

**DEPARTMENT OF DEFENCE PRODUCTION**  
**DTIS CELL / DGQA**

12575/DGQA/DQA(WP)/DTIS Guidelines

10 Oct 24

**AMENDMENT-03 TO GUIDELINES OF**  
**DEFENCE TESTING INFRASTRUCTURE SCHEME (DTIS)**

1. Refer to Defence Testing Infrastructure Scheme (DTIS) guidelines issued vide DQA(WP) letter of even number dated 14 May 20, Amendment-1 to DTIS guidelines issued vide DQA(WP) letter of even number dated 24 Jul 20 & Amendment -2 to DTIS guidelines to facilitate setting up of DTIS facilities in DICs, the following amendments to the DTIS guidelines are incorporated: -

(a) **Para 1.1 of DTIS Guidelines**

For

*“Under “Make in India”, the Government has accorded high priority to development of manufacturing base of Defence and Aerospace sectors in the country to reduce dependence on imports. Towards this, Government has announced establishment of Defence Industrial Corridors (DICs) in Uttar Pradesh and Tamil Nadu”.*

Read

*“Under “Make in India”, the Government has accorded high priority to development of manufacturing base of Defence and Aerospace sectors in the country to reduce dependence on imports. Towards this, Government has announced establishment of Defence Industrial Corridors (DICs / State DICs)”.*

(b) **Additional Para 3.3 of DTIS Guidelines:** *In cases where RFP is issued by State DICs, a mutually agreed MoU will be undertaken between MoD/ DDP and State DICs for disbursement of funds to state DIC. State DIC, in turn, will have agreement with Implementation Agency (defined vide para 4.1.) for further distribution and utilisation of fund.*

(c) **Para 5.6 of DTIS Guidelines**

For

*“The Implementation Agency shall execute an undertaking for proper utilization of the grant and abide by the target dates, as may be specified in the conditions of the Grant. It shall not divert the Grant for any other purpose. In the event of failure to comply with the conditions or breach of the undertaking, it shall be liable to refund to President of India the entire amount of the Grant. The undertaking is to be submitted by the Implementation Agency in a format as specified in RFP”.*

Read

*"The Implementation Agency/ State DICs shall execute an undertaking for proper utilization of the grant and abide by the target dates, as may be specified in the conditions of the Grant. It shall not divert the Grant for any other purpose. In the event of failure to comply with the conditions or breach of the undertaking, it shall be liable to refund to President of India the entire amount of the Grant. The undertaking is to be submitted by the Implementation Agency in a format as specified in RFP/ MoU".*

(d) Para 5.7 of DTIS Guidelines

For

*"The Implementation Agency shall also execute an undertaking that the said project is not being funded under any other scheme of the Government of India. The undertaking is to be submitted by the Implementation Agency in the prescribed format as may be specified in the RFP".*

Read

*"The Implementation Agency/ State DICs shall also execute an undertaking that the said project is not being funded under any other scheme of the Government of India. The undertaking is to be submitted by the Implementation Agency/ State DICs in the prescribed format as may be specified in the RFP / MoU"*

(e) Para 6.2 of DTIS Guidelines

For

*"The total Central Govt assistance for setting up 06 to 08 DTIs will be in the form of Grant-in-Aid of Rs 400 Cr. The test facilities planned to be set up can be divided into three types, namely, Small, Medium and Large. The estimated cost of each type of facility is given in the table below: -*

Sl No	Type	Estimated Cost	Nos
(a)	Small	0<20 Cr	03
(b)	Medium	20-50 Cr	03
(c)	Large	>50 Cr	02

*The number of test facilities under each type may be varied, if need arises".*

Read

*"The total Central Govt assistance for setting up 10 to 12 DTIs will be in the form of Grant-in-Aid of Rs 400 Cr. The test facilities planned to be set up can be divided into three types, namely, Small, Medium and Large. The estimated cost of each type of facility is given in the table below: -*

Sl No	Type	Estimated Cost	Nos
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(d)	Small	0<20 Cr	03
(e)	Medium	20-50 Cr	06
(f)	Large	>50 Cr	03

*The number of test facilities under each type may be varied, if need arises”.*

(f) **Para 9 of DTIS Guidelines**

For

*“Release of Funds*

*9.1 Disbursement shall be subject to the Implementation Agency achieving financial closure.*

