

File No. SY-19014/80/2024-SBR
Government of India
Ministry of Ports, Shipping and Waterways
(SBR Section)

3rd Floor, PTI building,
1 – Parliament Street,
New Delhi – 110001
Dated: November 4th, 2025

To,

1. CMD, Cochin Shipyard Limited (CSL)
2. CMD, Shipping Corporation of India (SCI)
3. CMD, Hindustan Shipyard Limited
4. CMD, Mazagon Dock Shipbuilder Limited
5. CMD, Goa Shipyard Limited
6. CMD, Garden Reach Shipbuilder and Engineers Limited (GRSE)
7. CMD, Swan Defence and Heavy Engineering
8. CMD, L&T Shipbuilding
9. CMD, Shoft Shipyard pvt. Ltd.
10. CMD, Chowgule and Company Pvt. Ltd.
11. CMD, Titagarh Wagon Limited
12. CMD, Chowgule Global
13. Head, ISTC
14. Directorate General of Shipping
15. Advisor, Shipyards Association of India (SAI)
16. CEO & MD, Indian Shipbuilders Association of India (ISBA)
17. CEO, Indian National Shipowners Association (INSA)
18. VC & CEO, Gujarat Maritime Board (GMB)
19. New India Assurance (NIA)
20. Export Credit Guarantee Corporation of India (ECGC)
21. Sagarmal Finance Corporation Limited (SMFCL)
22. Indian Register of Shipping (IRS)
23. Indian Maritime University (IMU)
24. Centre of Excellence in Maritime and Shipbuilding (CEMS)
25. Ship Recycling Industries Association (SRIA)
26. International Shipyards (HD KSOE, Hanwha Ocean, Imabari Shipyards, CMA CGM, AP Moller Maersk, MSC, Damen Shipyards, Royal HSC, DP World, NYK Line Japan)
27. Container Shipping Lines Association (CSLA)

Subject: Draft Guidelines for P3 i.e., **Shipbuilding Development Scheme (SbDS)** for Capacity & Capability development and credit risk coverage for shipbuilding in India.

Sir,

The undersigned is directed to say that Union Cabinet, in its meeting held on 24.09.2025, approved the **Shipbuilding Development Scheme (SbDS)** for Capacity & Capability development and credit risk coverage for shipbuilding in India of this Ministry to promote shipbuilding in India.

2. In this regard, it is stated the draft guidelines for the above mentioned scheme have been prepared in consultation with various stakeholders. A copy of the draft guidelines is attached for perusal. NIC team is requested to upload the draft guidelines on the Ministry's website/portal.
3. It is requested that your opinion / comments on draft guidelines may be sent to SBR Division in the attached proforma latest by 13th November, 2025 positively on the following mail – js-shipping@gov.in, js-ports@nic.in, dir1-psw@gov.in and usshipping2-psw@gov.in.
4. DG Shipping is requested to upload the same on their portal and seek inputs / comments/ suggestions from public / stakeholders.
5. Your Co-operation and early reply will be highly appreciated.

Yours faithfully,



(Pranav Mittal)

Under Secretary to the Govt. of India

Tel: 011-23311659

Email: usshipping2-psw@gov.in

Format for seeking comments on Guidelines for adopting Shipping Development Scheme (SbDS) for Capacity and Capability Development and Credit Risk Coverage for Shipbuilding in India – reg.

Organization/Agency Name:

Address with Contact details:

Type of Agency (Govt/Private/PSU/Individual/other):

Para wise remarks on the draft:

Sl. No.	Para No. of the Draft	Existing text in the draft guidelines	Proposed changes	Remarks

Other Remarks (If any):

E-mail this format to js-shipping@gov.in, js-ports@nic.in, dir1-psw@nic.in and copy to usshipping2-psw@gov.in.

**Committee Report on Capacity and
Capability building Guidelines for
Greenfield Shipbuilding Clusters and
Brownfield Shipyard Expansion Projects
under
Shipbuilding Development Scheme (SBdS)**

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Committee Report on Capacity and Capability building Guidelines for Greenfield Shipbuilding Clusters and Brownfield Shipyard Expansion Projects under Shipbuilding Development Scheme(SBdS)

Dated: 03-11-2025

1. Background

In pursuance of the Office Memorandum No. SY-13017/III/2025-SBR dated 9th October 2025 issued by the Ministry of Ports, Shipping and Waterways (MoPSW), the Directorate General of Shipping (DGS) was entrusted with the task of constituting three committees for formulation of guidelines under the Shipbuilding Development Scheme (SBDS) and the Shipbuilding Financial Assistance Scheme (SBFAS).

Accordingly, three committees were constituted:

1. **Committee-I** – For framing guidelines on the *Shipbuilding Financial Assistance Scheme (SBFAS)*.
2. **Committee-II** – For framing guidelines on *Capacity and Capability Building of Greenfield Shipbuilding Clusters and Brownfield Shipyard Expansion Projects*.
3. **Committee-III** – For formulating *Credit Risk Coverage Guidelines for Shipbuilding Projects*.

This report pertains to the work undertaken by Committee-II, constituted to formulate the *Capacity and Capability Building Guidelines* for the first component—*Capital Support for Greenfield Shipbuilding Clusters*—and the second component—*Capital Assistance for Brownfield Shipyard Capacity Expansion*—under the Shipbuilding Development Scheme (SBDS).

2. Constitution of the Core Committee

As per MoPSW's directions, the Directorate General of Shipping constituted Committee-II comprising representatives from major shipyards, associations, and maritime institutions, including:

- Ministry of Ports, Shipping and Waterways (MoPSW)
- Indian Maritime University (IMU)
- Centre of Excellence in Maritime and Shipbuilding (CEMS)
- Shipyards Association of India (SAI)
- Indian Shipbuilders Association (ISBA)
- Cochin Shipyard Limited (CSL)
- Indian Register of Shipping (IRS)
- Indian Marine Designers Association (IMDA)
- State Maritime Boards (GMB, APMB, etc.)
- Shipping Corporation of India (SCI)

Director (SBR), MoPSW served as the Member from the Ministry, and an officer from DGS Shri Ravi Kumar Moka, SS-cum-DDG(Tech) acted as the Member Convener.

3. Meetings Conducted with Stakeholders

A total of **four core committee meetings and stakeholder consultations** were convened by the Convener of the committee to deliberate and finalize the guidelines. The details are as follows:

Date	Type of Meeting	Venue	Participants
15.10.2025	Online Stakeholder Meeting with Core committee	Virtual	MoPSW, DGS, SAI, ISBA, CSL, IRS, GMB, SCI, INSA, SRIA, Industry representatives
17.10.2025	Physical/Hybrid Stakeholder Meeting with Core committee	Gujarat Maritime Board Office, GIFT City, Ahmedabad (Hybrid)	DGS, GMB, regional shipyards (L&T, ABG, Chowgule, Mandovi), cluster associations
28.10.2025	Core Committee Meeting	Virtual	Core members only – consolidation of feedback
30.10.2025	Physical/Hybrid Stakeholder Meeting with Core committee	Directorate General of Shipping (Hybrid)	MoPSW, DGS, IMU, SAI, ISBA, INSA, CSL, HSL, APMB, NIA, ECGC, etc.

4. Summary of Deliberations

The committee engaged in detailed deliberations with industry and institutional stakeholders across multiple regions. Key discussions and decisions are summarized below.

4.1. Scheme Objectives:

The SBDS Capacity & Capability Development guidelines aim to:

- Develop *Greenfield shipbuilding clusters* with shared infrastructure and anchor shipyards.
- Support *Brownfield shipyard modernization and capacity expansion*.
- Foster collaboration between the *National Shipbuilding Mission (NSbM)*, *DGS*, and *industry stakeholders*.

4.2. Key Deliberations

- 4.2.1 The detailed list of deliberated items and inputs from stakeholders on the Greenfield Shipbuilding cluster and Brownfield shipyard expansion guidelines are attached as Annexure-II.
- 4.2.2 The Minutes of meetings for the three core committee meetings with Industry stakeholders and one core-committee meeting along with List of participants is attached as Annexure-I.

5. Key Outcomes

- The draft guidelines prepared separately for Greenfield shipbuilding cluster development and for Brownfield shipyard expansion under SBdS scheme incorporating all stakeholder feedback.
- Standardized workflow for proposal submission, evaluation, and fund disbursement defined.
- Transparency, efficiency, and state participation emphasized throughout the scheme structure.
- Final draft aligns with objectives of the Shipbuilding Development Scheme.

6. Items to be Finalized with NSbM

Based on committee deliberations and consultation outcomes, the following **key items** are pending NSbM review and finalization:

1. Minimum cluster capacity threshold for Greenfield shipbuilding clusters.
2. Permitting corporate/surety guarantees for PSU shipyards.
3. Approval of extension protocol (1-year grace for force majeure).
4. Quarterly monitoring mechanism through NSbM online portal instead of Monthly.
5. Increase in the timelines for completion of brownfield project
6. Clarity on definition of Block fabrication facility and items to be included in it.
7. Costs incurred by evaluation agencies for evaluating the DPR's.

7. Conclusion

The Committee has completed its mandate by:

- Conducting exhaustive consultations with all major stakeholders.
- Incorporating validated inputs into the **final draft guidelines**.
- Resolving outstanding issues through consensus and referring NSbM-related matters for policy determination.

The **final draft guidelines** for the *Capacity and Capability Development Component under SBDS* submitted separately for Greenfield shipbuilding cluster development and for Brownfield shipyard expansion for onward consideration by the Ministry.

8. Annexures

- **Annexure I:** Minutes of Meetings (dated 15.10.2025, 17.10.2025, 28.10.2025, and 30.10.2025) along with List of participants.
- **Annexure-II :** Consolidated Stakeholder Feedback/inputs Table on the Greenfield shipbuilding cluster Guidelines and Brownfield shipyard expansion guidelines
- **Annexure III:** Committee Constitution Orders (MoPSW O.M. dated 09.10.2025)
- **Annexure IV:** Draft guidelines for Greenfield Greenfield shipbuilding cluster development under SBdS.
- **Annexure V:** Draft guidelines for Brownfield shipyard expansion under SBds

Submitted by,



(Ravi Kumar Moka)

Ship Surveyor-cum-Deputy Director General (Tech)

Member Convener, Committee on Capacity & Capability development
Directorate General of Shipping, Mumbai

To:

The Director General of Shipping

For onward transmission to

Ministry of Ports, Shipping and Waterways (MoPSW)

Government of India

Stakeholder Consultation on Capacity & Capability Development Guidelines under SBdS (Greenfield clusters & Brownfield shipyard expansion)

Background :

As part of the implementation of the Shipbuilding Financial Assistance Scheme (SBFAS) and the Capacity & Capability Development component under the Shipbuilding Development Scheme (SBDS), the Directorate General of Shipping (DG Shipping), under the Ministry of Ports, Shipping and Waterways (MoPSW), convened a series of stakeholder consultations in October 2025 to deliberate on the draft guidelines of Capacity and Capability development Guidelines of Greenfield cluster development and Brownfield shipyard expansion projects.

