

“Trade Infrastructure for Export Scheme” (TIES) Guidelines

15th FCP(FY 2021-22 to FY 2025-26)



सत्यमेव जयते

Government of India
Ministry of Commerce & Industry
Department of Commerce
Infrastructure Division

'TRADE INFRASTRUCTURE FOR EXPORT SCHEME (TIES)'

1. Context

1.1 Infrastructure development is a key element of a country's ability to produce and move goods. Exports constitute the last segment of long sectoral value chains. Good infrastructure would reduce trade costs. The new Foreign Trade Policy (FTP) 2015-20 has targeted a growth in exports to \$900 Billion, which will make India a significant participant in World Trade by the year 2020. To achieve this level of growth there is a need for more affirmative action to create appropriate infrastructure for exports from the country.

1.2 There are infrastructural gaps related to exports like benchmarking of operations, testing facilities, cargo handling facilities, last mile connectivity to the ports, provision of infrastructure in the special economic zones, establishment of border-haats, land custom stations etc. which are essential to ensure competitive exports.

2. Objective

The objective of the proposed scheme would be to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export-oriented projects and addressing quality and certification measures. The main focus would be to create appropriate infrastructure for development and growth of exports through engagement of Central/State Agencies by extending assistance to them.

3. Scope

The scheme would provide assistance for setting up and up-gradation of infrastructure projects with overwhelming export linkages like the Border Haats, Land customs stations, quality testing and certification labs, cold chains, trade promotion centres, dry ports, export warehousing and packaging, SEZs and ports/airports cargo terminuses. Last and first mile connectivity projects related to export logistics will also be considered.

In addition, the Department may separately fund studies related to Export logistics including identification of sector-specific infrastructure gaps and mapping of assets created.

3.1 Negative List of Projects that will not be considered under this scheme:

- a. Projects which are covered under sector specific schemes like textiles,

- electronics, IT.
- b. General infrastructure projects like highways, power etc.
- c. Projects where an overwhelming export linkage cannot be established.

4. Eligible Agencies

4.1 The following agencies shall be eligible for financial support under this Scheme and will be known as 'Implementing Agency'

- a. Central Government Agencies including Export Promotion Councils, Commodities Boards, SEZ Authorities, Apex Trade Bodies recognised under the EXIM policy of Government of India.
 - b. State Government Agencies.
 - c. Joint Ventures of any of the above Government agencies where it has a major stake holding are also eligible. PPP projects are also eligible.
- 4.2 The above agency must own the facility created under the Scheme and be responsible for its Operations and Maintenance (O&M).

5. Role of the implementing agency

5.1 In addition to the ownership of the facility created, preparation and approval of the DPR, the Implementation Agency shall also be responsible for obtaining all necessary statutory approvals/clearances including those for environmental compliance and quality standards as applicable.

5.2 The Implementing Agency shall also indicate the manner and modalities for operation and maintenance of the facility after its creation in its proposals for consideration for assistance.

5.3 The Implementing Agency shall be responsible to ensure that all procurements of goods, equipments and services, including works, are through a transparent and competitive bidding process as per the applicable government rules/guidelines.

5.4 The Implementing Agency shall also execute an undertaking for proper utilization of the grant wherein it shall undertake to abide by the conditions of the grant by the target dates, if any specified therein. It shall not divert the grants and entrust implementation of the scheme or work concerned to any other institution(s) or organization, and shall also abide by any other condition specified in the approval letter, and in the event of failing to comply with the conditions or committing breach of the undertaking it shall be liable to refund to the President of India the entire amount of the grant with interest @ 10% per annum thereon (**Appendix-1**).

5.6 The Implementing Agency should also execute an undertaking that the said

project is not being funded under any other sector specific scheme of the Government of India or is in the negative list of the project at para 3 and that possession of land and clear title to the land is available and the land is free from all encumbrances **(Appendix-II)**

6. Extent of financial assistance

6.1 The Empowered Committee constituted as per **Annex-A** for the approval of the projects/schemes will be the final authority to take a decision on the proposal.

6.2 The Central Government assistance for infrastructure creation will be in the form of grant-in-aid, normally not more than the equity being put in by the implementing agency or 50% of the total equity in the project. **(In case of projects located in North Eastern States, Himalayan States including UT of J&K, Ladakh this grant can be upto 80% of total equity). In addition, the States with relative poor export infrastructure, lacking institutional capacity for preparing good DPRs but have positive export potential, this grant can be upto 80% of the total equity.**

6.3 The grant in aid shall, normally, be subject to a ceiling of Rs 20 Cr for each infrastructure project.

6.4 For the purpose of calculating the extent of contribution of the implementing agency under the Scheme, the cost of land shall not be included in the project cost.

