agreement or arrangement.
17. Procedure evelopment.

18. Coverage of risks in concession agreement or arrangement.

19. Board to form entities for project implementation.

20. Procedure for inviting private sector participation in development projects.

21. Fee.

22. Procedure to raise resources.

CHAPTER-V

FINANCE, ACCOUNTS, AUDIT AND ANNUAL REPORT

23. Fund of Board.

24. Additional Capital and Grants to the Board by the Government.

25. Borrowing Power of the Board.

26. Accounts and Audit.

27. Annual Report.

CHAPTER-VI

MISCELLANEOUS

28. Winding up of the Government Owned Companies and transfer
of assets and liabilities to the Board.

29. Members, officers and servants to be public servants.

30. Protection of action taken in good faith.

31. Arbitration.

32. Power to make regulations.

SCHEDULES

SCHEDULE-I

SCHEDULE-II

THE HIMACHAL PRADESH INFRASTRUCTURE DEVELOMENT ACT, 2001

(ACT NO. 1 OF 2002)[1]

(Received the assent of the Governor on the 23rd January, 2002 and published both in Hindi and English in the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 24th January, 2002, pp. 3895-3924.)

An Act to provide for a framework for participation by persons other than the State Government and Government agencies in financing, construction, maintenance and operation of infrastructure projects and to raise resources on behalf of the State Government for infrastructure development and for that purpose to establish a Board and to provide for the matters relating thereto.

1. Passed in Hindi by the Himachal Pradesh Vidhan Sabha. For Statement of Objects and Reasons see the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 21st December, 2001, pp. 3671 and 3687.

BE it enacted by the Legislative Assembly of the State of Himachal Pradesh in the Fifty-second Year of the Republic of India, as follows:-

CHAPTER-I

PRELIMINARY

1. Short title, extent, scope and commencement.- (1) This Act may be called the Himachal Pradesh Infrastructure Development Act, 2001.

(2) It extends to the whole of the State of Himachal Pradesh.

(3) It shall apply to such infrastructure projects as are implemented by a Government agency through private sector participation under the provisions of this Act and fall in the category of infrastructure projects specified in Schedule-I and such other infrastructure projects as are notified by the State Government, by notification, from time to time.

(4) It shall come into force on such date[1] as the State Government may, by notification, in the Official Gazette, appoint.

2. Definitions.- In this Act, unless the context otherwise requires,-

(a) "Act" means the Himachal Pradesh Infrastructure Developm

(b) "Board" means the Himachal Pradesh Infrastructure Development Board established under section 3 of this Act;

(c) "Capital" means the Capital for the time being raised or authorised to be raised for the purposes of the Board;

(d) "concession agreement or arrangement" means a contract of the nature specified in Schedule-II between a developer and the Government or a Government agency relating to a project;

(e) "developer" means a person with whom a concession agreement or arrangement is entered into by the Government or a Government agency;

(f) "escrow account" means a bank account in which cash is deposited or from which cash is withdrawn in such manner as specified in the concession agreement or arrangement;

(g) "Financial year" means the period in respect of which any annual accounts of the Board is laid before it, whether that period is a year or not;

(h) "Government or State Government" means Government of Himachal Pradesh;

1. Act came into force from 28th day of January, 2002 vide Notification No. Fin. IF-(C) 45-1/99, dated 28th January, 2002, published in the Rajpatra, Himachal Pradesh (Extra-ordinary), dated 28th January, 2002, pp. 3935-3936.

(i) "Government agency" means a Government Department or a Corporation or a body owned or controlled by the Government or an authority established by or under any law and includes a local authority;

(j) “infrastructure project” means facilities and services provided by a project, specified in Schedule-I;

(k) "investment" means preliminary and preoperative expenses, capital expenditure, lease on land and equipment, interest during construction, administrative expenses, expenditure on acquisition of an existing infrastructure project owned by the State Government or a Government agency, all operating and maintenance expenses including expenses incurred on recovery of user levies;

(l) "local authority" means a Municipal Corporation, Municipal Council, Nagar Panchayat, Zila Parishad, Panchayat Samiti and Gram Panchayat;

(m) "member" means a member of the Board including Chairman and Chief Executive Officer;