1st Online Stakeholder consultation Meeting

MOM of Core committee meeting with Stakeholders on Capacity & Capability Development Guidelines under SBdS (Greenfield clusters & Brownfield shipyard expansion)

Date: 15-10-2025

Time: 15:00 to 16:30 hrs

Venue: Online Consultation

Convened by: Directorate General of Shipping (DG Shipping), Ministry of Ports, Shipping & Waterways

List of Participants : (Full List of Participants Annexure-I)

DG Shipping:

- Shri Pradeep Sudhakaran, Chief Ship Surveyor-cum-Joint DG (Tech.)
- Shri Nebu Oommen, Dy. Chief Ship Surveyor-cum-Senior Deputy Director General (Tech.)
- Shri Ravi Kumar, Ship Surveyor-cum-Deputy Director General (Tech.)
- Shri Ankur Anal, Junior Ship Surveyor-cum-Assistant Director General (Tech.)

Core Committee members:

- Shri Vipul Singhal (MoPSW)
- Shri Shrikant Itagi (Shipyards Association of India)
- Shri Prantik Sen (ISBA)
- Shri K.K. Dhawan (IRS)

- Shri Kalpesh Vithlani (GMB)
- Shri Nikhil Raj (SCI)
- Shri Haresh Parmar (SRIA)
- Shri Nagesh K. Moorthy (CSL)
- Shri Anil Devli (INSA)
- Shri Rakesh Singh (ICCSA)

Industry Stakeholders :

- Representatives from GRSE, CSL, MDL, GSL, L&T, IRS, San Marine, Chowgule Shipyard, Konkan Barge Builders,

Key Discussion Points and Actions to be Taken

1. Opening Remarks and Scheme Overview

- Shri Vipul Singhal presented the SBDS framework, highlighting cluster development, modernization, and India Ship Technology Centre establishment.
- Scheme support: up to 25% of specified infra components; alignment with Maritime Amrit Kaal Vision 2047.
- Shri Ravi Kumar explained brownfield (expansion) vs. greenfield (new cluster) eligibility.
- **Action:** Stakeholders to provide written feedback; follow-up meetings in Ahmedabad (17th Oct) and Mumbai (23rd Oct).

2. Independent Evaluation Process

- Evaluations to be done by listed domestic institutes.
- Stakeholders proposed inclusion of reputed international agencies (e.g., Royal Haskoning).
- **Action:** Possibility of adding international agencies to be considered by Ministry.

3. Eligibility and Audit Requirements

- Query: Can new shipyards without three years' audit be eligible?
- Clarification: Three years of operational existence *and* audited accounts is mandatory.
- **Action:** Minimum three-year audited requirement retained.

4. Financial Assistance Structure and Components

- Query: Is 25% calculated on capex or fair price (reference para 6.1/6.3.2)?
- Proposal: Change current 20%-30%-30%-20% disbursement to 30%-25%-25%-20% for easier initial capital burden.
- Query: Can expansion be sought multiple times? Can prior infra/equipment be covered?
- **Actions:**
 - Ministry to clarify calculation base and tranche revision.
 - Multiple expansions allowed after closure of earlier approval.
 - Applicability of assistance on prior purchases to be decided.

5. Expansion Definition and Location-Specific Issues

- Query: Can multi-location/JV expansions qualify as brownfield?
- Kerala Maritime Board: Is their 29-acre project a greenfield?
- Andhra Pradesh Board: Need model SPV framework for Dugarajapatnam.
- **Actions:**
 - Greenfield support applies to mega-clusters (≥ 2000 acres or ≥ 1.2 M GT).
 - Ministry to review multi-location/JV eligibility.
 - DG Shipping to create and circulate SPV model template.

6. Scheme Coverage and Component Queries

- Request: Include land development, digital/AI infra, and movable assets (>5 years old).
- Query: Can this scheme be combined with state/central subsidies?
- **Actions:**
 - Inclusion of land/digital infra to be deliberated.
 - Ministry to clarify concurrent subsidy eligibility.

7. Procedural Issues and Project Timelines

- Concern: Approval process too lengthy—request for 60–90 day approval window.
- Query: Is escalation for equipment price allowed?

- **Actions:**
 - Ministry to define and finalize approval timelines.
 - No cost escalation allowed; price variation not admissible.

8. **Bank Guarantees, Compliance, & Contractual Clauses**

- Query: Can corporate guarantees replace bank guarantees (Clause 7)?
- Suggestion: Include a Force Majeure clause for disruptions.
- **Actions:**
 - Ministry to consider replacement of bank with corporate guarantees.
 - Force Majeure to be covered in institutional mechanism at finalization.

9. **Brownfield Benefits in Clusters**

- Query: Can brownfield benefits be applied to constituent yards in greenfield clusters?
- **Action:** Ministry to analyze and decide on integration of brownfield within cluster development.

ANNEXURE-I**LIST OF PARTICIPANTS FOR ONLINE MEETING ON Capacity & Capability development Guidelines under SBdS**

Attended participants	57
Start time	10/15/25, 2:25:17 PM
End time	10/15/25, 4:41:07 PM
Meeting duration	2h 15m 50s

Sno	Name	Organization
1	Ravi Kumar(SS)	DGS
2	SIYAD M A (External)	CSL
3	Aditya Narayan (Unverified)	SAI
4	Harshita Raju	APMB
5	Rupali Ghanekar (External)	INSA
6	Akshay S	SEED_PMU
7	CAPT ARUN KUMAR PK KERALA MARITIME BOARD	KMB
8	Naveen Kumar (External)	IRS
9	Daniel_CSLA (Unverified)	CSLA
10	HSL (Unverified)	HSL
11	TAMIL NADU MARITIME BOARD (Unverified)	TNMB
12	Deepak Tewari (MSC India)	MSC India
13	SUMI S (External)	CSL
14	Rohit Tagade (External)	DGS
15	Umesh Hadfodcar	BuoyancyConsultants
16	Amal Aloshie Vithayathil (External)	DGS
17	DILOK SHERLEKAR S (External)	CSL
18	Sanjiv Walia	SAI
19	Akshay Jain VEDAM (External)	Vedam
20	Hariprasad R (External)	DGS
21	Shri Adi Narayana	APMB
22	Shri Lokesh	APMB
23	IMU Prof. Sivakholundu	IMU
24	BHARATH KRISHNAN	L&T Kattupalli
25	Shri Prantik Sen	ISBA
26	Aneena R Innocent	DGS
27	Sanjay - Guidance Tamil Nadu (Unverified)	Guidance Tamil Nadu
28	Nikhil Raj, SCI (Unverified)	SCI
29	A C ROY (Unverified)	AC ROY Shipbuilders
30	prasanna kumar (Unverified)	SAI
31	Shri Vipul Singhal, Director(SBR)	MoPSW
32	Parpudi, Abhinav	MoPSW-consultant
33	Ankur Anal	DGS
34	CSL (Unverified)	CSL
35	Nebu Oommen	DGS
36	CEO MMB	MMB
37	Prashant Asogekar Ship Building Division (External)	Chowgule SBD
38	Praveen Agarwal	Konkan Barge Builders Private Ltd
39	PRADEEP	SAI
40	Capt.Sridharma Sastha,Port Officer ,APMB (Unverified)	APMB
41	Cdr Gopikrishna Sivvam CEMS (Unverified)	CEMS

42	Captain of Ports Department, Goa	Captain of Ports Department, Goa
43	Prakash Gaude	SAI
44	Siddharth (Unverified)	Synergy Shipbuilders Ltd
45	Prasad Sawant BuoyancyConsultants (External)	BuoyancyConsultant
46	Ajit Gerald - Guidance Tamil Nadu (Unverified)	Guidance Tamil Nadu
47	Siddarth Malik	- Synergy Shipbuilders (Unverified)
48	Attreya Sawant	Mandovi Drydocks
49	Gopi Krishna Sivvam (External)	CEMS
50	SANJIV WALIA	SAI
51	Ajit Gerald	Guidance Tamil Nadu
52	GSL (Unverified)	GSL
53	Capt. Kapil Kekre (External)	INSA
54	CEO, KERALA MARITIME BOARD (Unverified)	KMB
55	Mithilesh (Unverified)	SAI
56	dijo (Unverified)	SAI
57	Rekha CSLA (Unverified)	CSLA

2nd Physical/Hybrid Stakeholder Consultation meeting
MOM of Core committee meeting with Stakeholders on Capacity & Capability Guidelines (Greenfield clusters & Brownfield shipyard expansion)

Date : 17-10-2025;

Time: 11:00–13:00

Venue: Gujarat Maritime Board Office, GIFT City, Ahmedabad

Convened by: DG Shipping, Ministry of Ports, Shipping & Waterways

List of Participants: (Full List of Participants Annexure-II)

- Shri Ravi Kumar, Ship Surveyor-cum-Deputy Director General (Tech.)
- Shri Ankur Anal, Junior Ship Surveyor-cum-Assistant Director General (Tech.)
- Gujarat Maritime Board heads and project managers
- Major western-region shipyard L&T, ABG, Modest, Chowgule, Mandovi
- Maritime cluster association delegates and port authority officials

Key Discussion Points and Actions to be Taken

1. Opening & Gujarat State-Specific Agenda

- Meeting opened by GMB with focus on brownfield-modernization integration and Gujarat as a pilot for state-led clusters.
- Illustrative cases: Pipavav and Dahej cluster models; digital infrastructure advances.

2. Feedback on Evaluation & Eligibility

- West coast stakeholders stressed State Maritime Boards must be eligible to lead clusters and facilitate JVs.
- DG Shipping reiterated brownfield eligibility, JV expansion, and mega-cluster parameters as per central guidelines.
- **Action:** DG Shipping to collect formal written feedback on cluster eligibility nuances for cross-state harmonization.

3. Technology Upgradation and Digitalization

- Strong industry push for digital/AI infra inclusion and clear guidelines for admissible spends on software, yard automation.
- Suggestion: Define “eligible digital infra” in central guidelines.

- **Action:** DG Shipping to propose digital scope expansion to Ministry; GMB to provide sample yard IT proposals.

4. **Bank Guarantees and Project Securities**

- Repeated request for alternatives (corporate guarantees, insurance-backed bonds), especially for public-private projects.
- Representatives cited difficulties in securing bank limits for multiple concurrent projects.
- **Action:** Combined proposal to be presented to Ministry; central summary to reflect these state-level needs.

5. **Timelines, Approval Efficiency, and Phased Projects**

- Uniform feedback for a clear, publicly committed, and tracked window for DPR approval/disbursement (60–90 days ideal).
- Request for expedited phased project approvals and flexibility for pre-construction technical spends.
- **Action:** Inputs to be consolidated and included in deadline matrix for national guideline release.

6. **Miscellaneous: Capex Scope and Prior Investments**

- Clarification sought on permitting limited retroactive support for works started post-meeting but before scheme finalization.
- **Action:** Ministry to make a policy determination for retroactivity and partial coverage.