6.5 Priority would be given to infrastructure projects involving significant contribution of stakeholders and bank financing. **In States with relatively better export infrastructure and institutional capacity, PPP projects would be encouraged so that the funds under TIES can be optimally leveraged.**

6.6 No recurring expenditure or any establishment cost will be funded by Central Government under the scheme.

6.7 Extant of grants for studies related to identification of sector specific infrastructure gaps and mapping of assets would be decided by the Empowered Committee.

7. Submission of Project Proposal

7.1 The project proposal is to be meticulously formulated after conducting a detailed survey and based on available data, must clearly bring out the identified gaps in the export infrastructure which it intends fill.

7.2 The project proposal must establish an overwhelming export linkage. Credible modalities should be used for establishing the overwhelming export linkages.

7.3 The gaps in the infrastructure which are proposed to be filled and the manner in which the absence thereof is impinging upon the export competitiveness of the industry should be clearly brought out in the proposal.

7.4 Measurable outcomes should be indicated in the project proposal which would also be one of the main criteria for sanctioning the projects. The proposal must spell out outcomes envisaged and the indicators that would be used to measure the impact of the project e.g. measurable outcomes such as expected increase in exports or reduction in dwell time etc., must be clearly spelt out as indicators to measure the outcome of the project

7.5 The Project Head should be clearly designated in the proposal and certified by the head of the implementing agency. The authority for signing of the Utilisation Certificates should also be indicated.

7.6 The Implementing Agency will prepare an executive summary of the project proposal in the prescribed format at Appendix-III.

7.7 The Implementing Agency will prepare a Detailed Project Report (DPR) as outlined in Appendix-IV, covering not only the technical, financial and implementation aspects but also the timelines for completion of the project, including those for achieving financial closure, and the monitoring mechanism proposed to be put in place.

7.8 All the proposals shall clearly indicate details related to the mode of operation/maintenance of the asset after its creation. It should also suggest the mechanism for operation and maintenance of the infrastructure proposed to be created on sustained basis by levying user charges/fee etc. Sustainability of the infrastructure created will be a key evaluation parameter for assessing eligible project components.

7.9 The implementing agency will be allowed to utilize upto 2% of the approved Central Grant for hiring of consultant and monitoring expenses. Expenditure, if any, beyond the stipulated provisions shall be borne by the Implementing Agency from its own resources.

8. Process of scrutiny & approval

8.1 The DPRs submitted by the Implementing Agency shall be technically and financially vetted by an independent agency and duly recommended by the Nodal Ministry in case of Central Government agencies.

8.2 The Export Commissioner of the State shall be the Nodal Officer for projects proposed by a State Govt. Agency. The DPRs submitted by the Implementing

Agencies of the State shall be technically and financially vetted by the respective Department of the State Government/relevant Central Agency. The State Government will ensure commitment of its financial support while forwarding the project which must be reflected in the DPR. The recommendation of the Nodal officer of the State shall be a part of the project proposal proposed for support under the Scheme.

8.3 The project proposal must:

- Establish an overwhelming export linkage for being considered under the Scheme.
- Must be complete in all respects including the documents to be submitted as per the check list. (**Appendix-V**)

8.4 The proposals of the implementing agencies for funding will be considered by an Empowered Committee specially constituted for this Scheme. While appraising the project the justification, including the intended benefit in terms of addressing the specific export bottleneck, would be evaluated. The implementing agencies shall provide details of the financing tie-ups for the projects which will be considered before approval of the project. Disbursement of funds shall be done after financial closure is achieved.

9. Release of Funds:

9.1 Disbursement shall be subject to the implementing agency achieving financial closure and constitution of the Project Monitoring Committee (PMC).

9.2 The funds shall ordinarily be released to the Implementing Agency for the approved projects in two or more equal instalments.

9.3 The implementing agency shall submit a bond to be executed regarding utilization of funds (**Appendix-I**).

9.4 Implementing Agency will submit a pre-receipt bill for the funds to be disbursed to it along with a non-corruption certificate (**Annex –B**).

9.5 The funds will be kept in a separate head in the accounts of the Agencies.

9.6 The 1st installment will be released after approval is accorded to the project by the Empowered Committee. The 2nd and 3rd installments may be released based on the recommendation/ ratification of Empowered Committee.

9.7 The implementing agency shall submit the Utilisation Certificate (UC) for the

amounts utilized as per the format in accordance to GFR 19A (**Annex-C**).

9.8 Release of further instalments shall be subject to furnishing of complete Utilisation Certificate, Project Monitoring Committee (PMC) report and the proof of matching contribution of the funds having been invested by the Implementing Agency from its own or other sources on pari-passu basis as per the approved cost sharing.