(n) "private sector participant" means any person other than Central Government or State Government or Government Agency or any joint venture between Central Government or State Government Departments or any Statutory Body or Authority or Local Authority or any Corporation or Company in which Central Government or State Government or Government Agency, Statutory Body or Authority or local body is holding not less than 51% paid up share capital;

(o) "private sector participation" means investment by a private sector participant in an infrastructure project of the Government agency or the local authority in the State;

(p) "project" means project specified in Schedule-I;

(q) "regulations" means regulations made by the Board under this Act;

(r) "Schedule" means Schedule appended to this Act;

(s) "Scheduled Bank" shall have the same meaning as assigned to it in clause (e) of section 2 of the Reserve Bank of India Act, 1934 (2 of 1934);

(t) "seal" means the common seal of the Board;

(u) "special purpose vehicle" means an independent entity set up with the limited special purpose;

(v) "State Government guarantee" means a guarantee given by the State Government to any agency;

(w) "user charges" means the amount charged for the use of facilities and services provided by the developer; and

(x) "user levies" means the right or authority granted to the developer by the Government agency or the local authority to recover investment and fair return on investment and shall include toll, fee, charge or benefit by any name.

CHAPTER-II

ESTABLISHMENT AND CONSTITUTION OF THE BOARD

3. Establishment and incorporation of the Board.- (1) As soon as may be after the commencement of this Act, the Government may, by notification in the Official Gazette, establish a Board to be called the Himachal Pradesh Infrastructure Development Board with effect from such date as may be specified in the notification.

(2) The Board shall be body corporate by name aforesaid having a perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose off property both movable and immovable and to contract and shall by the said name sue and be sued.

4. Headquarter of the Board.- The Headquarter of the Board shall be at Shimla.

5. Constitution of Board.- The Board shall consist of,-

(a) the Chief Secretary to the Government who shall be the Chairperson ;

(b) the Finance Secretary or any State Government officer of other equivalent rank shall be the Chief Executive Officer, to be appointed by the State Government, by notification;

(c) not exceeding ten other members, which shall include Secretaries to the Government in the Departments of Power, Public Works, Irrigation and Public Health, Urban Development, Town and Country Planning, Tourism, Industry, Finance and Planning, to be appointed by the Government, by notification.

6. Term of office of members.- Every member shall hold office during the pleasure of the State Government.

7. Filling up of casual vacancies.- If any vacancy arises in the Board or in any committee thereof by reason of death, resignation or otherwise, the same shall be filled up by the Government as soon as possible.

8. Meetings of Board.- (1) The Board shall meet at such time and place and shall observe such rules of procedure in regard to transaction of its business at its meeting (including the quorum at such meeting) as may be provided by regulations.

(2) The Chairperson, or, if for any reason, he is unable to attend any meeting, any other member chosen by the members present at the meeting, shall preside over the meeting.

(3) All questions which come up before any meeting of the Board shall be decided by a majority of the votes of the members present and voting, and, in the event of an equality of votes, the Chairperson, or in his absence, the person presiding, shall have and exercise a second or casting vote.

9. Temporary association of persons with Board.- The Board may associate with itself any person whose assistance or advise is required in performing any of its functions under this Act.

10. Constitution of Committees.- The Board may constitute an Executive Committee and such other committees consisting of such number of members for performing such of its functions, as may be provided by regulations.

11. Powers of Chairperson, Chief Executive Officer and Committees.- The Chairperson, Chief Executive Officer and Committees of the Board shall exercise such powers as may be provided by regulations.

12. Appointment of officers and other employees of the Board.- (1) The Board may appoint such officers and other employees, as it may consider necessary for the efficient discharge of its functions.

(2) The mode of recruitment, salary and allowances and other conditions of service of officers and other employees of the Board shall be provided by regulations.

13. Acts and proceedings of Board presumed to be valid. No act or proceeding of the Board or of any of its committees shall be invalid merely by reason of-

(a) any vacancy therein or any defect in the constitution thereof, or

(b) any irregularity in its procedure not affecting the merit of the case.