ANNEXURE-II

LIST OF PARTICIPANTS FOR PHYSICAL/HYBRID MEETING ON Capacity & Capability development

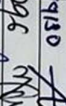
Guideliens under SbdS on 17-10-2025 @ GIFT City

Attended participants	113
Start time	10/15/25, 2:25:17 PM
End time	10/15/25, 4:41:07 PM
Meeting duration	2h 15m 50s

SNO	Name	Organization
1	Ravi Kumar(SS)	DGS
2	GES GSL	GSL
3	vijayendra Deshpande (Unverified)	SAI
4	HSL (Unverified)	HSL
5	Sabyasachi Majumder	INSA
6	SAN MARITIME INDIA PVT LTD (Unverified)	San Marine
7	IMU Prof. Sivakholundu	IMU
8	CEO MMB	MMB
9	SCI- N K Tripathi (Unverified)	SCI
10	CAPT ARUN KUMAR	SAI
11	Anshul Wadia	Wadia
12	Naveen Kumar (External)	IRS
13	GRSE (Unverified)	ISBA
14	Hariprasad R (External)	IRS-PMU
15	Ankush Raj	SEED-EY
16	Rohit Tagade (External)	IRS
17	San Marine Marine	SanMarine
18	R. V. Vimal (External)	SAI
19	Sanjeev (Unverified)	SAI
20	Gaurav Bhalerao (External)	SAI
21	CSL (Unverified)	CSL
22	Jobin Joseph (Synergy) (Unverified)	Synergy
23	Sanjiv Kapoor (External)	SWAN DEFENCE
24	Akshay S	SEED-EY
25	Sanjeev Shoft Shipyard (Unverified)	SHOFT
26	prasanna kumar	Wadia
27	Tanay Nagvekar	Chowgule Lavgan Ship Repair Pvt Ltd
28	Sree Veeramane N	Chowgule Global Lavgan Shipyard
29	Sushil Rajmane (External)	SAI
30	Akshay Jain VEDAM (External)	Vedam
31	Goa Shipyard Ltd (Unverified)	GSL
32	shipbuilding-apmb (External)	APMB
33	Dy CE (DPA) (Unverified)	DPA
34	Capt. Kapil Kekre (External)	INSA

35	Nagesh Krishna Moorthy	SAI
36	Aneena R Innocent	SEED-EY
37	CSL Nagesh (Unverified)	CSL
38	Anshuman Srivastava	SAI
39	Attreya Sawant	Mandovi
40	Bosco D Silva	MOC
41	Shri Vipul Singhal	MoPSW
42	Dhrumil D Kelkar	INSA
43	Amit Waje (External)	IRS
44	SCI- N K Tripathi (Unverified)	SCI
45	Pranav R Pai	SRIA
46	Mitesh Agarwal (External)	SRIA
47	Ram K (Unverified)	TNMB
48	Traffic Manager, NMPA (External)	NMPA
49	pranati (Unverified)	SHOFT
50	Anuj Gupta	KPMG-PMU
51	Prasad Sawant	BuoyancyConsultants (External)
52	GSL (Unverified)	GSL
53	Uday Bhatt.SRIA	SRIA
54	pranati prabhu	SHOFT
55	BHARATH KRISHNAN	L&T Kattupalli
56	Naseer A	SAI
57	Sanjiv Walia	SAI
58	Rob (Unverified)	MOC
59	Manager (Environment and Safety) (Unverified)	KMB
60	MMB (Unverified)	MMB
61	Chief-Manager (Env&Safety), DPA (Unverified)	DPA
62	Dharmesh Jani (Unverified)	SAI
63	Gopi Krishna Sivvam (External)	SRIA
64	Prantik Bhatt	ISBA
65	ASHA V RAO (Unverified)	CSL
66	Malika SeaTech (Unverified)	SeaTech
67	Dethe, Amit	KPMG
68	Amal Aloshie Vithayathil (External)	IRS
69	PRADEEP	ISBA
70	Janaki Ganesan	SAI
71	Anil Jain (Unverified)	SAI
72	Pravat Kusum Halder (External)	Victoria shipyard
73	priyesh Kamat	Synergy
74	Daniel (Unverified)	SAI
75	sanjeev (Unverified)	ECGC
76	MAZAGON DOCK SHIPBUILDERS LTD (External)	MDL
77	Aaisha KS (External)	SAI
78	Ankur Anal	DGS

79	san maritime (Unverified)	San Marine
80	A C ROY (Unverified)	AC ROY shipbuilders
81	Tom Davis, CSL (Unverified)	CSL
82	Anuj Gupta (Unverified)	KPMG-PMU
83	A S	SAI
84	Suken Shah	SAI
85	CMC (External)	CMC
86	Vishal Jain	SeaTech
87	dijo (Unverified)	CSL
88	Sajan John (Unverified)	CSL
89	IMU - Prof. Sivakholundu (Unverified)	IMU
90	Saurabh Pradip Gadkari (External)	SAI
91	anil jain (Unverified)	Vedam
92	Harshita Raju	ISBA
93	RAADS MARINE (Unverified)	SAI
94	Harshita Jaiswal	ISBA
95	Pandurang Dhond	Chowgule
96	K.RAMESH (Unverified)	NIA
97	Parpudi, Abhinav	KPMG
98	Mehul Diwan	SAI
99	SANJAY KUMAR ECGC NRO (Unverified)	ECGC

Attendance Sheet						
MOPSW Stakeholder meeting on Shipbuilding Financial Assistance Scheme held in GIFT City, Gandhinagar on 17.10.2025						
S. No.	Name	Designation	Organisation	Email ID	Phone no.	Signature
1	Amit S. Waje	Principal Surveyor	IRS	amit.waje@irdns.org	9890619150	
2	NAVEEN KUMAR	Sr. Surveyor	IRS	naveen.kumar@irdns.org	9821616996	
3	Prashant Asogetkar	Asst. Manager	Chowgule, Goa.	prashant.asogetkar@chowgule.co.in	9822736298	
4	Ravi Kumar,	SI-DOCC (Team)	DG Shipping	ravi.k43@gov.in	9357612943	
5	Mukul Meusam	Asst. Secy	GOA	mukul.meusam@goa.gov.in	9909944400	
6	Ankur Arul	Jr. Ship Surveyor	DG Shipping	ankur.arul@gov.in	7728076493	
7	BHARATH KRISHNAN	Dam, B&I mtr	L8T	Bharath.krishnan	960002656	
8	GU. PALANIMUTHU	Dam Finance	L8T	palanimuthu.gu@conservancy.org	9865124506	
9	Capt. B. Adin Navaraj	Port officer	APMB	navaraj.b@apmb.in	98187221	
10	Shri Subhash Chander	Dam	ECGC	subhash.chander@ecgc.in	3810510002	
11	Shri. Panav Kumar	Manager	ECGC	panav.kumar@ecgc.in	9304347493	
12	Kalpesh Vithani	Inv. Project	AMR	kalpesh.vithani	9099507616	
13	PC Halpathi	SECC	AMR			
14	RB Talavija	CE	AMR		9925153650	
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3rd Online Core-committee meeting

MOM of Core committee meeting on Capacity & Capability development Guidelines (Greenfield clusters & Brownfield shipyard expansion)

Date : 28-10-2025;

Time: 13:00–14:00

Venue: Online meeting

Convened by: DG Shipping, Ministry of Ports, Shipping & Waterways

List of Participants: (Full list of Participants is as per Annexure-III).

Meeting Objective : To review stakeholder inputs received on the Capacity & Capability guidelines (Greenfield cluster development and Brownfield shipyard expansion), discuss open items, finalize committee positions, and agree next steps for updating and finalising the guidelines.

3. Key Discussion Points, Clarifications and Committee Decisions

3.1 Independent Evaluation Agencies (IEAs)

- **Decision / Position:** Initially restrict empanelment of IEAs to selected IITs with ocean / marine engineering expertise (IIT Bombay, IIT Kharagpur, IIT Madras — with IIT Delhi to be considered).
- **Rationale:** DPRs frequently involve marine geotechnical, harbour, dredging and ocean engineering components that these institutes are best placed to assess.

3.2 Evaluation timelines

- **Decision / Position:** IEA technical evaluation — **45 days**; DGS/NSbM approval (technical & financial) — **45 days. Total target: 90 days** from DPR submission to in-principle approval (shorter if IEA completes earlier).
- **Action:** Secretariat to incorporate 45/45 day timelines in the draft guidelines and ensure portal tracking.

3.3 Fair Assessed Project Cost (basis for grant)

- **Clarification:** Fair assessed cost will be the **lowest** of (a) DPR estimate, (b) IEA appraisal, or (c) audited actuals/certified costs. Committee noted industry concerns about contract price and agreed to review inclusion of contract price where readily available.

3.4 Disbursement structure

- **Decision:** Adhere to Cabinet/ DCN disbursement ratio: **20% – 30% – 30% – 20%** (per tranche) with corresponding bank guarantees for each tranche.
- **Comment:** Industry request to change to 30-25-25-20 was noted but not accepted for guideline change at this stage.

3.5 Bank guarantees / Security

- **Decision / Position:** Guidelines will **require bank guarantees** as the primary security for tranche releases (consistent with SBFAS approach).
- **Committee Remark:** Committee recommends that NSbM / IMGB consider **alternatives** (corporate guarantees, surety bonds, insurance-backed instruments) as a policy option — this will be recorded as a committee recommendation to NSbM.

3.6 Eligibility — projects/equipment started before DPR

- **Decision: Works/equipment initiated or procured before DPR submission / in-principle approval are not eligible** for grant support.
- **Discussion:** Industry requested that works started *after* DPR submission be permitted to proceed without losing eligibility. Committee agreed that projects started after DPR submission may be treated as eligible subject to IEA scrutiny — **IEA report required within 45 days** to confirm eligibility. Secretariat to frame clear wording and safeguards.

3.7 DPR preparation & evaluation costs

- **Decision:** DPR preparation and IEA evaluation costs **will not be reimbursed** from the grant corpus (these costs shall be borne by the applicant / state / shipyard). This reflects Cabinet/DCN scope.

3.8 Eligible components (Greenfield / Brownfield)

- **Clarification:** Scheme funding is limited to **the specific components listed in Schedule-I (Greenfield) and Schedule-II (Brownfield)** of the Cabinet note. Movable equipment and standalone IT/software are **not** automatically eligible unless explicitly covered.
- **Industry inputs noted:** Requests for inclusion of transporters, CNC machines, block-handling transporters, digital/AI infra were discussed. Committee agreed to:
 - Treat **crawler cranes / cranes** (as defined) as eligible — detailed technical definition to be finalised.
 - **Handling equipment / transporters:** Committee agreed to seek Ministry/NSbM clarification whether these can be included (they are movable). Secretariat to raise with MoPSW/NSbM.

- **CNC / automation / digital infra:** Committee to request NSbM review for potential inclusion in future phases.

3.9 Definition / capacity thresholds for cranes

- **Decision / Position:** Committee agreed **not to specify a rigid minimum SWL** in the guidelines; keep the definition open-ended (case-by-case) and rely on DPR / IEA assessment. Committee suggested a practical lower bound (e.g., 5–10 tonne) could be considered, but final wording to be drafted by Secretariat after IIT inputs.

3.10 Floating dock constructed by applicant (captive construction)

- **Clarification / Decision:** Floating dock included among eligible components. If a shipyard builds a floating dock for itself (i.e., captive), eligibility will be allowed — committee to include suitable wording to avoid misinterpretation (treatment similar to other immovable assets).