*9.2 The funds shall ordinarily be released to the Implementation Agency for an approved project in installments as approved by the DTISC. However, the number of installments may be limited to 5 installments for each project.*

*9.3 The Implementation Agency shall submit a bond to be executed regarding utilisation of funds in the format as may be specified in RFP.*

*9.4 The Implementation Agency will submit a pre-receipt bill for the funds to be disbursed to it along with certificate that it has not indulged in corrupt practices in the format as may be specified in the RFP.*

*9.5 The funds will be kept in a separate Escrow Account of the Implementation Agency.*

*9.6 The first installment will be released against Bank Guarantee after approval for the project is accorded by the DTISC. The Implementation Agency shall submit the Utilisation Certificate (UC) for the amounts utilised as per format as may be specified in the RFP.*

*9.7 Release of further installments shall be subject to furnishing of complete Utilisation Certificate, Project Consultant (PC) report and the proof of matching contribution of the funds having been invested by the Implementation Agency from its own or other sources on pari-passu basis as per the approved cost sharing. Disbursing Advance Payment of subsequent installments may be done after recommendation of the DTISC and against submission of matching Bank Guarantee by the Implementation Agency.”.*

Read

*“Release of Funds*

*9.1 Disbursement shall be subject to the Implementation Agency/ DICs achieving financial closure.*

9.2 The funds shall ordinarily be released to the Implementation Agency/ **DICs** for an approved project in installments as approved by the DTISC. However, the number of installments may be limited to 5 installments for each project.

9.3 The Implementation Agency/ **DICs** shall submit a bond to be executed regarding utilisation of funds in the format as may be specified in RFP/ **MoU**.

9.4 The Implementation Agency/ **DICs** will submit a pre-receipt bill for the funds to be disbursed to it along with certificate that it has not indulged in corrupt practices in the format as may be specified in the RFP / **MoU**.

9.5 The funds will be kept in a separate Escrow Account of the Implementation Agency/ **DICs**.

9.6 The first installment will be released against Bank Guarantee after approval for the project is accorded by the DTISC. The Implementation Agency / **State DICs** shall submit the Utilisation Certificate (UC) for the amounts utilised as per format as may be specified in the RFP.

9.7 Release of further installments shall be subject to furnishing of complete Utilisation Certificate, Project Consultant (PC) report and the proof of matching contribution of the funds having been invested by the Implementation Agency/ **State DICs** from its own or other sources on pari-passu basis as per the approved cost sharing. Disbursing Advance Payment of subsequent installments may be done after recommendation of the DTISC and against submission of matching Bank Guarantee by the Implementation Agency/ **State DICs**.”

(g) Additional Para 9.9 of DTIS Guidelines. *In cases where RFP has been issued by State DICs, a mutually agreed MoU will be undertaken between MoD/ DDP and State DICs for disbursement of funds. DDP shall be responsible for disbursement of Grant as per agreed terms and condition and adherence to DTIS guidelines to State DICs.*

(h) Para 15 of DTIS Guidelines

For

“Recall of the Central Grant

15.1 In case of unsatisfactory use of the Grant by the SPV / including compromise with the quality of work envisaged, or partial/incomplete implementation of the project, the Central Govt shall cancel the project and for the purpose of recovery of Grant in Aid retains the rights to the following, but not limited to: -

(i) disposing of all assets acquired by the SPV for the DTI project and vested with the Central Govt.

(ii) recall unspent amount of grant lying in the escrow account and

(iii) encashment of Bank Guarantee.”.

Read

*“Recall of the Central Grant*

*15.1 In case of unsatisfactory use of the Grant by the SPV / State **DICs** including compromise with the quality of work envisaged, or partial/incomplete implementation of the project, the Central Govt shall cancel the project and for the purpose of recovery of Grant in Aid retains the rights to the following, but not limited to: -*

*(i) disposing of all assets acquired by the SPV/ **State DICs** for the DTI project and vested with the Central Govt.*

*(ii) recall unspent amount of grant lying in the escrow account and*

*(iii) encashment of Bank Guarantee.”.*

2. These amendments come into force with immediate effect.



  
(R K Sahukari)  
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for ADGQA(WP)

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