

PIYUSH SINGH, IAS

संयुक्त सचिव
JOINT SECRETARY



भारत सरकार
GOVERNMENT OF INDIA
विद्युत मंत्रालय
MINISTRY OF POWER
श्रम शक्ति भवन, रफी मार्ग
SHRAM SHAKTI BHAWAN, RAFI MARG

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नई दिल्ली - 110001
NEW DELHI - 110001

DO.No.11/32/2020-Th.I

14th June, 2022

Dear Sir/Madam,

Please refer to this Ministry's OM of even number dated 30th May 2022 (copy enclosed) with revised Expression of Interest (Eol) for setting up a manufacturing zone on pilot basis for Power & Renewable Energy Sector wherein MoP invited the participants for Bid on Eol for setting up of Manufacturing Zone.

2. It may be noted that Ministry of Power held a Pre-Bid conference on 27.04.2022 for Expression of Interest (Eol) for setting up a manufacturing zone on pilot basis for Power & Renewable Energy Sector wherein MoP invited queries from the participants on Eol for setting up of Manufacturing Zone. The suggestions received during pre-bid conference were considered by Scheme Steering Committee (SSC) co chaired by Secretary(Power) and Secretary(MNRE) and consolidated reply to the queries of participants of Pre-Bid conference on Eol for setting up of Manufacturing Zone has already been hosted on the websites of Ministry of Power and MNRE.

3. Revised Eol is uploaded on the websites of MoP and MNRE. As the last date for submission of Eol is 26th June, 2022, It is again requested to consider participating for submission of Eol by due date. The Eol is invited at the following address:-

Joint Secretary (Thermal)
Ministry of Power,
Room No. 415, Shram Shakti Bhawan,
New Delhi —110001
Phone: 011-23714367; [Email:singhp7@nic.in](mailto:singhp7@nic.in)



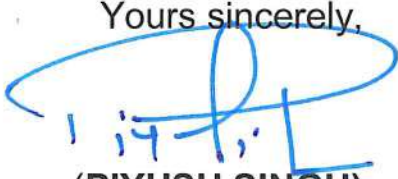
Cont.P/2....

4. I would request you to kindly direct concerned authority to consider participating for submission of EoI by 26.06.2022.

With regards,

Enclosures: As above

Yours sincerely,



(PIYUSH SINGH)

To,

1. Chief Secretaries of All States /Union Territories
2. Additional Chief Secretary /Principal Secretary /Secretary (Energy/Power) of all States /Union Territories
3. Principal Secretary(Industry) of All States/Union Territories



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F.No.11/32/2020-Th.I

Government of India

Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi dated the 30th May, 2022

To,

1. Chief Secretaries of All States /Union Territories
2. Additional Chief Secretary /Principal Secretary /Secretary (Energy/Power) of all States /Union Territories

Subject: Reply to queries of participants of Pre-Bid conference for Expression of Interest (EoI) for setting up a manufacturing zone on pilot basis for Power & Renewable Energy Sector – reg.

Respected Sir/Madam,

Ministry of Power held a Pre-Bid conference for Expression of Interest (EoI) for setting up a manufacturing zone on pilot basis for Power & Renewable Energy Sector wherein MoP invited queries from the participants on EoI for setting up of Manufacturing Zone. The suggestions received during pre-bid conference were considered by Scheme Steering Committee (SSC) and the decision of SSC are enclosed as **Annex-I**.


2. In this connection, consolidated reply to the queries of participants of Pre-Bid conference on EoI for setting up of Manufacturing Zone has been hosted on the websites of Ministry of Power and MNRE and enclosed as **Annex-II**.

3. The decision of SSC has been incorporated in the EoI. Revised EoI has been hosted on the websites of MoP and MNRE. It is requested to consider participating for submission of EoI by 26th June, 2022 . Copy of the revised EoI is enclosed at **Annex-III**. The EoI is invited at the following address:-

Joint Secretary (Thermal)
Ministry of Power, Room No. 415
Shram Shakti Bhawan,
New Delhi –110001
Phone: 23714367
Email:singhp7@nic.in

3. This issues with the approval of Competent Authority.

Encl: As above.