3.11 10-year operational commitment

- **Decision / Position:** Beneficiaries to provide an **indemnity / self-declaration** committing to operate the upgraded facility for **minimum 10 years** post completion (as per DCN). Committee to retain this clause; operational enforcement mechanism to be defined in guidelines.

3.12 Phased projects & repeat applications

- **Decision / Position:** Multiple/serial applications from a shipyard are **permissible** — each should be treated as a **separate project** and appraised independently. However, **duplicate funding for the same item** across projects will be disallowed. Secretariat to add clarity on simultaneous applications and audit controls.

3.13 Greenfield / Brownfield terminology and guideline separation

- **Decision:** To **separate the Greenfield (cluster) and Brownfield (shipyard development)** guidelines into two distinct documents to avoid confusion. Secretariat to circulate separate draft guidelines by **30 October 2025** for committee review and final stakeholder consultation.

3.14 Minimum cluster capacity (Greenfield)

- **Clarification:** Draft guideline currently references **~1.2 million GT per cluster**. This is a cluster-level aggregate; individual yards within cluster may have capacities around 0.6–0.8M GT. Committee agreed NSbM may finalise minimums on case-by-case basis.

3.15 Reporting, dispute resolution, force majeure

- **Reporting:** Projects to follow monitoring & reporting as per guidelines; committee suggested risk-based reporting (monthly for high-risk, quarterly for compliant projects) — to be refined in final guidelines / portal.
- **Dispute resolution:** Committee recommends **fast-track arbitration** timelines; consensus around **60–90 days**; Secretariat to propose **60 days** for project disputes (committee endorsed 60 days).
- **Force majeure:** Project timelines set to **maximum 6 years** for completion; committee noted that **NSbM / institutional mechanism** may permit up to **1 year extension** in genuine force majeure / regulatory delay cases — to be handled via institutional mechanism.

3.16 Other notable clarifications

- **Concurrent subsidies:** Duplicate funding for the same asset/component from other Central/State schemes **not permitted**; self-declaration / indemnity required. However, other non-overlapping incentives (tax, locational incentives) may be availed.
- **SPV / cluster governance:** SPV model & MoU templates requested by stakeholders — Secretariat to prepare SPV template and model EOI/RFP framework for NSbM/state use.
- **ISTC / R&D / IMU:** IMU queries on allocation (₹305 crore for ISTC and cluster R&D) noted — specific ISTC guidelines to be prepared by IMU / MoPSW R&D team.

Shri Ravi Kumar, Convener of the meeting thanked all participants for their inputs and reiterated the objective to finalise separate Greenfield and Brownfield guidelines for submission to MoPSW and NSbM. Committee inputs and stakeholder comments will be consolidated; drafts updated and re-circulated for final review prior to the next stakeholder consultation.

ANNEXURE-III**LIST OF PARTICIPANTS FOR ONLINE MEETING ON Capacity & Capability
development Guidelines under SBdS**

Attended participants	24
Start time	10/28/25, 12:42:28 PM
End time	10/28/25, 14:427:30 PM
Meeting duration	2h00m 20s

SNO	Name	Organization
1	Ravi Kumar(SS)	DGS
2	Uday Bhatt.SRIA	SRIA
3	Bosco D Silva	MoC
4	K Swaminathan (External)	SWAN defence
5	DGM GRSE (Unverified)	GRSE
6	Capt.B. Adi Narayana (External)	APMB
7	GRSE (Unverified)	ISBA
8	CAPT ARUN KUMAR PK KERALA MARITIME B	KMB
9	Nikhil Raj, SCI (Unverified)	SCI
10	Jobin Joseph (Unverified)	CSL
11	San Maritime India Pvt Ltd (Unverified)	San Marine
12	HSL (Unverified)	HSL
13	Rakesh Singh	ICCSA
14	Abhinav Parpudi	KPMG
15	Palanimuthu (Unverified)	SAI
16	Naveen Kumar (External)	IRS
17	Capt. Kapil Kekre (External)	INSA
18	Sanjay Guidance Tamil nadu (Unverified)	Guidance Tamilnadu
19	HSL (Unverified)	HSL
20	Attreya Sawant	Mandovi, SAI
21	Pooja CSL (Unverified)	CSL
22	IMU Prof. Sivakholundu	IMU

Annexure- IV

4th Physical/Hybrid Stakeholder Consultation meeting

MOM of Core committee meeting with Stakeholders on Capacity & Capability Guidelines

Time: 14:00–16:00

Venue: Hybrid (DG Shipping HQ and online)

Participants

- DG Shipping (Pradeep Sudhakaran, Ravi Kumar Moka, Ankur Anal, policy team)
- Ministry of Ports/Shipping/Waterways (MoPSW), NSBM, national shipyard associations (SAI, INSA)
- Major shipyards (Aatreya, SDHI, L&T, Aatreya, San Marine, Chowgule, APMB, CSL, HSL,)
- Researchers, evaluation agency reps), IMU,
- State Maritime Boards (GMB, Andhra Pradesh)
- NIA/ECGC, finance experts

Key Discussion Points and Actions to be Taken

1. Opening and Scheme Status

- DG Shipping presented cumulative feedback, draft guideline revisions, and status on capacity/capability development, portal development, and credit risk insurance core.
- **Action:** Circulate compiled draft incorporating all core and state/industry feedback for final review.

2. Scheme Process Workflow & Timeline

- Detailed walkthrough: Shipyard → External Consultant-DPR → Online portal upload → Evaluation by IIT/agency (45 days) → In-principle approval by DGS (45 days) → Payment tranches (20%-30%-30%-20%, bank guarantee per payment, utilization certificates, phased reporting).
- **Action:** Final process map to be published on NSBM portal and in guideline annexure.

3. Component Eligibility

- Industry requested relaxed restrictions for cutting-edge automation and listed proposals for digital infra inclusion.

4. **Evaluation Agencies and Procedures**

- Discussion on including international consultants—left open for future greenfield/mega-cluster projects; domestic IIT to be default.
- **Action:** Only 3 IITs can be evaluation agency; Can be expanded based on performance and requirements.

5. **Bank Guarantee Protocols**

- Clarification that only bank guarantees (not corporate surety) to be accepted initially; negotiation ongoing for insurance/corporate alternatives.
- **Action:** Final stakeholder memo to clarify bank guarantee requirements.

6. **Approval Timelines, Disbursement, and Transparency**

- Approval timeline mapped as 90 days maximum per DPR; utilization certificates and site audits mandated per payment.
- Quarterly reporting template to be standardized via NSBM portal.
- **Action:** All dates/timelines/process chart to be publicly available at scheme launch.

7. **Policy Review Mechanism**

- Policy and process review scheduled every two years via NSBM; guideline flexibilities and stakeholder proposals to be digitized (“living document” model).
- **Action:** NSBM to form dedicated sub-committees for ongoing review and FAQ/clarification maintenance.

8. **Miscellaneous/Closing**

- Stakeholder feedback channels to remain open through NSBM portal.
- All amendments, process clarifications, and eligible asset decisions post-publication to be made transparent.
- **Action:** Rollout and information updates to be continuous; final “master guideline” publication post-ministry signoff.

Shri Ravi Kumar, Convener of the meeting thanked all participants for their inputs and reiterated the objective to finalise separate Greenfield and Brownfield guidelines for submission to MoPSW.

ANNEXURE-IV

LIST OF PARTICIPANTS FOR PHYSICAL/HYBRID MEETING ON SBFAS & SBdS, Credit Risk cover Guidelines on 30-10-2025

	Attended participants	64	
	Start time	10/30/25, 1:20:19 PM	
	End time	10/30/25, 6:44:57 PM	
SNO	Name	Organizaion	Email
1	Ravi Kumar(SS)	DGS	ravi.k43@dgsmumbai.onmicrosoft.com
2	DIRECTORATE GENERAL OF SHIPPING-IN	DGS	Directorate@dgsmumbai.onmicrosoft.com
3	Anil Devli, CEO INSA (External)	INSA	ceo@insa.org.in
4	Amal Aloshe Vithayathil (External)	IRS	Amal.Aloshe@irclass.org
5	Amit Waje (External)	IRS	Amit.Waje@irclass.org
6	Uday Bhatt.SRIA	SRIA	
7	Pandurang Dhond Ship Building Division	Chowgule	pandurang.sbd@chowgule.co.in
8	Capt. Kapil Kekre (External)	INSA	kekre@insa.org.in
9	Nihal (Unverified)	SAI	
10	Prashant Asogekar Ship Building Division (External)		prashant.asogekar@chowgule.co.in
11	CSL (Unverified)	CSL	
12	Daniel (Unverified)	SAI	
13	AMAL (Unverified)	IRS	
14	Srinivasa Rao P (Unverified)	HSL	
15	Ankur Anal	DGS	ankuranal@dgsmumbai.onmicrosoft.com
16	K Swaminathan (External)	SWAN Defence	cdr.swaminathan@swan.co.in
17	Rekha CSLA (Unverified)	CSLA	
18	Goa Shipyard Limited (Unverified)	GSL	
19	shipbuilding-apmb (External)	APMB	shipbuilding-apmb@apmaritime.in
20	Joseph MATHEW	Seatrium	joseph.mathew@seatrium.com
21	Sanjiv Kapoor (External)	SWAN Defence	sanjiv.kapoor@swan.co.in
22	ASHA (Unverified)	SAI	
23	R. V. Vimal (External)	Chowgule	vimal@chowguleglobal.in
24	priyesh Kamat	Synergy	
25	Sanjay Guidance Tamil Nadu (Unverified)	Guidance Tamilnadu	
26	Prantik	ISBA	
27	Prathamesh Bam	Chowgule Lavgan Shipyard	ca@chowgulelavgan.com
28	Aaisha KS (External)	San Marine	aaisha.ks@titagarh.in
29	Jignesh Shah (External)	SWAN Defence	jignesh.shah@swan.co.in
30	SANJIV WALIA	SAI	
31	Attreya Sawant	Mandovi	
32	Mitesh Agarwal (External)	SWAN LNG	mitesh.a@swanlng.co.in
33	sivakholundu (Unverified)	IMU	
34	Anil Jain (Unverified)		
35	Rajeev Nayyer (External)	SWAN defence	rajeev.nayyer@swan.co.in
36	Gupta, Anuj	PMU-KPMG	anujgupta21@kpmg.com
37	Dethe, Amit	PMU_KPMG	amitdethe@kpmg.com
38	Tom (Unverified)		
39	ECGC LTD (Unverified)	ECGC	
40	Abhinav (Unverified)	ECGC	
41	PALANIMUTHU GOPAL	L&T	PALANIMUTHU.G@larsentoubro.com
42	Swati Gupte - NIA (Unverified)	NIA	
43	Sanjay Kumar	ECGC	
44	Pallavi sinha, New india (Unverified)	NIA	

ATTENDANCE SHEET

LIST OF PARTICIPANTS WHO ATTENDED THE MEETING HELD ON 30th OCTOBER, 2025 ON (THURSDAY) AT 1400 HRS IN THE CONFERENCE ROOM OF THE DIRECTORATE.

