

No.5/10/1/2004-DBA-I
Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion

Udyog Bhawan, New Delhi
Dated the 25th March, 2004

To

Vapi Waste & Effluent Management Company (VWEMC),
Vapi
GUJARAT.

Subject : Approval of Upgradation of Infrastructure facilities at Chemical cluster, Vapi, Gujarat under Industrial Infrastructure Upgradation Scheme (IIUS).

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Sir

I am directed to convey the approval of the Government of India for Upgradation of Infrastructure facilities at Chemical Cluster, Vapi under Industrial Infrastructure Upgradation Scheme (IIUS) at a tentative cost of Rs. 54.31 Crores. Central grant for the project is subject to compliance of the guidelines(copy enclosed) issued under IIUS.

2. The eligible activities and break-up of project cost as approved tentatively by the Apex Committee constituted under IIUS is as follows:

Sl.	Component	Amount (Rs. in Crores)
1	QTF	14.97
2	CETP Expansion	9.35
3	TSDf Expansion	16.50
4	Strengthening Road Network	13.49
	Total Tentative Cost	54.31

3. The Funding pattern of the above project cost will be as follows:

1	Grant from Government of India (under IIUS Scheme):	Rs 40.49 crores
2	Contribution by users (Vapi Industry)/	Rs. 10.82 crore
3.	Debt Finance	Rs. 3.0 crore
	Total Tentative Cost	Rs. 54.31 Crore

4. Implementation schedule:

Duration of the project – 24 Months.

5. Within one week of the issue of sanction letter for Grant in Aid to the Project Account, the following milestones should be completed and certification provided towards the same and submitted to Deptt. of Industrial Policy & Promotion. To comply with the above requirements, VWEMC shall commit to the following obligations in the form of a Memorandum of Agreement or a Legal Undertaking:

- i to utilize the funds sanctioned under IIUS after achieving of the project specific milestones and on certification by a project development and monitoring agency, on pari-passu basis
 - i. to arrange additional funds, if any required, to meet time and cost overruns
 - ii. to operate and maintain the project assets to the satisfaction of the Independent Engineer
 - iii. To seek compliance with statutory approvals and clearances as applicable before implementation
 - iv. To undertake all procurement of goods, equipment, peripherals & services through a transparent and competitive procurement process as per State/ Government of India norms
 - v. To undertake audit of its accounts to the satisfaction of GOI, independent auditor and cooperate in the audit
 - vi. to create a Project Account (Trust & Retention Account) with a Trustee Bank and provide the details to GOI

- vii. To set up a separate Reserve Fund Account for O&M purposes and to create and maintain a reserve corpus on a project specific or combined basis to be utilized for cash-flow management due to revenue shortfalls, for capital replacement or refurbishments
 - viii. To complete process for transfer of the roads and Right of Way as per proposal to DIPP for this project.
6. The cost estimates for various components under the scheme should satisfy the following requirements:
- i. All cost estimates for roads and construction of buildings, should be as per the Schedule of Rates (SOR) of the State Government/ Central Government.
 - ii. All cost estimates for common effluent treatment plant, sludge/solid waste disposal facility and other environment management related systems and facilities, should be as approved by the Independent Engineer
 - iii. The cost estimates for setting up of IT Centre should be as approved by Ministry of Communication and Information Technology/ NISG/NIC/NASSCOM.
 - iv. All cost estimates for the equipments/facilities to be set up at the R&D Centre should be in consultation with agency to be appointed by DoIPP such as institutions including UDCT & IIT Powai, NCL, Pune.
7. Guidelines for utilising IIUS funds:
- i. VWEMC will furnish an utilization certificate for amounts released through this sanction before the next release of funds.
 - ii. Managing Director, VWEMC would be the Drawing and Disbursing Officer for the release of the amounts under this sanction.
 - iii. VWEMC shall submit performance-cum-achievement report before applying for the next instalment as grant.
 - iv. VWEMC shall maintain separate account of the grants-in-aid received from the Government.

- v. VWEMC shall provide DIPP with the details of the Project Account (Trust and Retention Account) alongwith the Trustee Manager details before disbursement of 20% of funds sanctioned above into this account within two days from receipt of this letter.
 - vi. VWEMC shall execute a Legal Bond with for acceptance of terms and conditions of the payments of Grant-in-aid before release of payment, as discussed in Section 5 above.
 - vii. The amount so paid to VWEMC shall be open to inspection by the sanctioning authority/Internal Audit Party of the Chief Controller of Accounts, Ministry of Commerce & Industry, New Delhi wherever VWEMC is called upon to do so.
 - viii. VWEMC will not obtain grant from any other agency for implementing the eligible activities mentioned at para 2 of the letter.
 - ix. The VWEMC shall not divert the grants and shall abide by the terms and conditions of the grant. If VWEMC fails to utilize the grant for the purposes for which the same has been sanctioned, the VWEMC will be required to refund the amount of the grant with interest.
 - x. The VWEMC shall report on the physical progress as well as the expenditure incurred in the project to the Government of India every quarter.
8. The Secretary (Industries), Government of Gujarat will act as a facilitator to supervise and monitor the progress of the project periodically.

Yours faithfully,

(T.J. Banerjee)
Under Secretary to the Govt. of India

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Date : 25.3.2004

Copy to :

1. Pay & Accounts Officer, Ministry of Commerce and Industry, Deptt. of IPP.
2. Secretary, Industries Department, Govt. of Gujarat, Gandhinagar.
3. Secretary, Finance Deptt., Govt. of Gujarat.
4. Director of Industries & Commerce, Govt. of Gujarat.
5. Office of the Comptroller & Auditor General, New Delhi
6. Accountant General, Gujarat, Gandhinagar.
7. Director of Audit, Commerce, Works & Misc., AGCR Building, New Delhi.
8. Finance-II Section, Deptt. Of IPP, Udyog Bhwan, New Delhi.
8. B&A Section, Deptt. of IPP, Udyog Bhawan, New Delhi.
9. M/s. IL&FS Infrastructure Development Corporation, Core 4B, 4th Floor.
India Habitat Centre, Lodi Road, New Delhi
10. Sanction file/Guard file.

(T.J.Banerjee)
Under Secretary to the Government of India
Tel. No. 23013449