CHAPTER-III

FUNCTIONS OF BOARD

14. Functions of Board.- The Board shall,-

(a) enable the private sector participation in infrastructure projects specified in Schedule-I on any of the concession agreement or arrangement specified in Schedule-II;

(b) identify suitable projects for private sector participation;

(c) undertake the development of projects for private sector participation on its own or in association with agencies engaging in the business of project development or in

pursuance of any agreement entered into for this purpose by the Government with any person ;

(d) consider proposals to give exclusive rights to any person to develop projects ;

(e) formulate the terms of any agreement or arrangement for project development and any concession agreement or arrangements required for the implementation of projects developed under clauses (c) and (d);

(f) invite private sector participation in respect of projects developed as per clauses (c) and (d), as per the procedure laid down in this Act and make appropriate recommendations to the Government in the matter ;

(g) administer and manage a fund for the purpose of undertaking or assisting in project development for meeting any financial commitments envisaged under any concession agreement or arrangement and for the performance of its other functions including its own administrative expenditure and to secure contributions to this fund in the form of share capital or grants or loans from Government and other sources including bilateral and multilateral donor agencies, financial institutions and commercial banks;

(h) advise the Government or a Government Agency on all matters of policy relating to private sector participation in infrastructure projects and their mode of implementation including issues relating to privatisation or disinvestment of the existing infrastructure assets of the public sector ;

(i) co-ordinate the implementation of and monitor the progress of infrastructure projects undertaken in the State of Himachal Pradesh under this Act;

(j) act as a special purpose vehicle to raise resources to finance development expenditure under the State Plan on behalf of the State Government and also to discharge obligations on this account on behalf of the State Government from revenue and other receipts accruing to the State Government from such development expenditure; and

(k) perform such other functions as may be entrusted to it by the State Government, by notification.

CHAPTER-IV

PROCEDURE FOR PERFORMANCE OF FUNCTIONS OF THE BOARD

15. Procedure for identifying Projects.- (1) For the identification of projects for private sector participation in infrastructure development in pursuance of section 14, the Board may consider suggestions from

Government agencies or persons engaged in the business of developing or implementing infrastructure projects.

(2) The Board may itself conduct or have conducted on its behalf such preliminary invest o establish the prima

facie suitability of the project for private sector participation within the parameters for a concession agreement or arrangement given in section 16 in identifying the projects which can be developed for private sector participation.

(3) The Government agencies may opt to undertake the development of such identified projects on their own or with the assistance of the Board.

16. Parameters for concession agreement or arrangement.- The following parameters for a concession agreement or arrangement shall define the suitability of a project for inviting private sector participation, namely:-

(a) the concession agreement or arrangement may provide for the transfer of a project taken up with private sector participation, to the Government or its agencies not later than a period of 99 years from the date of agreement or arrangement of implementation of a project ;

(b) the concession agreement or arrangement may provide for financial participation by the Government or its agencies in any project up to a maximum of 20% of the project cost and the actual nature and quantum of this financial participation shall be based on the processes of due diligence and competitive bidding provided in the regulations framed by the Board for this purpose;

(c) the concession agreement or arrangement may provide for such incentives to the project as are admissible under the concerned sectoral policy of the Government to promote private sector participation or investment ;

(d) the concession agreement or arrangement may provide for guarantees by the State Government or Government agencies in respect of liability of any Government agency with regard to a project;

(e) the concession agreement or arrangement may provide for the opening and operation of an escrow account with respect to any payments to be made to the project by the State Government or any Government agency or any other person or persons;

(f) the concession agreement or arrangement may provide for appropriate modes and terms for transfer of Government land and acquisition of private land for the purposes of project implementation ;

(g) the concession agreement or arrangement may provide for right to develop land for such purposes as are admissible under the relevant statute; and

(h) the concession agreement or arrangement may provide for the levy of the charges for the facilities or services provided by the project.

17. Procedure for implementing project development.- (1) In deciding the manner in which an identified project is to be developed for private sector participation from amongst the options available under section 14, the Board shall have regard to its own capabilities, offers available for collaboration by other agencies and any agreement or arrangement entered into by the Government for this purpose with any person and form such special purpose vehicles, companies or entities on its own or as joint ventures as may be prescribed by regulations.

(2) In considering a proposal for project development by private sector participation under section 14, the Board shall ensure that any exclusive right for project development conferred on such persons is limited to a specified period.