SUB.: SECOND HYBRID STAKEHOLDER CONSULTATION MEETING FOR SBFAS, SBDS AND CREDIT RISK.

S. No.	Name of the Officer	Organization	Email & Mob. No.	Signature
1	Pradeep R.K	CSS	pradeepse-dgr @for.in	R
2	Saurabh Gadkar	SDHI.	saurabh.gadkar @swan.co.in 9819056808	S
3	Rohit Tagade	Surveyor (IRS-DGR)	rohit.tagade@ irclass.org 8454981957	R
4	HARI PRASAD .R	Surveyor IRS -DGR	hariprasad.r @irclass.org 9190751778	H
5	Sree Veeramani N	CLSPCL Chowgule Lagan	7130072603 commercial1@ chowgulelagan.com	S
6	TANAY NAGVEKAR	CLSPCL Chowgule Lagan	8484051800 commercial6@ chowgulelagan.com	T
7	Bharam Krishnan	LRT	Bharam, Krishnan @larsen-toussour 9600024562	B
8	KIRAN Dhanu	Ycoman Marine	897778750 kiran.dhanu@ ycomanmarine.com	K
9	Vishal Tewatia	Synergy Shipbuilders N Dock works Ltd	vishal@synergy shipbuilders.com	V
10	Mitesh Aggarwal	Swan Defence	mitesh.a@ swanbny.co.in	M
11	NIKHIL KAT	SCI	nikhil.rjesai@sci	N
12	Capt. B. Adil Narayana	A.P.M.B.	NAUTICAL @ APNARITIDE.IN	B
13	H Ch K Harshika Raju (Retd.)	KPMG	harshikaraju@kpmg.com 97842838385	H
14	ATULY Saurav	SAI	ATULYEMADORE@PTBACKS.COM 9850479882	A
15	M. Ravi Kumar	SS/DG	ravi.kaz@ss	M
16	Sanjiv Walia	SAI	Swalia1962@gmail.com	S
17	Srinath, M	SAN MARINE	shipyard@ sanmaritime.com	S
18	SHEIK ALISHA	SAN MARITIME		S
19	RAJEEV NAYYER	SAHI	rajeev.nayyer@ swan.co.in 9819730084	R
20	Pranavkumar Guzar	EQAC	Pranav.guzar @ecr.in	P

Annexure- V

INPUTS FROM STAKEHOLDERS ON THE SBdS - Greenfiled shipbuilding cluster Guidelines and Borwfiled shipyard expansion guidelines

Sl. No.	Stakeholder Name & Organization	Input/Suggestion	Response/Clarification
1	HSL – Hindustan Shipyard Ltd	Requested that international agencies such as Royal Haskoning be permitted as independent evaluation partners under the scheme due to their technical expertise.	The DPR evaluation by Independent evaluation agencies as per Annexure-III of the guidelines shall only be considered.
2	Naveen Kumar – Indian Register of Shipping	Raised a query regarding eligibility of newly established shipyards that do not have three years of audited financial reports.	The shipyard should have been registered and operational for atleast three years from the date of registration.
3	HSL – Hindustan Shipyard Ltd - Shri Sreenivasa Rao	Sought clarification on whether the 25% financial assistance is calculated on total capital expenditure or on fair price.	The “fair assessed Project Cost” shall be defined as the lowest value among the following, duly expressed in Rupees: a) the project cost as indicated in the Detailed Project Report (DPR) submitted by the applicant shipyard; b) the cost as appraised and certified by the Independent Evaluation Agency, based on its technical and financial assessment of the DPR; and c) the actual capital expenditure incurred and certified by a Chartered Accountant registered with the Institute of Chartered Accountants of India, supported by verifiable documentary evidence.
4	CSL – Cochin Shipyard Ltd	On payment structure: Clause 6.2.2 structures payments as 20%-30%-30%-20%. We would like to point out that equipment orders and vendor advances during project start-up require substantial upfront capital. Hence, we request to consider revising this to 30%-25%-25%-20%. This would help manage cash flow better during the critical initial phase.	The disbursement structure shall be in the ratio of 20%–30%–30%–20% of the fair assessed project cost with each tranche of payment released against submission of an equivalent bank guarantee for the corresponding amount to be released.
5	Siddarth Malik – Synergy Shipbuilders	Enquired whether expansions located away from current premises or operated under joint ventures (JVs) would qualify as brownfield projects.	It was clarified that expansions undertaken within or adjacent to the premises of an existing shipyard shall be treated as brownfield shipyards for the purpose of eligibility under the Scheme. In cases where the expansion is proposed at a distant location or through a joint venture (JV) arrangement of existing brownfield shipyard, such facilities shall be considered eligible as brownfield expansions only if they are duly established and registered under the same legal entity and name as the base shipyard for a minimum period of one (1) year prior to the date of application. This condition ensures operational continuity, ownership linkage, and authenticity of the brownfield status for claiming capital assistance under the Scheme.
6	CSL – Cochin Shipyard Ltd	Requested inclusion of land development, movable assets (>5 years old), and digital infrastructure (AI, robotics) as eligible components.	1. For Brownfield shipyards, the land development cannot be included among the eligible cost components. The Capital assistance shall be limited to only the eight components as per schedule-I of the guidelines. Assistance to only be provided for immovable assets, post their commissioning of said assets. 2. Used or depreciated movable equipment, including machinery older than five (5) years, is not eligible for capital support. The scheme is intended to promote new capacity creation and modernization, not replacement of aged or fully depreciated equipment. 3. Digital or AI-enabled technologies that form part of the modernization or automation of eligible shipyard facilities as part Annexure-III may be considered eligible, provided they are integral to the approved infrastructure and not standalone IT systems or office software.
7	BHARATH KRISHNAN – L&T Shipbuilding + Hindustan Shipyard Limited (HSL)	Requested allowance for phased expansion projects to be eligible for multiple rounds of capital subsidy. DG Shipping to clarify how many times grant can be availed. If availed what is the time gap to be followed for submission of application.	Committee clarified that, the capital assistance shall be extended only once for a specific approved project proposal. Any subsequent phase or expansion shall be treated as a separate project, subject to fresh appraisal, approval, and eligibility under the applicable provisions of the scheme.
8	BHARATH KRISHNAN – L&T Shipbuilding	Sought clarification on whether price escalation in equipment costs during execution would be accommodated.	Since the scheme explicitly links Capital assistance to the assessed and certified cost at the time of IN-principal approval, price escalation in equipment or material costs occurring during execution is not automatically accommodated. Any such escalation would not alter the quantum of approved capital assistance, which remains fixed as a 25% of the approved and fair assessed cost at sanction stage.

9	Attreya Sawant – Atreya Shipyard Pvt Ltd	Raised query on eligibility of projects or equipment already initiated or procured before application submission.	Projects or equipment already initiated, under execution, or procured prior to the submission of the application for capital assistance shall not be eligible for support under the Scheme. Accordingly, only those assets and components that are: Part of the approved DPR, Procured or developed after in-principle approval, and Verified through sanctioned milestones and Independent evaluation agency certification, shall qualify for grant support.
10	Siddarth Malik – Synergy Shipbuilders	Enquired about concurrent applicability of other central or state subsidies along with this scheme.	The SBdS scheme does not permit overlapping or duplicate funding from any other Central or State Government scheme for the same assets or project components covered under the Scheme. Accordingly, the shipyard shall not claim or avail any monetary support under any other policy or scheme of the Central or State Government for the items listed in Schedule-I of the SBdS brownfield shipyard expansion guidelines. A self-declaration to this effect shall be mandatorily furnished by the applicant shipyard at the time of application submission, affirming that no financial assistance has been or will be claimed for the same components from any other scheme. The intent of this provision is to ensure that each item of capital expenditure receives support only once, through the approved SbDS mechanism, thereby preventing duplication of benefits. However, shipyards may continue to avail general fiscal or locational incentives (such as tax rebates, concessional utilities, or infrastructure status benefits) that are independent of the specific project and do not overlap with the SbDS-funded components
11	CSL – Cochin Shipyard Ltd	Suggested inclusion of a Force Majeure clause to address unforeseen project delays or disruptions.	The Force Majeure provisions will be considered under the institutional mechanism framework. Maximum time allowed for project including release of capital assistance is 6 years from the date of in-principal approval including financial release.
12	Harshita Raju – Andhra Pradesh Maritime Board	Requested provision of a standard SPV formulation and model document for the Dugarajapatnam cluster project.	MoU signing template for SPV shall be included. Based on MoU, standard SPV formulation document can be developed by individual state as per legal provisions.
13	CAPT ARUN KUMAR PK – Kerala Maritime Board	Enquired about eligibility of a 29-acre shipyard project under greenfield development.	Greenfield Shipbuilding cluster is only for 1.2 million GT capacity and above.
14	Attreya Sawant – Atreya Shipyard Pvt Ltd	Enquired whether brownfield assistance could be applied within approved greenfield clusters for modernization of constituent yards.	If Brownfield yard is located within the greenfield cluster of SPV/state, the capital assistance for brownfield yard shall not be provided. If it is a JV from the existing, NsBM shall decide.
15	Attreya Sawant, Shipyards Association of India	Requested inclusion of movable assets like crawler cranes and transporters under eligible components.	The items defined under the definition of cranes shall only be considered.
16	BHARATH KRISHNAN – L&T Shipbuilding	Suggested inclusion of cutting machines and CNC equipment under block fabrication definition. Asked whether pre-outfitted blocks (with pipes, etc.) can be included under eligible components.	Block/Modular Fabrication facility which is a designated area within a shipyard equipped for the cutting, welding, and assembly of large, three-dimensional ship sections (blocks or modules) using prefabrication techniques.
17	Chowgule SBD - Sagar Satpute	Requested clarity on 10-year operational commitment requirement.	Operational commitment of 10 years required as an declaration in indemnity bond.
18	BHARATH KRISHNAN – L&T Shipbuilding	Asked whether DPR can be prepared internally by shipyard instead of external consultant.	External consultant is recommended for DPR preparation by shipyard so as to avoid ambiguity in fair assessed project cost evaluation.
19	Attreya Sawant, Shipyards Association of India	Requested that work started after DPR submission (but before in-principle approval) be considered eligible.	The works stated in DPR after date of In-principal approval shall only be considered.
20	Shri Sanjiv Kapoor, SWAN Defence	Asked whether phased execution over 7–8 years is allowed under one DPR.	Scheme allows multiple applications; Phased execution is acceptable for a period of 3-4 years. The timelines for implementation will be shipyard and project dependent, with each project taking approximately 3–4 years to be completed. Committee recommends the timelines for implementation of project under one DPR to be extended from present 4 years to 6 years after the date of In-principal approval.
21	Gaurav Bhalerao (SWAN Defence and Health Industries)	Requested inclusion of ancillary industries in brownfield expansion eligibility.	Capital Assistance/ Capital support is restricted to 04 components in greenfield cluster and 08 components in brown field yards. Ancillary industries development is a part of Greenfield cluster. Hence, Ancillary industries under brownfield not be considered.
22	SAN MARITIME INDIA PVT LTD- Ms.	Requested assurance for long-term lease renewal (currently annual) to justify capital investment.	These are outside the scope of these guidelines. State government or any of its agencies is the responsible authority to consider long term lease for brownfield shipyards.