9.9 Certification of the physical and financial progress by the Project Monitoring Agency engaged in accordance with this Scheme, would be a prerequisite for release of further instalments.

10. Evaluation and Monitoring

10.1 The Empowered Committee shall periodically review the progress of the approved projects in the Scheme and will take necessary steps to ensure achievement of the objectives of the Scheme.

10.2 Project Monitoring Agency (PMA)

A professional agency shall be engaged for project monitoring on a pan India basis or regional basis. This professional Project Monitoring Agency (PMA), so engaged, would assist Department of Commerce, GoI in technical and financial appraisal of the project. PMA will appraise the DPR submitted by the implementing agency with respect to technical feasibility, financial viability and optimal utilization of resource. The PMA will undertake, from time to time, monitoring of the various projects, the physical progress, quality of execution of works, procurements and adherence to the timelines in respect of the project and submit periodic reports thereon for review by the Empowered Committee.

For the above purpose of appraisal, monitoring and evaluation of all the ongoing projects, expenditure upto a maximum of 3% of the Scheme funds may be utilised for engagement of the PMA by DoC.

10.3 Project Monitoring Committee (PMC)

A Project Monitoring Committee (PMC) at the project level, shall be mandatorily required to be put in place for each project by the Implementing Agency before release of funds. The PMC will ensure timely and proper implementation of the project without time and cost overruns.

The PMC shall have a representative of the Department of Commerce, GoI. For projects where the implementing agency is a State Govt. Agency, the Export Commissioner of the State or his representative will also be a member of PMC.

10.4 Each Implementing Agency shall ensure that the PMC shall meet once in every

quarter and submit its report in the prescribed format (as given at **Annex–D**) duly signed by the Head of the Project through the website of Department of Commerce. This report will be used to review the progress of utilization of the funds released and will also be taken into account while considering further release of funds by the Ministry.

10.5 The Implementing agency shall maintain record of employment generated during execution of the project with specific reference to women, SCs, STs and Minorities.

10.6 The financial assistance given under the Scheme shall be subject to audit by the CAG of India.

10.7 The Scheme would also be evaluated for its efficacy by an independent agency engaged by DoC, after a period of 3 years from its commencement.

11. Administrative expenses

All administrative expenses connected with the implementation of the Scheme will be met by the concerned Implementing Agency from out of their own budget and no part of the Scheme funds shall be used to meet such expenditure.

12. Assets

12.1 The assets created by the Implementing Agency shall be owned by it after the completion of project. **The Implementing Agency shall submit a Project Completion Certificate in prescribed format (as given at Annex – E) duly signed by the Head of the Project.**

12.2 The Assets acquired/created by the Implementing Agency out of government assistance shall not be disposed, encumbered or utilized for purposes other than those for which the funds have been released.

12.3 A register of permanent and semi-permanent assets acquired wholly or mainly out of the funds provided by the Government of India should be maintained in the Form GFR 19.

12.4 In case of cancellation of the project at any point of time, all the assets and any unutilized grant shall vest with the Government of India.

13. O&M of Assets

13.1 The Implementing Agency shall be responsible for O&M of assets created under the Scheme by way of collecting user charges from the members/ users

13.2 The Implementing Agency shall ensure that the services of the facilities created under the scheme are extended to the exporters on pay and use basis without discrimination.

14. Recall of the Central Grant

Empowered Committee retains the right to curtail/recall the central grant along with applicable penal interest in case of unsatisfactory use of the grant including compromise with the quality envisaged, or partial/incomplete implementation of the project.

Annex 'A'

Composition of the Empowered Committee for TIES

1. Secretary, Department of Commerce - Chairperson
2. Additional Secretary and Financial Advisor, Department of Commerce
3. Director General of Foreign Trade
4. CEO (NITI Aayog), or his representative
5. **Additional Secretary/Joint Secretary, Infrastructure, Department of Commerce**
6. Joint Secretaries concerned in the Department of Commerce
7. **Joint Secretary, Department for Promotion of Industry and Internal Trade**
8. Joint Secretary (NE), Ministry of Home Affairs,
9. Joint Secretary, Ministry of Development of North East Region (DoNER)
10. **Joint Secretary(ies) of the concerned line Ministry(ies)/Department(s) for the project(s) being considered.**
11. Director, States Cell, Department of Commerce, Member Secretary to the Committee.

Annex-B

GAR 34
{See rule 147, 150 and 159(1)}
GRANT-IN-AID BILL

Bill no. _____

Head of Account _____

Received a sum of Rs. _____ {Rupees _____} being the grant in aid for the period _____ sanctioned by the Department of Commerce in its letter no. _____ dated _____ (copy enclosed).