(Anoop Singh Bisht)
Under Secretary to the Government of India
Tele: 011-23769710

Copy for information to:-

1. PS to Hon'ble Minister for Power & NRE
2. PS to Hon'ble Minister of State for Power
3. PS to Hon'ble Minister of State for New & Renewable Energy

Copy also for information to:-

1. Sr. PPS to Secretary (P)/ Secretary (MNRE)
2. PPS to Additional Secretaries of MoP & MNRE
3. PPS to EA/ AS & FA, Ministry of Power/MNRE
4. PS to JS, Ministry of Power/MNRE



(Anoop Singh Bisht)
Under Secretary to the Government of India
Tele: 011-23769710

The decisions of Scheme Steering Committee (SSC) on the suggestions during pre-bid conference:

1. **Proposer Structure:** It was decided that creation of a new SPV is not mandatory by the Proposer. The possible scenarios for Proposer are as follows:

1.1 **State:** State Government or State Government entity/State PSU in partnership with State Government can submit proposal for setting up manufacturing zone in their State.

1.2 **Private Entities/CPSUs:** A Private Entity/CPSUs in partnership with State Government can also submit proposal for setting up manufacturing zone in their State. The Private Entity/CPSUs and a State Government agency could formulate a JV company wherein State should hold minimum 26% equity.

2. **Evaluation:** Instead of DPIIT rankings for industrial parks, latest available ranking by DPIIT of States based on ease of doing business, may be used for evaluation. Further, for the evaluation criteria pertaining to Industrial Ecosystem developed in last 3 years, Industries materialized within 50 kms of the proposed manufacturing zone, in the last 5 years may be used for evaluation. This will take care of Covid-effect in the last two years.

3. **Land:** Regarding the issue relating to providing land on lease basis versus outright sale to the manufacturing units, both lease rental and outright sale may be allowed as per the State policy. For evaluation purpose, in case of outright sale, the equivalent lease rate for the proposed land rate may be derived on NPV basis considering the lease period of 99 years.

4. **CIF/CTF:** Time allowed for completing works relating to CIF may be increased to 18 months as it was observed that a period of 6 months for completion of CIF may not be sufficient. Further, the period for completion of CTF may be reduced to 36 months.

5. **RE Power:** The present scheme pertains to setting up of manufacturing units and not for setting up RE power projects in the manufacturing zone. Accordingly, setting up RE power projects in the manufacturing zone may not be allowed as it will use most of the land available in the Manufacturing Zone.

6. **Distribution License:** As per the EoI document, it is not mandatory for the proposer to have a separate distribution license.

7. **Evaluation of Capital Subsidy:** Regarding the issues related to subsidy on capital investment, as various States may have different slabs for providing subsidies, it would not be prudent to amend the evaluation parameter relating to capital subsidy. Accordingly, in order to maintain uniformity across States, the evaluation parameter related to capital subsidy may not be amended.

8. Additional marks for proximity to sea-ports would not be considered as it would give unfair advantage to coastal States. However, it was agreed that the criteria of proximity to the nearest airport could be modified as "proximity to the nearest airport/ seaport".

9. **Exit of Private Entities:** Private Entities may be allowed to exit from the project after manufacturing units are set up in at least 50% of the area earmarked for setting up of manufacturing units or 10 years after the award, whichever is earlier.

10. **Timelines:** Proposal submission date should be kept 4 weeks from the date of issue of clarifications, addendum or revised EOI.

Inputs for framing replies to Queries on Eoi for Setting up of Manufacturing Zone