18. Coverage of risks in concession agreement or arrangement.- (1) The Board shall ensure that any concession agreement or arrangement formulated by the Board under section 14 is in consonance with the parameters given in section 16 and contains all necessary covenants to take care of the risks associated with the concerned project.

(2) The concession agreement or arrangement shall strive for the optimum contractual structure with regard to the need to balance the risks of stakeholders, maximize efficiency and minimize costs as may be prescribed by regulations.

19. Board to form entities for project implementation.- In order to ensure implementation of a project developed under this Act, the Board may form such special purpose vehicles, companies or entities on its own or as joint ventures as are deemed necessary for this purpose, keeping in view the need to comply with the conditions outlined in section 16 with regard to the involvement of Government or its agencies.

20. Procedure for inviting private sector participation in developed projects.- (1) In inviting private sector participation and making recommendations to the Government under section 14, the Board shall follow a selection process, which adheres to accepted norms of transparency and cost effectiveness and the Board shall frame the regulations to lay down the situations where competitive bidding method or other methods shall be followed.

(2) In making a recommendation with regard to a private sector participant with respect to a project developed under section 14, the Board may recommend grant of first right of refusal to the person developing the project, however, such first right of refusal shall be granted only on the basis of an appropriate procedure, which adheres to accepted norms of transparency and cost effectiveness.

21. Fee.- (1) The Board may charge such fee, for carrying out any of its functions, as prescribed by regulations or in terms of any agreement or arrangement entered into by it.

(2) The Board may also permit any person developing a project under section 14 to receive a similar amount as fee, if the project developed by such a person is undertaken by any other person.

22. Procedure to raise resources.- (1) For raising of resources for financing development expenditure under the State Plan in pursuance of section 14, the Board shall make procedure consistent with the need to ensure transparency and cost effectiveness.

(2) The Board may take the assistance of recognised financial institutions and reputed arrangers in performing this function.

CHAPTER-V

FINANCE, ACCOUNTS, AUDIT AND ANNUAL REPORT

23. Fund of Board.- (1) The Board shall have its own fund and all receipts and sums which may, from time to time, be received by the Board from the State Government or any other person or agency and the amount charged by the Board under section 21, shall be credited thereto and all payments of the Board shall be made therefrom.

(2) The Board shall have the power, subject to the provisions of this Act, to spend such sums as it thinks fit to cover administrative expenses and for the performance of its functions and such sums shall be treated as expenditure payable out of the fund of the Board.

(3) All money standing at the credit of the Board which cannot immediately be applied as provided in sub-section (2), shall be deposited in the Scheduled Bank or Banks or in the Public Account of the State Government or may be deployed in such other manner and subject to such conditions as are contained in regulations framed by the Board for this purpose.

24. Additional Capital and Grants to the Board by the Government.- The Government may, after due appropriation made by Legislature by law in this behalf,-

(a) provide any capital, over and above the capital arising out of the winding up of the Government Owned Companies, that may be required by the Board for the discharge of its functions under this Act or for any purpose connected therewith on such terms and conditions as the Government may determine; and

(b) pay to the Board, on such terms and conditions as the Government may determine, by way of loans or grants such sums of money as the Government may consider necessary for the efficient discharge by the Board of its functio

25. Borrowing Power of the Board.- (1) The Board may, with the consent of the Government or in accordance with the terms of any general or special authority given to it by the Government, borrow money from any source by the issue of bonds, debentures, loans or such other instruments as it may deem fit for discharging all or any of its functions under this Act.

(2) The Government may guarantee in such manner as it thinks fit for the repayment of the principal and the payment of interest thereon with respect to the loans borrowed by the Board under sub-section (1).

(3) Subject to such limits as the Government may, from time to time, lay down, the Board may borrow temporarily by way of overdraft or otherwise such amounts as it may require for discharging its functions under this Act.

26. Accounts and Audit.- (1) The accounts of the Board shall be prepared and maintained in such form and in such manner as may be provided by regulations.

(2) The Board shall cause to be prepared for each Financial year an annual statement of accounts in such form as may be provided by regulations.

(3) The accounts of the Board shall be audited by an auditor duly qualified to act as an auditor of Companies under section 226 of the Companies Act, 1956 (1 of 1956).