Dated: _____

Signature
Designation

Countersigned for Rs. _____

Dated: _____

Signature
Designation of Drawing Officer

For use in Pay and Account Office

Passed for Rs. _____ {Rupees _____}

Payment by _____

Cheque No. _____

Date

Pay and Accounts Officer

**(LETTER HEAD)
TO WHOM SO IT MAY CONCERN**

This is to certify (Name of the Implementing Agency) is not involved in any kind of corrupt practices.

Signature

(Head of the Implementing Agency)

Annex 'C'

GFR 12 – A
FORM OF UTILIZATION CERTIFICATE
FOR AUTONOMOUS BODIES OF THE GRANTEE ORGANIZATION

UTILIZATION CERTIFICATE FOR THE YEAR... in respect
of recurring/non-recurring
GRANTS-IN-AID/SALARIES/CREATION OF CAPITAL ASSETS

1. Name of the Scheme.....
2. Whether recurring or non-recurring grants.....
3. Grants position at the beginning of the Financial year
 - i. Cash in Hand/Bank
 - ii. Unadjusted advances
 - iii. Total
4. Details of grants received, expenditure incurred and closing balances: (Actuals)

Unspent Balances of Grants received years [figure as at Sl. No. 3 (i ii)]	Interest Earned thereon	Interest deposited back to the Government	Grant received during the year			Total Available funds (1+2-3+4)	Expenditure incurred	Closing Balances (5-6)
1	2	3	4			5	6	7
			Sanction No. (i)	Date (ii)	Amount (iii)			

Component wise utilization of grants:

Grant-in-aid– General	Grant-in-aid– Salary	Grant-in-aid– creation of capital assets	Total

Details of grants position at the end of the year

- i. Cash in Hand/Bank
- ii. Unadjusted Advances
- iii. Total

Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned:

- i. The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statements/accounts.
- ii. There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in asset creation etc. & the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- iii. To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- iv. The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- v. The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- vi. The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- vii. It has been ensured that the physical and financial performance under.....
(name of the scheme) has
been according to the requirements, as prescribed in the guidelines issued by Govt. of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure – I duly enclosed.
- viii. The utilization of the fund resulted in outcomes given at Annexure – II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications.)
- ix. Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries is enclosed at Annexure –II (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

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:

Place:

Name &Signature

Name & Signature

Chief Finance Officer (Head of the Finance)

Head of the Organisation

GFR 12 - C

FORM OF UTILIZATION CERTIFICATE (FOR STATE GOVERNMENTS)

(Where expenditure incurred by Govt. bodies only)

SI. No.	Letter No. and date	Amount	Certified that out of Rs..... Of grants sanctioned during the year..... in favour of under the Ministry/Department
	Total		Letter No. given in..... the margin and Rs on account of unspent balance of the previous year, a sum of Rs..... has been utilized for the propose of for which it was sanctioned and that the balance of Rs remaining unutilized at the end of the year has been surrendered to Government (vide No. dated.....)/ will be adjusted towards the grants payable during the next year.....

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/ are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the propose for which it was sanctioned.

Kinds of checks exercised

- 1.
- 2.
- 3.
- 4.
- 5.

Signature.....

....

Designation.....

...

Date.....

.....

PS: The UC shall disclose separately the actual expenditure incurred and loans and advances given to suppliers of stores and assets, to construction agencies and like in accordance with scheme guidelines and in furtherance to the scheme objectives, which do not constitute expenditure at the stage. These shall be treated as utilized grants but allowed to be carried forward.

Annexe 'D'

Format for Monitoring of the projects

1.1	Project Name		
1.2	Project Location		
1.3	Implementing Agency: Name and Address		
1.4	Contact Details		Tel: Fax: Mobile: Email:
2.1	Project Monitoring Committee Constituted (Data of constitution & members)		
2.2	Date of Site Visit		
2.3	Members of PMC/Monitoring officer who visited site		
2.4	Work commencement Date		
	Proposed as per original DPR		
	Actual Date of Start		
2.5	Project Completion Date (PCD)		
	Proposed as per original DPR		
	Revised (on __/__/__)		
	Revised (on __/__/__)		
	Actual Date of Completion		
3.1	Total Project Cost		
	Original, as per DPR	Rs ____ lakhs	
	Revised, if applicable	Rs ____ lakhs	
3.2	EC Approval Date/Sanction date		
3.3	EC Approved Amount under TIES		Rs ____ lakhs
3.4	Other sources of finance (source wise)		i. Term Loan: Rs ____ lakhs