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
	Karnataka Renewable Energy Limited		
1.	The proposed funding of Indian Rupees One Thousand Crore (INR 1000,00,00,000.00) for the two (2) Brownfield Manufacturing Zones and one Greenfield Manufacturing Zone has been kept flexible for supporting CIF and CTF with a ceiling of Indian Rupees Four Hundred Crore (INR 400,00,00,000.00) in any Manufacturing Zone. The duration of the Scheme is five (5) years from FY 2021-22 to FY 2025-26.	<p>We understand the scheme is for a brownfield manufacturing zone for one location and outlay of 400 Crore. Please confirm</p> <p>The duration of scheme mentions FY 2021-22 as the start year. We understand that is a typo and the start year shall be 2022-23. Please confirm</p>	<p>Yes, the EOI is for a brownfield Manufacturing Zone for one location with an overall ceiling of INR 400 Crore as grant-in-aid from Government of India.</p> <p>The start year would be FY 2022-23.</p>
2.	<p>The State Governments or SPV in partnership with State Government will submit Proposals for setting up a Manufacturing Zone in the State</p> <p>The SPV may collaborate with private developers for carrying out the work but only SPV will be fully responsible for implementing the Scheme. Proposed Special Purpose Vehicle (SPV) - Type of organisation, legal status, shareholding pattern (give details of any private participation such as PPP agreement, MoU etc. with model terms and structure), functions and responsibilities, budgetary allocation (if any), administrative department of the State for SPV Other Source of funds (Please specify the source as bank loans, public bonds, private participation etc.)</p>	<p>Please clarify whether private players will be allowed to participate as SPV with the state govt.</p> <p>Also, kindly clarify whether formation of SPV is mandatory under the program.</p>	<p>Yes, a Private Entity/CPSUs in partnership with State Government can submit proposal for setting up manufacturing zone in their State. The Private Entity/CPSUs and State Government would formulate a JV company wherein State should hold minimum 26% equity. Formation of SPV is not mandatory for State.</p> <p>State Government or State Government entity/State PSU in partnership with State Government can submit proposal for setting up manufacturing zone in their State.</p>
3.	setting up of one (1) Brownfield Manufacturing Zone for power and renewable energy equipment	We understand that the objective is to set up one manufacturing zone; one state be chosen for the allocation of Entire grant. Please confirm	Yes

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
4.	On final approval of the Project by the SSC, thirty percent (30%) grant shall be released in the Trust and Retention Account (TRA) or Escrow or No Lien Account as the case may be subject to the condition that all relevant clearances are in place.	Kindly clarify the timeline for obtaining approval from SSC, (i.e., how long after EOI submission?) Please Clarify	Last date of Submission is as notified in EOI or as amended from time to time. Timelines for subsequent activities will be decided by SSC.
5.	Sixty percent (60%) utilization of the 1 st installment and after proportionate expenditure has been incurred by the SPV with proportionate physical progress of the Manufacturing Zone as per the DPR.	We seek to clarify the utilization of installment shall be proportionate to % of fund or any other parameter. For utilization, please clarify the proofs documentations that shall be need to furnished.	Prevailing terms are clear in this regard. Prevailing terms are clear in this regard. Please refer Clause 2.5.27 of the EoI.
6.	One hundred percent (100%) utilization of 1 st installment and at least 60% utilization of 2 nd installment and after proportionate expenditure has been incurred by the SPV with proportionate physical progress of the Manufacturing Zone as per the DPR.	We seek to clarify the utilization of installment shall be proportionate to what.	Prevailing terms are clear in this regard.
7.	4 th Installment - After submission of completion certificate.	Please clarify the milestone that will be considered as completion milestone. Also, please clarify if self- certification will suffice as completion certificate/ who shall be the issuing the certificate.	Certificate stating capitalization of the entire Project Cost from statutory auditor of the implementing agency or Proposer, as the case maybe shall be considered.
8.	The assets created/acquired by the SPV by utilizing the grant of Central Government shall not be disposed, encumbered, or utilized for the purposes other than for which the funds have been released.	Please clarify whether there is a provision in place / guidelines on the course of action to be taken in case private player (SPV) decides to exit from the arrangement? Kindly clarify	Private Entities can exit from the project after manufacturing units are set up in at least 50% of the area earmarked for setting up of manufacturing units or 10 years after the award, whichever is earlier.
9.	For successful implementation and operation of the Manufacturing Zone, agreements between State Government and the SPV shall be entered into.	Operation here points towards operation of manufacturing zone's facility or operation of full-fledged manufacturing activities. Please confirm.	Prevailing terms are clear in this regard.
10.	Year-wise requirement of fund has been estimated and mentioned below on the basis of timelines given for different activities, such as formation of SPV, submission of DPR, completion of CIF and CTF work	The installments based on milestones are specified in the first table The second table however gives a year wise	Grant-in-aid shall be released as per Clause 2.2.3 (a) of EoI.