23	Shri Vimal (Chowgule Global)	Asked whether brownfield expansion applies to ship repair facilities and expansion in other states under same company.	Shiyard/ ship repair facilities are also eligible if the brownfield shipyard/ship repair facility includes listed components in as per schedule-I & Schedule-II; Committee recommends NsBM to consider expansion of brownfield shipyard/repair facility in other states if it is under same company.
24	AP Maritime Board - Capt Adi Narayana	Requested inclusion of incentives and business model details for SPV with Hyundai interest.	These are outside the scope of these SbDS guidelines.
25	AP Maritime Board - Capt Adi Narayana	Requested clarity on ownership and maintenance of common maritime assets in clusters.	SPV shall hold the ownership and responsibility; details shall be framed in guidelines.
26	VEDAM- Shri Akshay Jain	Asked whether independent shipyard outside cluster can avail scheme.	Independent new shipyard not eligible for brownfield assistance.
27	CGMB	Suggested performance benchmarks over 10 years instead of fixed operational commitment.	Performance-based benchmarks was not a part of the scheme. A brownfield shipyard that receives capital assistance under the Shipbuilding Development Scheme (SbDS) is required to operate for a minimum of 10 years after project completion. Hence, Each brownfield shipyard must (1) complete the project within 3–4 years from date of IN-principal approval and (2) continue operating the upgraded facility for at least 10 years from its completion, as a condition for receiving capital assistance. Hence, A Self-declaration of commitment to operate the upgraded facility in using the components funded for minimum period of 10 years.
28	IRS - Shri Naveen	Requested inclusion of recognized organizations (e.g., classification societies) in subsidy or support for certification and training.	The IMU has been designated as the implementing agency for India Ship Technology Centre (ISTC) and R&D shall be part of its ambit.
29	IRS - Shri Amit Waje	Requested inclusion of green energy training and specialized vessel design under subsidy criteria.	These are a part of ISTC in which IMU shall be the implementing agency.
30	CSL – Cochin Shipyard Ltd	cost. While this is helpful for conventional expansion, we'd like to suggest a slightly higher percentage for technology-intensive projects. Green technology and advanced automation require significantly higher investments. We request to consider 30%- 35% for assistance for projects involving green technology and advanced automation. Enhanced assistance will help shipyards to incorporate advanced green technologies and automations in Brownfield projects.	The Approval for the brownfield Capital assistance is limited to only 25% of Fair assessed project cost. Hence, higher percentage is not considered.
31	CSL – Cochin Shipyard Ltd	On project timelines: Clause 6.5 provides 6 years for project completion, which we acknowledge and accept as the baseline timeline for implementation. However, complex modernization projects can sometimes face unavoidable delays arising from circumstances beyond the shipyard's control, such as force majeure events (natural disasters, pandemics, civil unrest), unforeseen statutory/regulatory changes requiring additional compliance measures, extended government clearance processes beyond normal timelines, or critical equipment delivery delays by OEMs due to global supply chain disruptions. We request that the clause incorporate a provision for reasonable time extensions (not exceeding 1-2 years) in genuine cases involving force majeure situations or circumstances demonstrably beyond the shipyard's control, subject to documentary evidence of the force majeure event, demonstration that the shipyard exercised due diligence and took all reasonable steps to mitigate delays, and approval by the appropriate authority after due verification. This provision would ensure that the project maintains quality standards without penalizing the shipyard for circumstances genuinely outside its sphere of influence, while preserving the 6-year baseline for normal execution.	The project timelines are defined based on the category: Greenfield clusters are expected to be operational by 2030–31, Brownfield expansions are to be completed within 3–4 years, Committed liabilities may be honoured up to 6 years post 2036. Accordingly, the six-year baseline completion period is retained as the standard. However, Committee recommends extension of up to one year may be considered by Institutional mechanism and may be recommended to NsBM in genuine cases of force majeure or delays due to statutory or regulatory changes, subject to submission of documentary evidence of such event, proof of due diligence and mitigation efforts by the shipyard.
32	CSL – Cochin Shipyard Ltd	On Independent Evaluation Agency: While Section 7.5 notes that the cost will be borne by NsBM, the process is unclear. We propose that shipyards receive this cost reimbursement upfront to avoid delays. To ensure efficiency, we also suggest mandating a 45-day evaluation timeline, with extensions granted only for justified reasons. Also, please bring out clarity on procedure of selection of Evaluation Agency by shipyard.	1. The cost of appointing and functioning of third-party agencies by NsBM (for site assessment, infrastructure evaluation, appraisal, or monitoring) will be borne by the NsBM from the Administrative Expenses allocation approved in the Cabinet Note. This is not for shipyards. 2. Evaluation timelines will be worked with Independent evaluation agencies and shall be within 45 days monitored through a portal. 3. The shipyard/SPV may choose the listed independent evaluation agency(IEA) through online NsBM portal and the DPR goes to respective IEA and the timelines shall be monitored.

33	CSL – Cochin Shipyard Ltd	On Fair Price: Clause 6.3.3 specifies that the "fair price" is the lowest of the DPR estimate, the Independent Evaluation Agency's (IEA) assessment, and the actual cost. The method for determining the "fair price" in Clause 6.3.3, which takes the lowest of three values, places the entire risk of cost variation on the shipyard. We suggest that the Ministry explore a more balanced methodology. This could help in managing the financial risks associated with large, long-term projects where market conditions can change.	The "fair assessed Project Cost" shall be defined as the lowest value among the following, duly expressed in Rupees: a) the project cost as indicated in the Detailed Project Report (DPR) submitted by the applicant shipyard; b) the cost as appraised and certified by the Independent Evaluation Agency, based on its technical and financial assessment of the DPR; and c) the actual capital expenditure incurred and certified by a Chartered Accountant registered with the Institute of Chartered Accountants of India, supported by verifiable documentary evidence. This ensures prudent use of public funds and transparency.
34	CSL – Cochin Shipyard Ltd	On DPR costs: The t DPR preparation costs to be reimbursed pro-rata.	Capital Assistance/ Capital support is restricted to 04 items in greenfield and 0 items as listed in in Annexure- of Greenfield/ brownfield guidelines. Preparatory activities for the project like DPR preparation shall not be funded.
35	CSL – Cochin Shipyard Ltd	On Schedule II: Schedule I for greenfield projects includes "Internal infrastructure, utilities, land development, etc." However, Schedule II for brownfield projects does not explicitly mention these. We propose a revision of Schedule II (brownfield) to facilitate comprehensive industrial modernization better. The current framework is restrictive, as it excludes critical assets needed for technology upgrades, digitalization, and environmental compliance. A significant limitation is the "immovable assets only" clause, which overlooks essential movable production equipment such as heavy fabrication machinery, CNC cutting machines, and welding robots. We suggest including such permanently installed movable equipment with a usage life exceeding five years. To ensure holistic development, the scope may be explicitly expanded to cover land development, machinery and robotics, digital infrastructure like ERP and CAD/CAM systems, environmental and safety compliance, quality systems, utility upgrades, worker welfare facilities, and green technology.	The cabinet note has already listed the Green field and brown field items separately in Schedule-I of guidelines and the items listed only be granted with capital support/capital assistance.
36	CSL – Cochin Shipyard Ltd + Hindustan Shipyard Limited (HSL)	On Minimum Capacity: Regarding greenfield projects, the minimum output capacity requirement of 1.2 million GT per annum mentioned in Clause 5.1 is a very ambitious target. We feel that this high threshold might discourage the development of specialized or medium-sized shipbuilding clusters that are equally important for a robust maritime ecosystem. We suggest setting a more achievable initial capacity in the range of 0.6 to 0.8 million GT per annum to encourage wider participation.	The Cabinet Note projects 0.5–0.6 million GT as India's target for top 10 shipbuilder status by 2030. Hence, the 1.2 million GT per annum benchmark for greenfield clusters is a cluster-level aggregate, not per shipyard. Individual shipyards within the cluster may have capacities ranging between 0.6–0.8 million GT, consistent with the request and within Cabinet intent. The committee is of the view that 1.2million GT/cluster is on higher side and minimum capacity to be decided. NSBM may review the minimum capacity of each cluster and the time duration in which the target set should be achieved by cluster.
37	CSL – Cochin Shipyard Ltd	On bank guarantees: Annexure-V mentions bank guarantees. We'd appreciate some clarification here. For PSUs, we suggest considering corporate guarantees instead of bank guarantees. Also, Surety Bonds shall also be allowed as an option instead of bank guarantees for non-PSUs organisations.	Bank guarantees shall only be considered as an uniformity. However, other modes of guarantees such as Surety bonds, corporate guarantees or indemnity bonds for PSU's is upto NSBM to consider.
38	CSL – Cochin Shipyard Ltd + Mr. Bharat Krishnan L&T	On approval timelines: The draft doesn't currently specify timelines for approval stages, which creates some uncertainty in planning. Could the Ministry consider setting clear milestones. We suggest a total of 90 days for DPR evaluation and NSBM final sanction be considered for implementation. On the approval process: Clauses 6.2.3 and 6.4 establish multiple evaluation layers—Independent Agency, DGS technical review, DGS financial review, and PAC review. We acknowledge the need for thorough evaluation. However, we'd like to suggest that if the Ministry could consider setting a maximum timeline of 90 days from application to decision, it would provide much-needed certainty. A single online portal for all interactions would also be very helpful.	To enhance certainty, the following indicative processing timelines are followed: Total DPR Evaluation and Technical/Financial Appraisal by IEA– 45 days DGS inputs submission to PAC and NSBM Approval – 45 days → Total = 90 days from date of submission by the applicant shipyard till sanction of funds. An online NSBM portal shall track all applications and monitor progress transparently.