		ii. Promoter/IA Contribution: Rs. _____ lakhs			
3.4	Details of releases of finances (source wise)				TIES: Rs. _____ lakhs IA: Rs. _____ lakhs Bank Loan, if any: Rs. _____ lakhs TOTAL: Rs. _____ lakhs
4.1	Details of work in progress in physical (as %age) and financial terms				*as per original DPR or revised PERT chart
		Physical progress in %age		Financial exp in %age	
		Planned*	Actual	Planned*	Actual
	Civil Work				
	Plant and Machinery				
	Working Capital				
	Others (specify)				
4.2	Status of milestones achieved in actual Project implementation vis-a-vis the original schedule of implementation in the DPR				*Add another column based on revised PERT1, 2 etc. if applicable
	S. No.	Milestone	Projected date of achievement (as per org. DPR)*	Actual date of completion of milestone	
	1.				
	2.				
	3.				
4.3	Employment generated till date				Women/SC/ST/Minorities and Total
4.4	Details of both Time and Cost overruns till date, if any and reasons thereof				

4.5	Modalities for meeting the additional costs, if incurred	
4.6	Any Change in scope or Deviation from components/ parts proposed in original DPR, Details thereof	
5.	3 rd party Inspection/ Evaluation of the project, please specify	
6.	Is IA using PFMS(EAT) module for receipt/expenditure of Grant in aid?	
7.	Overall evaluation of the Project implementation including expected date of completion	
8.	Date of last PMC Visit and status of actionable points of last PMC visit.	

PMC Member 1
PMC Head
(Name & Desgn)
(Name & Desgn)

PMC Member 2
(Name & Desgn)

PMC Member 3
(Name & Desgn)

PMC Member 4
(Name & Desgn)

To be countersigned by the Head of the Implementing Agency

Annexe 'E'

Project Completion Certificate

I hereby affirm to the best of my knowledge and belief, based on inspections, observations, testing of various plants & machineries, the project ____(PROJECT NAME)____ and upon reports submitted by various monitoring agencies/ third party, that this ____(PROJECT NAME)____ is substantially complete and ready for operations as on ____(DATE)____.

In addition to this, following details may be referred about the project:

S. N o.	Particulars	D e t a i l s
1	Name of Project	
2	Implementing Agency	
3	Approved in EC (number and date)	
4	Date of Commencement	
5	Date of Completion	
6	Project duration as per baseline PERT chart	
7	Project duration as per date of completion	
8	Delay in project (in months)	
9	Reasons for delay	a. b. c.
10	Total Cost of Project as per DPR	
11	Total Grant received from DoC under TIES	

1 2	Total share of implementation agency	
1 3	Details of grant/fund received from other source(s) (if any)	
1 4	Total cost of project at completion	
1 5	Cost deviations (overruns/underruns) (INR Crs)	
1 6	Reasons for cost deviation	a. b. c.
1 7	Dates of various PMC meetings held	
1 8	Construction agency/agencies details	

Authorised Signatory
 (Name and Designation with Signature)
 Seal/Stamp of Implementing Agency

Appendix-I

Bond to be executed by Implementing Agency

Memorandum of written undertaking given on the day of two thousand and by a company incorporated under the Indian Companies Act, 1913 /the Companies Act, 1956, having its registered office ; a body corporate incorporated under the same name and style and by under (Act No..... of) having its office at; a society registered under the Societies Registration Act (21 of 1860) having its office at..... (hereinafter called 'the Agency ' which expression shall include its successors and assigns) to the President of India (hereinafter called 'the President' which expression shall include his successors and assigns) on the terms and conditions prescribed in the Government of India, Ministry of Commerce and Industry (Department of Commerce). WHEREAS the said Agency, etc., applied to the President for a grant of Rs..... (Rupees.....) only under the Trade Infrastructure for Export Scheme (TIES).

Now IT IS HEREBY AGREED by the said Agency, etc., that, in consideration of the sum of Rs..... (Rupees..... only) to be provided as grant by the President under the TIES scheme to the Agency etc., the Agency, etc., hereby agrees in accordance with the said terms and conditions to – (a) abide by the conditions of the grants-in-aid by the target dates as specified; and (b) not to divert the grants or entrust implementation of the scheme or work concerned to any other Institution(s) or Organization(s); and (c) abide by any other conditions specified in the scheme guidelines governing the grants-in-aid; (d) to complete the project. In the event of the grantee failing to comply with the conditions or committing breach of the conditions of the bond, the signatories to the bond shall be jointly and severally liable to refund to the President of India, the whole or a part amount of the grant with interest at ten per cent per annum thereon or the sum specified under the bond.