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
		disbursement schedule Please clarify which payment terms shall be followed	
11.	The SSC shall meet as often as necessary to ensure timely consideration of the Proposals, the DPRs, review of the progress of the Project as per the Scheme The SSC shall hold meeting at least once in six (6) months	By progress do we mean construction only. Please clarify. Also, please clarify on the timeline of the manufacturing zone; if the envisaged timeline is less than 6 Months (for CIF) ; why does the SCC have to convene every 6 months	Prevailing terms are clear in this regard. The SSC shall be responsible for appraisal, approval and monitoring the progress of Manufacturing Zone.
12.	The SSC shall evaluate the Proposals submitted by States and give in-principal approvals for setting up Manufacturing Zone.	Please clarify the timeline of approvals by SSC	Timelines for subsequent activities will be decided by SSC.
13.	PMA shall assess the progress of the Project from time to time	We understand that the PMA shall be assessing the progress of the project. Please specify the role of state/SPV in the tracking progress, if any.	Prevailing terms are clear in this regard.
14.	Formation of SPV within one (1) month after receiving in-principal approval from the SSC, if the Proposer is a State Government.	We understand that the proposer is a state govt, but, the "if" usage in the clause however needs clarification. Also, please clarify, if the proposer is not state govt; which entities are eligible to be the Proposer	Prevailing terms are clear in this regard.
15.	Facilitating the SPV for getting distribution license, where possible from Appropriate Commission under clause (b) of section 14 of Electricity Act 2003.	Please clarify if the state govt. has to have the distribution license compulsorily. Also, clarify whether the energy dept shall be involved or can private player be involved for efficient running of DL.	As per the stated clause, provision for separate distribution license is not a mandatory condition. No change envisaged.
16.	Facilitating and providing all statutory approvals/clearances from State Government offices required for operation of the industrial activity inside the Manufacturing Zone. Further, State shall also facilitate and recommend for requisite statutory approval/clearances to be given by the Central	Please clarify if the equipment that shall be manufactured in the zone need to be finalized while submitting the EOI and/or DPR. Also, the industrial activity shall vary across different RE and power equipment, in such a case, how shall the	The information on envisaged category of equipment to be manufactured in the Manufacturing Zone would be required at the DPR stage. The Proposer has to facilitate prospective

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
	Governmentbodies.	approvals and clearances be finalized at DPR stage.	industries in the Manufacturing Zone for obtaining various clearances.
17.	Providing necessary infrastructure such as access road, power, water supply, etc. up to the Manufacturing Zone	<p>The water and power requirements shall vary with the type of manufacturing to Happen in the zone. We seek to clarify how the variations in capex shall be accounted for at later the stage when it is deviating from the infrastructure planned at DPR stage. Whether extension of additional grant for such infra's shall be considered by MoP.</p> <p>Secondly, please clarify whether the manufacturing activities shall be mandatorily to be performed by state govt or anybody can setup manufacturing activities within the zone (including private) as a plug and play model.</p>	<p>Grant-in-aid from the Government of India for the Project is limited to INR 400 Cr.. DPR has to comprehensively address all infrastructure requirements of the Manufacturing Zone.</p> <p>Manufacturing Zone will be available to all kind of investors who may wish to set-up manufacturing facility.</p>
18.	The area offered by the Proposer for setting up Manufacturing Zone shall not be less than One Hundred Fifty (150) acres. For development of CTF, separate area has to be kept.	<p>Land area and capex for CTF will vary with type of manufacturing which can be difficult to prefix at EOI stage.</p> <p>Please clarify</p>	SSC will be authorized to decide the requisite amount of CIF and CTF based on overall ceiling of INR 400 Cr.
19.	Successful Proposer is a SPV in partnership with a State, it will be responsible forpreparation of DPR and creation of CIF and CTF in selected Manufacturing Zone	Please confirm if the SPV can bea private entity	A Private Entity in partnership with State Government can submit proposal for setting up manufacturing zone in their State. The Private Entity and State Government would formulate a JV company wherein State should hold minimum 26% equity
20.	The SPV of each Manufacturing Zone shall be headed by a full time Chief ExecutiveOfficer (CEO).	<p>We understand that there is only one manufacturing zone. The word "each" points towards multiple manufacturing zones.</p> <p>Please clarify if there is one manufacturing zone or multiple</p>	The EOI is for one brownfield Manufacturing Zone