39	CSL – Cochin Shipyard Ltd	On reporting requirements: Clause 8.2 requires monthly progress reports by the 5th of each month. While we understand the need for monitoring, we'd like to request if this could be quarterly instead, unless there are specific concerns with a project. This might balance accountability with practicality. An online dashboard with real-time updates might serve the monitoring purpose better while reducing paperwork. Risk-based monitoring could be adopted - closer oversight only when projects face delays or fund utilization issues.	The Cabinet-approved scheme emphasizes transparency and monitoring. However, NSbM may consider quarterly reporting for low-risk or timely projects. Projects facing delays or high fund utilization may continue under monthly reporting. An online dashboard will be developed to provide real-time updates and reduce manual documentation.
40	CSL – Cochin Shipyard Ltd	On coordinating with other schemes: Clause 9.6 mentions avoiding duplication with other schemes, which is sensible. We request to provide clarity on how SbDS can work alongside programs? If SbDS could cover capital costs while other schemes address production or other aspects, eligible projects could benefit from both. Single-window clearance for projects requiring approvals from multiple ministries - Environment, Defense, Finance—would also be tremendously helpful in reducing processing time.	SbDS shall provide capital infrastructure for the 04 components in Greenfield cluster and 08 components in Brownfield expansion. Shipyards shall indemnify that they have not availed or shall avail any other capital assistance for the components mentioned in schedule-I by declaring with an Indemnity bond, while production-linked or operational support may be availed under complementary schemes.
41	CSL – Cochin Shipyard Ltd	Land Lease for Greenfield projects: Standardized nominal lease terms of 60 years, extendable by 25 years, with concessional rates in the first 5-10 years, might help shipyards establish operations successfully.	Land will be leased on a long-term basis (50–60 years) at nominal rent for the main yard and market-linked rent for ancillaries. States/SPVs may extend concessional lease periods in the initial 5–10 years to aid establishment, subject to their policies.
42	CSL – Cochin Shipyard Ltd	On performance incentives: The current scheme appropriately focuses on milestone-based disbursement. However, we'd like to suggest if the ministry could consider performance-based incentives as well. An additional 5% incentive for projects completed 6 months early, 3% for on-time completion with no cost overrun, etc. We believe such incentives would encourage excellence in execution and international competitiveness.	The scheme does not include any provisions for performance-based incentives such as additional incentives for early completion, on-time completion, or cost control. Inputs noted.
43	CSL – Cochin Shipyard Ltd	On dispute resolution: Clause 10(a) mentions grievance redressal. We request to consider adding fast-track arbitration provisions—90 days for project disputes and 60 days for policy interpretation issues. Clear dispute resolution mechanisms would give all stakeholders confidence.'	NSbM shall incorporate fast-track resolution timelines (90 days for project disputes; 60 days for policy interpretation) through the NSbM mechanism under Ministerial notification.
44	HSL – Hindustan Shipyard Ltd	Existing brownfield expansion activities for which projects have already started, will not be considered as the application process should go through as per the finalized guidelines.	Projects already initiated before the issuance of finalized guidelines will not be eligible for SbDS support, as all applications must follow the approved procedure under Clause 5.1 and 5.4 of the operational guidelines.
45	HSL – Hindustan Shipyard Ltd	DG Shipping to clarify how many times grant can be availed. If availed what is the time gap to be followed for submission of application.	Each shipyard may apply for fresh support after completion and closure of the previous grant cycle, to allow proper evaluation and asset commissioning. (Committee may decide)
46	HSL – Hindustan Shipyard Ltd	Yards requested that timelines for approvals be fixed as done for SBFAS.	As decided by committee 90 days is the timeline from application till final approval.
47	HSL – Hindustan Shipyard Ltd	Yards bought out that List of Items eligible for brownfield expansion (08 Nos) excluded Land development, modern equipment's in SB, workshops (Piping, Mechanical etc) and digital infrastructure items.	The DCN note has already listed the Green field and brown field components which shall be funded and the components are fixed. Other items shall not be considered.
48	AP Maritime Board - Capt Adi Narayana	From 2. Definitions; (n) "Common Maritime Assets" , p.g-5 Common Maritime Assets' means a shared maritime infrastructure and floating assets within a cluster such as barges, floating cranes, breakwaters, dredged channels, and turning basins, developed and maintained through public funding to support multiple shipyards." With regard to above, Please clarify who is responsible for the operations and maintenance (O&M) of these assets. And who will be the controlling authority of these assets.	The State Government/Port Authority secures preliminary and location-level clearances before submission to NSbM. The SPV is the main applicant and coordinating entity for obtaining consolidated statutory/environmental approvals for cluster development. The Shipyard Partner secures operational-level and building-specific approvals after allotment of land within the SPV area.
49	AP Maritime Board - Capt Adi Narayana	Please specify the name of the competent authority for Greenfield cluster/ Brownfield shipyards component.	The Competent Authority under Pillar 3 is the National Shipbuilding Mission (NSbM) or its delegated implementing agency — For eg. Directorate General of Shipping (DGS) — as approved by the Inter-Ministerial Governing Board of NSbM shall be the competent authority for Greenfield cluster and brown field expansion.
50	AP Maritime Board - Capt Adi Narayana	5.2.1 Phase 1: Location Identification, p.g-8; Responsibility for statutory/environmental clearances: Please clarify who is responsible and at what stage for securing statutory and environmental approvals (e.g., EC, CRZ, forest/port/shoreline permissions, building approvals): the SPV, the State Government/Port Authority, or the Shipyard Partner.	capital dredging shall be done by the State Government/SPV, preferably on PPP model," and that "the SPV will acquire suitable land for the shipyard" and "obtain necessary environmental and regulatory clearances. It also states that "Priority will be given to projects where statutory clearances (Environmental Clearance, Coastal Regulation Zone clearance, safety clearances) have been obtained and projects demonstrate implementation readiness.

51	AP Maritime Board - Capt Adi Narayana	Shipyard Partner Investment: The selected shipyard partner shall invest in yard-specific infrastructure, equipment, and operations on a commercial basis and pay an agreed annual lease or concession fee to the SPV. Recipient of annual lease/concession and revenue sharing: The draft provides for payment of annual lease/concession to the SPV. Kindly clarify the policy rationale for SPV (rather than State) as recipient and specify any SPV:State revenue-sharing arrangement an agreed annual	The SPV is the recipient of lease/concession payments from shipyard partners and ancillary units. Rationale: The SPV directly manages, maintains, and reinvests revenues into cluster upkeep and future expansion. The State Government's share is realised through its equity participation or profit-sharing mechanism in the SPV.
52	AP Maritime Board - Capt Adi Narayana	5.2.2 Phase 2: Shipyard Partner Selection and SPV Investment p.g-9; Following TEFR and approval of the NSbM for the project/site identified, the SPV shall issue an Expression of Interest (EOI) to invite participation of shipyard developers or investors as per the model bidding guidelines of NSbM. Issuing authority for EOI/RFP: Kindly confirm the authority responsible for issuing the EOI/RFP for selection of the Shipyard Partner (State Government/Port Authority or the SPV) and provide the model EOI/RFP templates and evaluation framework.	The SPV (the concerned State Government or any of its agencies /Port Authority on its behalf) is the issuing authority for the EOI/RFP, following approval of TEFR by NSbM. All EOIs/RFPs must conform to the model bidding framework prescribed by NSbM.
53	AP Maritime Board - Capt Adi Narayana	5.2.4 Capital support for greenfield capacity creation); Phase 4: Site Development p.g-11; Land for ancillary industries within the cluster shall be leased at commercial or auction-determined rates as decided by the SPV. Definition: "ancillary industries": Kindly define what qualifies as "ancillary industries" in this context (types of units, linkage to the shipyard/cluster).	Ancillary industries" include MSMEs and units directly supporting shipbuilding, repair, and marine equipment manufacturing — such as fabrication shops, component suppliers, electrical/mechanical outfitters, interior works, logistics providers, or service workshops — operating within or adjacent to the cluster and serving one or more shipyards.

No. SY – 13017/1/2025-SBR

भारत सरकार

Government of India

पत्तन, पोत परिवहन और जलमार्ग मंत्रालय

Ministry of Ports, Shipping and Waterways

(एस.बी.आर अनुभाग / SBR Section)

परिवहन भवन / Transport Bhawan,

1 – संसद मार्ग / 1 – Parliament Street,

नई दिल्ली – 110001 / New Delhi – 110001

दिनांक / Dated: 09th October, 2025

OFFICE MEMORANDUM

Subject: Constitution of the Stakeholders Consultation Committees to facilitate drafting of guidelines on 'Scheme for Capacity & Capability Development and Credit Risk Coverage for Shipbuilding in India' - reg.

The undersigned is directed to state that the Government has approved the 'Scheme for Capacity & Capability development and credit risk coverage for Shipbuilding in India-Shipbuilding Development Scheme' for the promotion of the shipbuilding sector in India. Extract of the approved scheme is attached as **Annexure**. Two sets of Guidelines for the scheme are to be issued for operationalization and implementation of the scheme. For the purpose of drafting these guidelines, following committees are to be constituted.

2. (i) The Directorate General of Shipping may constitute a committee of stakeholders, such as, Indian Maritime University, Centre of Excellence in Maritime and Shipbuilding, Shipyards Association of India, Indian Shipbuilder Association, Cochin Shipyard Limited, Indian Register of Shipping, Indian Marine Designers Association. Director (SBR), MoPSW shall be a member of the Committee and an officer with adequate seniority from Directorate General of Shipping shall be the member convener of the committee.

(ii) The above committee shall hold consultations with all concerned stakeholders including shipyards (domestic as well as international) and shipping institutions (domestic as well as international) and shall formulate draft guidelines on following components of the scheme, namely, 'Capital support for greenfield capacity expansion', 'Capital assistance to existing/ brownfield shipyards towards the expansion of production capacity' and 'Capability development initiatives'.

3. (i) The Director General of Shipping may constitute a second Committee comprising of stakeholders, such as, New India Assurance, Export Credit Guarantee Corporation of India, Sagarmala Finance Corporation Limited, Indian Shipbuilder Association, Shipyards Association of India, Cochin Shipyard Limited. Director (SBR), MoPSW shall be a member of the Committee and an officer with adequate seniority from Directorate General of Shipping shall be the member convener of the committee.

(ii) The above committee shall hold consultations with all concerned stakeholders including shipyards (domestic as well as international), shipping institutions (domestic as well as international), financial institutions and shall formulate draft guidelines on the 'Shipbuilding risk coverage' component of the scheme.

4. Director General of Shipping shall submit these two draft guidelines to the MoPSW by 24th October, 2025.

5. This issues with approval of the competent authority.

Pranav Mittal
9/10/25
(Pranav Mittal)

Under Secretary to the Government of India
Email id: usshipping2-psw@gov.in
Tel No.: 011- 23311659

To

Directorate General of Shipping,
{Kind Attn.: Shri Shyam Jagannathan, DGS}
9th Floor Beta Building,
i-Think Techno Campus,
Kanjur Marg (East), Mumbai -

Copy to:

- i. Office of Secretary (PSW)
- ii. Office of SS(PSW)
- iii. Office of JS (S)
- iv. Director (SBR)



भारत सरकार/ GOVERNMENT OF INDIA
पत्तन, पोत परिवहन और जलमार्ग मंत्रालय /
MINISTRY OF PORTS, SHIPPING AND WATERWAYS
नौवहन महानिदेशालय, मुंबई
DIRECTORATE GENERAL OF SHIPPING, MUMBAI

File No: 26-12/9/2022-NA - DGS

Date :12-10-2025

Order

Subject: Constitution of Capacity & Capability Development Core Committee for Drafting Guidelines Under Shipbuilding Development Scheme (SbDS)

In pursuance of the Government of India's approval for the Scheme for Capacity Capability Development and Credit Risk Coverage for Shipbuilding in India (Shipbuilding Development Scheme — SbDS), and as per Ministry of Ports, Shipping and Waterways (MoPSW) directions, the following committee is constituted for preparing draft guidelines for greenfield capacity expansion, brownfield capacity expansion, and capability development for the Indian shipbuilding sector and for conducting stakeholder outreach and workshops for industry inputs.