IT IS HEREBY AGREED that the said grant provided by the President as aforesaid shall be used by the Agency, etc., only for the purpose or purposes for which the aforesaid amount was sanctioned and for no other purpose whatsoever.

IT IS HEREBY AGREED that if the grant provided is not utilized within the time frame specified for its utilization the interest accrued as result of such non-utilization, shall be accounted for in further releases.

AND IT IS HEREBY FURTHER AGREED AND DECLARED that the said Agency, etc., shall not, without the written consent of the President, encumber or alienate, create, any mortgage lien or charge by way of hypothecation, pledge otherwise, or create other encumbrances of any kind whatsoever any part of its buildings or other structure, and / or plant, machinery or any other fixed assets owned by them.

IN WITNESS WHEREOF these presents have been executed by the said Agency the day and year first above written.

Signed for and on behalf of..... Agency, etc.
by Shri. (Name and Designation) in the presence of
1. Seal of the Agency
2.

Appendix-II

Undertaking

(LETTER HEAD)

TO WHOM SO IT MAY CONCERN

1. That the land is in the possession of the implementing agency.
2. The land has been provided on lease for a period of by the to the organisation
3. It is certified that the land is free from all encumbrances.
4. It is certified that the land is free from any acquisition proceedings of the government or its agencies.
5. The Implementing Agency has neither obtained nor applied for any grant/subsidy for this project under any other scheme of Central Government.

Signature

(Head of the Implementing Agency)

Appendix-III

Executive Summary

Sl.No.		
1	Name and complete address of the proposing organisation	
2	Name and complete address of the implementing organisation	
3	Status of the implementing agency (whether government agency, or Trade Body etc.)	
4	Total cost of the project	
5	Financing pattern	
6	Whether finance from all other source(s) has been tied up including the loan/debt from Financial Institutions	
7	Whether land, if required, is available for the project	
8	Status of statutory clearances (Municipal/Environment etc)	
9	Project phasing and date of completion	
10	Scope of work(Type of facilities required)	
11	Evidence of Export Linkage	
12	Whether proposal has been vetted technically and financially by an independent agency (please indicate name and details of the agency)	
13	Deliverables accruing from the project (in both qualitative and quantitative terms)	
14	Strategy for operation and maintenance	

Appendix- IV

Detailed Project Report (DPR)

The project proposal should be exhaustive and precise. All aspects related to projects should be supported by data, surveys and projections for future etc.

The Detailed Project Report (DPR) should include realistic cost estimate of construction, technical specifications and cost estimates for plant and machinery, detailed master plan along with sectional drawings and building plan with legends, financial assumptions (user charge, capacity utilization) with benchmarks, projected financial statements (P&L, Balance Sheet, Cash Flow, etc.) with financial indicators(IRR, etc.).

Cost of works must be certified as per the Schedule of Rates (SOR) of Central Government / appropriate State Government.

The DPR should contain details of the employment expected to be generated during the execution of the project. The employment likely to be generated during the operation of the project and the skill sets required may be indicated.

Details on each of the parameters indicated above should be included in the detailed project report with PERT charts showing timelines for all critical path activities. The report should also contain, inter alia, detailed cost benefit analysis, details of cost break up of each components of the project, benefits accruing from the projects in both qualitative and quantitative terms, for growth and exports. The deliverables from the project must be clearly qualified and quantified.

The Implementing Agency shall provide details of the financing of the project indicating clearly the equity being put in by the agency and bank/institutional financing. The contribution of the agency should be supported by the Audited statement of Accounts and a resolution by the Authority/Board or certificate of Head of agency as applicable indicating commitment of funds. Where funds are to be obtained from banks/ financial institutions, in-principle approval/sanction letter of term loan from bank / financial institutions may be produced.

TEMPLATE OF DETAILED PROJECT REPORT

Introduction

The Detailed Project Report (DPR) is an essential building block in creating infrastructure and enabling sustainable quality service delivery. The DPR is to be prepared carefully and with sufficient details to ensure appraisal, approval, and subsequent project implementation in a timely and efficient manner.

This document provides a reference format for preparing DPRs/Project Reports across sectors. The major sections covered are as follows:

1. Sector background context & broad project rationale
2. Project definition, concept and scope
3. Project cost
4. Project institution framework
5. Project financial structuring
6. Project sustainability
7. Project benefits assessments

The key issues needing to be addressed and other relevant details are outlined separately for each section

General notes for use

- I. This document provides a general reference framework for DPR preparation; additional relevant details are to be incorporated as per the requirements of the entity preparing the project report.
- II. The headings for the DPR are to be as per this document. Any additional headings may be incorporated as per requirement.
- III. The Detailed Project Report is to be accompanied by a separate Executive Summary.
- IV. Within 30 days of clearance by the EC, the Implementing Agency may arrange to digitize (create a soft copy of) the entire project report including drawings and forward

the same to the Director (Infrastructure), Department of Commerce.