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
21.	The SPV may collaborate with private developers for carrying out the work but only SPV will be fully responsible for implementing the Scheme.	Please clarify the term “work”. Kindly clarify whether the work here shall mean setting up CTF, CIF or setting up of manufacturing units in the manufacturing zone	The SPV shall be responsible for setting up Manufacturing Zone (including CIF and CTF for power and renewable energy equipment). Setting up of manufacturing units in the Manufacturing Zone shall be undertaken by other prospective investors.
22.	SPV shall ensure that from the grant-in-aid provided by the central government, CTF are established with the help of NISE for solar energy, NIWE for wind energy and CPRI for power equipment (for Generation, Distribution and Transmission) as per the testing requirements of manufacturing units set up in the Manufacturing Zone.	Please clarify the scope of help that shall be received from NISE, NIWE and CPRI. Additionally, please confirm if there is a stipulated amount in the grant for CTF specific to RE and power equipment’s.	Please refer Clause 2.5.8 of the EoI. Availability of grant-in-aid shall be subject to approval of SSC.
23.	NISE, NIWE and CPRI shall establish and operate the testing facilities and charge testing fee as per the agreement with the SPV	Please clarify who shall have the responsibility of setting up CTF, whether it is NISE, NIWE and CPRI OR the SPV. Also, clarify the entity to which the CTF fund will be allocated.	Prevailing terms are clear in this regard.
24.	Additional testing facilities without using grant in aid, if required, may also be set-up in market mode by CPRI, NISE or NIWE to meet the testing requirement of manufacturing units.	Please confirm the term “market mode”. By market mode do we mean CPRI, NISE or NIWE shall float the tenders to set up the CTF. If so, in that case, proposer estimate on CTF cost at EOI and DPR stage may be varying from actuals.	Market mode refers to setting up of CTF commercially, without considering any grant-in-aid.
25.	Funds for CTF will be distributed depending up the type of testing facilities required to be provided based on the industries coming up in the respective Manufacturing Zones.	Please clarify the entity that will establish the details of testing facilities (state govt or NIWE/NISE/CPRI). Also, please clarify at what stage will the CTF funds be disclosed/disbursed	Please refer Clause 2.5.8 of the EoI. Please refer Clause 2.2.3 (a) of the EoI.
26.	In order to provide power at reasonable cost, where possible the SPV/ third party selected by SPV may seek distribution license under clause (b) of Section 14 of Electricity Act, 2003 from Appropriate Commission	We understand by “may seek “that distribution license is optional and state can look for other alternatives. Please confirm	As per the stated clause, provision for separate distribution license is not a mandatory condition.

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
27.	The land shall be allocated by SPV as per the agreed lease rental rates and terms and conditions as proposed in the Proposal submitted by the Proposer for approval of the SSC.	We seek to clarify if this shall be specified in the EOI or DPR by the proposer. Please clarify	Prevailing terms are clear in this regard.
28.	The SPV/ third party selected by SPV shall be responsible for all the matters relating to procurement, transmission, distribution of electricity and its associated electrical infrastructure.	Can the third party be a private player. Please clarify	Prevailing terms are clear in this regard.
29.	The SPV shall submit the Utilization Certificate (UC) with the progress report for the amounts utilized as per the format prescribed in GFR.	Please clarify the meaning of GFR	GFR shall mean General Financial Rules issued by Department of Expenditure, Ministry of Finance, including any amendments thereof
30.	In addition to the CIF, the SPV and the State shall actively facilitate common services/ utilities required for smooth running of businesses such as petrol pumps, banks, cafeteria, business center, parking for trucks, convenience stores, medical service center etc.	We seek to clarify if the services/ utilities shall be provided out of the fund for CIF or is there a separate fund from MoP. Secondly, please clarify facilitation shall mean providing space/ creating infrastructure for the service etc. Please share the scope for common understanding among the states.	Prevailing terms are clear in this regard. Grant-in-aid from the Government of India for the Project is limited to INR 400 Cr.
31.	Ratings of Industrial parks (Ranked by DPIIT)	We seek to clarify if the proposal is expected from existing industrial parks only. Kindly clarify.	Please refer to amendments issued in this regard
Comfort Trims			
32.		- What are the benefits	Please refer to the EOI.
33.		- Business case	
34.		- Who will be the customer	
35.		- What is the selling price	
36.		- What is the eligibility criteria and any deviation	
37.		- cap ex	
38.		- proposed business model	
39.		- Govt subsidies and grants	
40.		- the supply chain of this model for better understanding	
41.		- estimated recovery on capex	
42.		- selling rate	