(4) The auditor shall send copy of the report together with audited copy of accounts to the Board which shall, as soon as may be, after the receipt of the audit report forward the same to the State Government.

(5) The State government shall cause the audit report together with audited copy of accounts to be laid before the State Legislature, as soon as may be, after the receipt of the same under sub section (4).

27. Annual Report.- (1) The Board shall during each Financial year prepare in such form and at such time as may be provided by regulations, an annual report giving a true and full account of its activities during the previous Financial year and an account of the activities likely to be undertaken by it in current Financial year and copies of such report shall be forwarded to the State Government.

(2) The State Government shall cause every such report to be laid before the State Legislature, as soon as may be, after the receipt of the report under sub-section (1).

CHAPTER-VI

MISCELLANEOUS

28. Winding up of the Government Owned Companies and transfer of assets and (1) The Government

Owned Companies shall be wound up in accordance with the provisions of the Companies Act, 1956 (1 of 1956).

12 THE HIMACHAL PRADESH INFRASTRUCTURE DEVELOMENT ACT, 2001

(2) Subject to the provisions of Companies Act, 1956 (1 of 1956), from such date as the State Government may, by notification in the Official Gazette, appoint,-

(i) all properties and other assets vested in the Government Owned Companies, immediately before such date, shall vest in the Board;

(ii) all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with, or for the Government Owned Companies, immediately before such date, shall be deemed to have been incurred, entered into and engaged to be done by, with or for the Board;

(iii) all non-recurring expenditure incurred by Government Owned Companies up to such date and declared to be capital expenditure by the Government Owned Companies shall, subject to such terms and conditions as may be determined by the Government, be treated as the capital provided by the Government to the Board;

(iv) all sums of money due to the Government Owned Companies, immediately before such date, shall be deemed to be due to the Board;

(v) all suits and other legal proceedings instituted or which could have been instituted by or against the Government Owned Companies, immediately before such date, may be continued or instituted by or against the Board;

(vi) all the employees holding any office under the Government Owned Companies, immediately before such date, shall be treated as employees of the Board and shall hold office in the Board on the same terms and conditions of service which were applicable to them.

(3) If any dispute or doubt arises as to which of the properties, rights or liabilities of the Government Owned Companies transferred to the Board or as to which of the employees serving under the Government Owned Companies are to be treated as employees of the Board, under this section, such dispute or doubt shall be decided by the Government in consultation with the Board and the decision of the Government shall be final.

Explanation.- For the purpose of this Act, the expression "Government Owned Companies" shall mean the Himachal Pradesh Road and Other Infrastructure Development Corporation Limited and

Himachal Pradesh Health Systems Corporation Limited incorporated under the Companies Act, 1956 (1 of 1956).

29. Members, officers and servants to be public servants.- All members, officers and servants of the Board shall, while acting or purporting to act in pursuance of the provisions of this Act or any regulations made

thereunder, be deemed to be public servant within the meaning of section 21 of the Indian Penal Code, 1860 (45 of 1860).

30. Protection of action taken in good faith.- No suit, prosecution or other legal proceeding shall lie against the Board or any member or officer or servant of the Board for anything which is in good faith done or intended to be done in pursuance of the provisions of this Act or regulations made thereunder.

31. Arbitration.- All agreements or arrangements entered into by the Board shall contain an arbitration clause providing that,-

(a) all parties to the agreement shall submit to arbitration any disputes which may arise between them out of the provisions of the agreement or arrangement ;

(b) the place of arbitration shall be at Shimla or any other place in India agreed to by the parties ; and

(c) the disputes referred to in clause (a) shall be decided in accordance with the law for the time being in force.

32. Power to make regulations.- (1) The Board may make regulations not inconsistent with provisions of this Act for enabling it to discharge its functions under this Act.