1. Sector Background Context & Broad Project Rationale

Key issue for the section: Have the relevant aspects of the sector been adequately profiled and the context of the proposed project adequately explained clearly establishing the export linkages?

The DPR needs to provide information covering the following areas:

- 1.1 Existing gap in the physical infrastructure (brief description).
- 1.2 Base line information in terms of user coverage & access (by different user categories).
- 1.3 List of various projects proposed for the sector and confirmation /explanation of how this project is aligned with stated export objectives.
- 1.4 List of other capital expenditure projects supported by other schemes for the sector (sanctioned projects that have yet to commence as well as ongoing projects)
- 1.5 Pay & use charges for cost recovery and extent of cost recovery
- 1.6 Any other qualitative information (eg list of key impediments that are of importance to this sector and project; importance of the project to the sector and the extent to which the project would address key Export infrastructure gaps.)

2. Project Definition, Concept and Scope

Key issue for this section: Has the project concept been defined in a complete manner and its components/modules clearly delineated?

The proposed project needs to be clearly demarcated in terms of all its constituent sub-components (several project DPRs specify only the “to-be-constructed” infrastructure component which does not represent the complete project). The project concept comprises several sub-components/ elements including:

2.1 Land

- Total quantum of land acquired for the project
- Confirmation that the required land is owned/ already purchased by the implementing agency; land title is to be clear and unencumbered.
- Confirmation that land cost has been excluded in the total cost of the project posed for consideration

2.2 Physical infrastructure components

The physical infrastructure of each project/DPR can be considered in terms of specific components (component 1, component 2, component 3, ...etc.). These would be unique for each project and would also vary across sectors. For this purpose, a wide range of sector specific project components may be identified. The design, detailed engineering and drawings as applicable for the components are to be included in this section.

2.3 Environmental compliance/ protection measures/ improvement measures: Status of environmental clearances required and obtained.

2.4 Specialised procured services for design, independent supervision, and quality assurance

2.6 Other information

- Details of surveys and investigations required to be carried out
- Assessment of requirements related to utilities shifting
- List of clearances and agencies from which these are to be obtained
- Disaster related risk assessment and broad countermeasures (including earthquake/other natural disaster resistant design of structures)

3. Project Cost

Key issue in this section: Have all the relevant project costs been accounted for in addition to costs of physical infrastructure construction works?

The project (construction) cost should indicate the distinct elements, and be specific to the components listed below:

- 3.1 Physical infrastructure component-wise cost (should correspond to section 2.2)
- 3.2 Cost of surveys & investigations (whether included)
- 3.3 Cost of shifting utilities (whether included)
- 3.4 Cost of consultancy services: (a) Design (b) Supervision (c) Quality Assurance
- 3.5 Other statutory compliance costs if applicable
- 3.6 Finance/interest cost during construction
- 3.7 Contingency
- 3.8 Any other
- 3.8 Other statutory compliance costs if applicable

For all cost elements, assumptions (rates, methods of calculations, etc.) are to be clearly given either in the main text or as an attached appendix of the DPR.

4. Project Institution Framework (for construction)

Key issue in this section: Have the institutional arrangements for project construction implementation been clearly specified?

The DPR needs to clearly specify the institutional arrangement details, including the information requested below:

4.1 Manner of undertaking construction works

...i.e. whether construction works are envisaged to be undertaken:

- (i) in-house through one of the Govt. agencies/ own staff OR
- (ii) by being tendered out under the supervision/management of the implementing agency
- OR
- (iii) through a separately established legal entity/project implementation company such as an SPV (Special Purpose Vehicle)

4.2 Involvement of the construction entity in the subsequent O&M activities

....i.e. whether the contracted entity undertaking construction works are also to be retained and involved in (any aspect of the subsequent) O&M phase

4.4 Areas of involvement of the private sector in the construction phase⁴

(tick mark as appropriate):

i	Project Feasibility Study	
ii	Project Engineering Design	
iii	Specialized Surveys	
iv	Construction Works	
v	Supervision Consultants	
vi	Quality Assurance Consultants	
vii	Any Other Please Specify (Eg: Equipment Lease)	

Additional information regarding the above can be provided (in brief) if required.

5. Project Financial Structuring

Key issue in this section: Have the sources of financial contribution of the TIES and state's share been clearly identified? To what extent is there a comfort level that these sources have been tied up and would be available for the project?