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
	NLC India		
43.		It is requested to consider CPSUs also to establish Manufacturing Zones in their own land to encourage installation of manufacturing units relevant to core business area(s) such as Solar module manufacturing units, CO2 capturing units from Flue Gas, manufacturing value added products using captured CO2, Green H2 etc.	Please refer response to Sl. 2.
44.		Allocation of power from own Thermal Power Stations to Manufacturing Zones at the same PPA rate may please be facilitated.	The Proposer is required to commit the power charges in Rs/kWh which will be fixed for first five years and thereafter will increase at 3%
45.		Installation of RE power projects with or without Energy Storage system to supply power to the Manufacturing Zones can be consider as part of Manufacturing Zones to reduce the Tariff for the power to manufacturing units inside the Zone.	The Proposer is required to commit the power charges in Rs/kWh which will be fixed for first five years and thereafter will increase at 3%
Industries & Commerce Department, Govt. of Telangana			
46.		Apart from Coastal areas, preference shall be given to non-coastal areas as well , for developing manufacturing zones in already GOI approved projects of National importance such as Industrial nodes, NIMZs etc. with their preparedness in terms of obtaining key clearances such as Environmental Clearance	Manufacturing Zone can be set-up in both coastal as well as non-coastal areas.
47.		While Common infrastructure facilities (CIFs) and Common testing Facilities (CTFs) are essential for any manufacturing zone, it is requested to consider cost of developing the essential external infrastructure(such as road, water, power, Gas etc.) for the proposed manufacturing zone as well in the eligible project cost while sanctioning the Grant - in-Aid (or) Ministry to facilitate development of such external infrastructure linkages through other	Prevailing terms are clear in this regard.

Sl.	Existing Clause	Queries	Inputs for framing replies to Queries
		initiatives of GOI (Grant/Budgetary support) such as PM GatiShakthi, Jal Shakthi etc.,. This will substantially reduce the onus on the manufacturing units within the Zone.	
48.		Facilitating the State Nodal Agency / SPV for getting distribution license shall be as per the prevailing State Government policy. State Govt. to ensure reliable power supply to the manufacturing zone.	As per Clause 2.5.12 of EOI, provision for separate distribution license is not a mandatory condition. No change envisaged.
49.		Instead of full (100%) possession of land, proposal where in land has been identified by the State Govt./Nodal Agency as per the master plan and acquisition is under process (notification already issued) may be considered at the time of submission of proposal	Please refer Clause 2.4.4 of EOI in this regard.
50.		The timelines for implementation of CIFs (components. such as STP, Waste Management, Electric Substation, etc.,) may be increased to 18 months from the date of approval of DPR" instead of 6 months as mentioned in Eol, which seems to be not practical.	Please refer to amendments issued in this regard.
51.		Like in other schemes of GOI (such as Electronics Manufacturing Clusters etc.), the budget towards administrative charges may be increased from 1% to 3% - 5% of maximum Grant-in-Aid (Rs 400 crore) for each Manufacturing Zone.	No change envisaged.
52.		Allotment of land for manufacturing units - the existing State policy of Land allotment (Both outright sale and Long-Term lease) may be permitted.	Please refer to amendments issued in this regard.
53.		Format V (c): Undertaking for full/partial acceptance of Labour Laws may be deleted.	No change envisaged.
54.		Evaluation Criteria may be revised as below: (a) Utility charges (rates) as per Proposal submitted by proposer [20 marks]	Please refer to amendments issued in this regard.