(2) In particular and without prejudice to the foregoing power, such regulations may provide for all or any of the following matters, namely:- (a) the time and the place at which the Board shall meet and rules of procedure, the Board shall observe in regard to transaction of its business at its meeting under section 8 ;

(b) the committees which the Board may constitute, the number of members which the Executive Committee and other Committees may consist of and the functions of the Board which they may perform under section 10;

(c) the powers of the Chairperson, Chief Executive Officer and Committees of the Board under section 11;

(d) the mode of recruitment, salary and allowances and other conditions of service of officers and other employees of the Board under sub-section (2) of section 12 ;

(e) the manner of disinvestment of assets of any Government agency under section 14;

(f) to regulate competitive bidding under section 16;

(g) to decide the manner in which an identified project is to be developed fo under section 17 ;

(h) the procedure for dealing with risks associated with various infrastructure projects under section 18;

(i) the manner of competitive bidding or other methods to be followed under section 20;

(j) fee to be charged under section 21;

(k) the form and manner in which the accounts of the Board shall be prepared and maintained under sub-section (1) of section 26;

(l) the form in which an annual statement of accounts of the Board shall be prepared under sub-section (2) of section 26; and

(m) the form in which and the time at which an annual report of the Board shall be prepared under sub-section (1) of section 27.

SCHEDULE-I

[See section 1 (3)]

INFRASTRUCTURE PROJECTS

1. State Highways including Roads, Bridges, Bye passes and related Road Infrastructure.
2. Inland Waterways.
3. Power including Power Generation, Transmission and Distribution System project.
4. Water projects including dams, water storage, water supply and sewerage system projects.
5. Gas pipelines or related facilities.
6. Urban Infrastructure including shopping and commercial complexes, parking lots, solid waste management and transportation facilities etc.
7. Tourism project including resorts, adventure and winter sports facilities, cable cares and ski lifts and entertainment complexes etc.
8. Industrial estates, industrial areas, parks including development of parks offering facilities to projects like information technology and biotechnology etc.
9. Satellite townships offering general purpose real estate or specifically focussed on provision of education, health, resort or entertainment facilities.
10. Any other infrastructure projects, notified by the State Government.

SCHEDULE-II

[See sections 2 (c) and 15 (a)]

NATURE OF CONCESSION AGREEMENT OR ARRANGEMENT

The following concession agreement or arrangement with variations and combinations may be arrived at by the Government agency or the local authority for undertaking infrastructure project with private sector participation.

1. *Build Own /Operate and Transfer Agreement or Arrangement*.- An agreement or arrangement whereby the developer undertakes to finance, construct, maintain and operate a project and whereby such project is to vest in the developer for a specified period. During the period of operation of the project by developer, he may be permitted to charge user charges as specified in an agreement or arrangement. The developer is required to transfer the project to the State Government or a Government agency after the expiry of the period of operation.

2. *Build Own Operate and Maintain Agreement or Arrangement*.- An agreement or arrangement whereby a developer undertakes to finance, construct, operate and maintain a project and whereby such project is to vest in developer for a specified period. During the period of operation of the project, he may be permitted to charge user charges as specified in the agreement or arrangement.

3. *Lease Management Agreement or Arrangement*.- An agreement or arrangement whereby the State Government or a Government agency leases a project owned by the State Government or the Government agency to the person who is permitted to operate and maintain the project for the period specified in the agreement or arrangement and to charge user charges therefor.

4. *Rehabilitate/Operate and Transfer Agreement or Arrangement*.- An agreement or arrangement whereby an existing project is vested in a person to renovate, operate and maintain for the period specified in the agreement or arrangement after the expiry of which the project is required to be transferred to the State Government or a Government agency. During the period of operation of the project by the developer, he may be permitted to charge user charges as specified in the agreement or arrangement.

5. *Rehabilitate Own Operate and Maintain Agreement or Arrangement*.- An agreement or arrangement whereby an existing project is vested in a person to renovate, operate and maintain. The developer shall be permitted to charge user charges as specified in the agreement or arrangement.

6. *Management Agreement or Arrangement*.- An agreement or arrangement whereby the State Government or the Government agency

entrusts the operation and management of a project to a person for the period specified in the agreement or arrangement on payment of specified consideration. In such agreement, the State Government or the Government

agency concerned may charge user charges and collect the same either itself or entrust the collection for consideration to any person who shall after collecting the user charges pay the same to the State Government or the Government agency.

7. *Service Contract Agreement or Arrangement*.- An agreement or arrangement whereby a developer undertakes to provide services to the State Government or a Government agency for the specified period. The State Government or Government Agency shall pay him an amount in accordance with the agreement or arrangement.