The project financial structuring examines the sources and composition of funding for the project. For this section, the DPR needs to provide:

5.1 Overall Financial Structuring of the project

In this regard, the DPR should include information as per the table given below:

S.No.	Govt.	Project Contribution source	Amount (Rs. Lakhs)	%Share by specific source	%share by govt. entity
1	Central	TIES			
2	State	Grants towards its share in project			
3					
4		Devolved funds			
5	Implementing Agency	Own surplus resource			
6		Debt/Term Loan taken from State Govt.			
7		Debt/Term Loan taken from Bank/FI			
8		Debt: from accessing capital market			

9		Private equity/community resource funding; others			
			Total	100%	100%

Project financial structuring can involve a combination of equity, grant, debt and finance from private participation FI's / Banks (and in some cases, contribution from user communities)

5.2 Review of options for

The Debt Component

Supporting the capital cost of the project entirely by TIES Grant and State/ internal sources (surplus) might not necessarily reflect the best manner of financing infrastructure projects. A debt component would-

- a. provide gearing and hence support a larger number/scale of infrastructure projects
- b. provide (an additional) project appraisal by the funding agency and hence contributes to risk reduction and improved project structuring
- c. contribute to project management discipline, specially in the context of O&M management, user charge levy etc.

The Debt Component can be from:

- a. General bank finance: however banks are unlikely to accord long tenure finance but term loan based on Govt. funding and own corpus can be leveraged through bridging loans paid back through realisation of user charges.
- b. Pay and use by users would enable some extent of cost recovery (and also O&M).
- c. Linking construction with a long term O&M performance contract could provide the advantage of operational cost efficiency as well as accountability (including quality) for creating the original infrastructure asset.

6. Project Sustainability

Key issue in this section: Has the Project Report assessed the requirements and planned for long term O&M sustainability?

Long term project sustainability requires that long term O&M is planned in terms of

- (a) Institution framework including billing & collection (organization & operations) strategy and
- (b) Tariff and user-cost recovery (financial) strategy.

6.1 Institution framework (organization & operations) strategy

The DPR is to incorporate/ include information relating to the following areas:

- (i) The institution to be engaged in the O&M of the created infrastructure asset/enhanced infrastructure assets.
- (ii) Brief outline of the proposed method of billing & collection (including user/customer-segment wise differentiated strategy, if any)

7. Project Benefits Assessment (Establishment of Export Linkages)

The DPR is to provide the following:

7.1 A list of benefits from societal perspective (both social and economic) supported by:

- (i) Explanation or description in qualitative terms
- (ii) Quantification of these benefits to the extent possible (or wherever possible) along with underlying assumptions.

Benefits are to be focused on project outcomes (in the context of the project outlays made) and specially on their impact on user segments covering elements such as:

-SPS/TBT compliance	-supply chain continuity
-improved coverage and reduction in testing costs	--time and cost saving in export logistics
-improved efficiency in export supply chain	-employment generation
-improved quality of exported goods	-service quality improvements

The above are illustrative only with type of benefits being specific to the project.

Appendix-V

Check List of Documents required

- i. Executive Summary in prescribed format
- ii. Designation of Head of Project and the signatory of the UC by the Head of Implementing agency
- iii. Detailed Project Report (DPR)
 - Blue Print of the building Plan, if any.
 - Item wise and cost wise details of civil works envisaged duly certified by a third party civil construction agency
 - Item wise and cost wise details of Plant & Machinery envisaged duly certified by Chartered Engineer (Mechanical).
 - Quotations from the suppliers of Plant & machinery and equipments etc. required for the project including purchase orders of Government Agencies.
 - Implementation schedule in PERT chart indicating activities like (a) date of start of construction of building/ order for plant & machinery (b) date of completion of building (c) date of installation/erection of plant & machinery (d) date of trial running and (e) date of commercial running. The critical activities are to be mapped along with the risks associated with it.
- iv. Recommendation of the Export Commissioner of the State
- v. Document supporting proof of financial closure
 - Letter from State Govt. for matching funds in cases of funds being provided the State Govt. to the implementing agency or SPVs
 - Resolution of the Authority/Working Committee/Governing Council/Board of Directors (duly authenticated by Company Secretary) indicating commitment of funds
 - In-principle approval/Sanction letter of term loan from bank / financial institutions.
 - Appraisal report from Bank / Financial Institution.
- vi. Undertaking by the Head of the implementing agency at **Appendix II**.

- vii. Annual reports and Audited Statement of Accounts of last two years of the IA or the holding PSU.
- viii. Any financial assistance in the past from the Department of Commerce along with the details thereof including details ongoing projects under ASIDE/TIES.