1. Committee Constitution

The Capacity & Capability Development Core Committee as decided by the Competent authority shall comprise the following members:

S. No.	Representative	Organization/Association	Role
1	Director (SBR)	Ministry of Ports, Shipping and Waterways (MoPSW)	Member
2	Representative	Directorate General of Shipping (DGS)	Member Convener
3	Representative	SMFCL (Sagarmala, MoPSW)	Member
4	Representative	Shipyards Association of India (SAI)	Member
5	Representative	Indian Shipbuilders Association (ISBA)	Member
6	Representative	Indian Register of Shipping (IRS)	Member
7	Representative	Indian Maritime University (IMU)	Member
8	Representative	Centre of Excellence in Maritime & Shipbuilding (CEMS)	Member
9	Representative	Indian Marine Designers Association (IMDA)	Member
10	Representative	Cochin Shipyard Limited (CSL)	Member

S. No.	Representative	Organization/Association	Role
11	Representative	Shipping Corporation of India (SCI)	Member
12	Representative	Andhra Pradesh Maritime Board (APMB)	Member
13	Representative	Tamil Nadu Maritime Board (TNMB)	Member
14	Representative	Maharashtra Maritime Board (MMB)	Member
15	Representative	Gujarat Maritime Board (GMB)	Member
16	Representative	Kerala Maritime Board (Kerala MB)	Member
17	Representative	Orissa Maritime Board (OMB)	Member
18	Representative	Karnataka Maritime Board (KMB)	Member
19	Representative	Goa Maritime Board (Goa MB)	Member
20	Representative	ICC Ship Owners Association (ICCSA)	Member
21	Representative	Indian National Shipowners Association (INSA)	Member
22	Representative	Container Shipping Lines Association(CSLA)	Member

The Committee may co-opt other experts/ Stakeholders, as considered necessary for its deliberations.

2. Mandate

(I) Draft guidelines for greenfield capacity expansion, brownfield capacity expansion, and capability development, in accordance with the approved scheme and reference documents from MoPSW attached as Annexure-I.

(II) Conduct stakeholder outreach and organize workshops to gather industry inputs on the above components.

3. Terms of Reference

- Review the approved scheme and relevant directives on Shipbuilding Development Scheme.
- Prepare comprehensive draft guidelines for:
 - Capital support for greenfield cluster development
 - Capital assistance for brownfield capacity expansion at existing shipyards
 - Capability development initiatives (including technology centers, training, and skilling)
- Ensure alignment of guidelines with scheme objectives and requirements of all stakeholders.
- Hold consultations, outreach events, and industry workshops to ensure broad-based participation and feedback.
- Submit consolidated draft guidelines to the Directorate General of Shipping for onward transmission to MoPSW by the stipulated date.

4. Timeline

- The Committee shall submit the draft guidelines to the Directorate General of Shipping by **24th October, 2025**.

M. T. A. S.

- The committee may convene meetings and workshops as required to ensure timely completion of the mandate.

5. Secretariat and Coordination

- The Directorate General of Shipping shall provide secretarial and administrative support to the Committee.

6. General

- All concerned departments, agencies, and stakeholders are requested to extend full cooperation to the Committee for effective framing of the guidelines.

7. This order is issued with the approval of the Competent Authority



Ravi Kumar M
Ship Surveyor-cum-
Deputy Director General (Tech)
Directorate General of Shipping

Encl.:

- Annexure I: Extract of the Approved Shipbuilding Development Scheme
- Annexure II: List of Committee Members

To,

1. All Organizations/Stakeholders as per Annexure-II.

Annexure II: List of Committee Members

Capacity & Capability Development Core Committee: List of Members

S. No.	Organization/Association	Name of the Members
1	Ministry of Ports, Shipping and Waterways (MoPSW)	Shri Vipul Singhal, Director (SBR)
2	Directorate General of Shipping (DGS)	Shri Ravikumar Moka, SS-cum-DDG (Tech) - Member Convenor Shri Ankur Anal, JSS-cum-ADG (Tech)
3	SMFCL (Sagarmala, MoPSW)	Shri Dinesh Kumar, Director, Sagarmala
4	Shipyards Association of India (SAI)	Atreya Sawant, Vice President
5	Indian Shipbuilders Association	Shri Prantik Sen, DGM(BD), Secretary
6	Indian Register of Shipping (IRS)	Shri K.K. Dhawan, Sr.VP, IRS
7	Indian Maritime University (IMU)	Dr K. M. Sivakholundu
8	Centre of Excellence in Maritime & Shipbuilding (CEMS)	Cdr. Gopi Krishna Sivam, COO
9	Indian Marine Designers Association	Shri Akshay Jain, Vedam Design
10	Cochin Shipyard Limited (CSL)	Shri Harikumar K, GM, Strategy and NP
11	Shipping Corporation of India (SCI)	Shri Nikhil Raj, DGM i/c (SB&S)
12	Andhra Pradesh Maritime Board(APMB)	CEO, APMB or his Representative
13	Tamil Nadu Maritime Board(TNMB)	CEO, TNMB or his Representative
14	Maharashtra Maritime Board (MMB)	CEO, MMB or his Representative
15	Gujarat Maritime Board (GMB)	CEO, GMB or his Representative
16	Kerala Maritime Board (KMB)	CEO, Kerala Maritime Board or his Representative
17	Orissa Maritime Board, (OMB)	CEO, OMB, or their Representative
18	Goa Maritime Board(Goa MB)	Shri Octavio A. R, Captain of Ports
19	Karnataka Maritime Board	CEO, KMB or his Representative
20	ICC Ship owners Association(ICCSEA)	Shri Rakesh Singh, President
21	Indian National Shipowners Association (INSA)	Shri Anil Devli, CEO
22	Container Shipping Lines Association (CSLA)	Shri Sunil Vaswani, Executive Director

DRAFT GUIDELINES FOR GREENFIELD CLUSTER DEVELOPMENT under Shipbuilding Development Scheme (SbDS)

1. (a) Title: The scheme for providing Capital support for greenfield shipbuilding cluster capacity expansion, capital assistance for brownfield shipyard expansion , capability development through India Ship Technology Centre and providing shipbuilding risk coverage shall be called “Shipbuilding Development Scheme ” and the guidelines formulated to implement the scheme together shall be called “Guidelines for Implementation of Shipbuilding Development Scheme(SbDS)”. These Guidelines pertain specifically to the Greenfield shipbuilding cluster expansion Component under the Shipbuilding Development Scheme (SbDS).

(b) Validity: The Shipbuilding Development Scheme and the guidelines shall come into force with effect from XXX and remain valid for all Detailed Project Reports (DPRs) submitted from XXX to 31 March 2036, including the said dates.

(c) Applicability: The Scheme for providing capital support for greenfield shipbuilding cluster capacity expansion shall be applicable to all new greenfield shipyard cluster projects which are only proposed by the respective state government (or any of its agency) or the Ministry of ports shipping and waterways (or any of its agency). Greenfield projects shall be eligible only at locations identified and approved by the Inter-Ministerial Governing Board of National Shipbuilding Mission (NSbM) for the development of new shipbuilding clusters, in coordination with State Governments through Special Purpose Vehicles (SPVs) or other entities as deemed appropriate.

2. Definitions.

(a) “National Shipbuilding Mission (NSbM)” refers to a nodal coordinating agency for the shipbuilding sector in India, constituted under the Shipbuilding Financial Assistance Scheme (SBFAS) by the Ministry of Ports, Shipping and Waterways (MoPSW), responsible for comprehensive policy oversight, technical evaluation, sanctioning of capital assistance, and implementation coordination of India's shipbuilding development initiatives under this Scheme.

DRAFT GUIDELINES FOR GREENFIELD CLUSTER DEVELOPMENT under Shipbuilding Development Scheme (SbDS)

- (b) **“Shipyard”** means any floating or a land-based facility comprising of all or any amongst the following as essential features, namely, - waterfront, turning basin, berthing and docking facility, slipways and ship lifts, and, located within the territories of India and undertaking construction, manufacture, reconstruction or repair of vessels in India.
- (c) **“Competent authority”** means the authority designated by the Inter-Ministerial Governing Board for the performance of various functions under the scheme including examination of applications, issuance of in-principle approvals, and disbursement of funds toward Capital support for greenfield shipbuilding cluster capacity expansion.
- (d) **“Shipyard Partner”** refers to the private or public sector entity selected through a competitive process by the State Government or the Special Purpose Vehicle (SPV) to establish, expand, or operate a shipyard within a designated shipbuilding cluster under the Scheme.
- (e) **“Special Purpose Vehicle (SPV)”** refers to a legal entity jointly constituted by the respective State Governments or any of its agencies and a designated Central Government agency for the purpose of planning, implementing, and managing shipbuilding cluster development projects under the Scheme.
- (f). **“Implementing agency”** refers to Directorate General of Shipping (DGS) which executes the SbDS scheme for the component of capital support for greenfield shipbuilding cluster capacity expansion.
- (g) **“Detailed Project Report (DPR)”**, refers to the principal project document prepared and submitted by the SPV/ shipyard partner under the Scheme, outlining the proposed infrastructure development initiative for greenfield shipbuilding cluster.
- (h) **“Independent Evaluation Agency”**, refers to an institute or organization listed in the Annexure-III of these guidelines, responsible for the technical and financial evaluation of Detailed Project Reports (DPR) submitted by the Special Purpose Vehicles (SPVs) or under the Scheme. These agencies certify project progress, milestone completion, and asset verification during implementation. These agencies shall possess demonstrable

DRAFT GUIDELINES FOR GREENFIELD CLUSTER DEVELOPMENT under Shipbuilding Development Scheme (SbDS)

domain expertise in maritime infrastructure development, marine engineering, project finance, and industrial planning, and shall undertake evaluations on parameters including technical feasibility, infrastructure adequacy, cost reasonableness, implementation timelines, compliance with environmental and safety standards, and anticipated economic and operational outcomes.

(i) **“In principle approval”** means the approval granted by the competent authority establishing eligibility of capital support, subject to fulfillment of conditions prescribed in the policy guidelines.

(j) **“Actual Payment”** means the total quantum of payment as received by the SPV pertaining to a shipyard development Detailed Project report as is duly certified by a Chartered Accountant registered with Institute of Chartered Accountants of India and supported by requisite documentary evidence.

(k). **“Greenfield Shipyard”** means a new shipbuilding facility to be established at a site with no existing shipbuilding or repair infrastructure, developed de novo on previously undeveloped or non-industrial coastal land. It shall include the creation of complete marine and landside infrastructure by the SPV/shipyard partner —such as dry docks, slipways, shiplifts, fabrication areas, utilities, and ancillary systems—and form part of an approved shipbuilding cluster identified by the National Shipbuilding Mission (NSbM) in coordination with the concerned State Government or Special Purpose Vehicle (SPV).

(l). **“Shipbuilding cluster”** means a geographically defined area along the coast hosting one or more shipyards, ancillary units, and shared maritime infrastructure such as breakwaters, channels, basins, jetties, and capability development centres, managed through an SPV.

(m). **“Common Maritime Assets”** means a shared maritime infrastructure and floating assets within a cluster such as barges, floating cranes, breakwaters, dredged channels, and turning basins, developed and maintained through public funding to support multiple shipyards.

DRAFT GUIDELINES FOR GREENFIELD CLUSTER DEVELOPMENT under Shipbuilding Development Scheme (SbDS)

(n). **“Regional Capability Development Centre”** refers to a facility established within or adjacent to a shipbuilding cluster for training, testing, and skill enhancement in maritime

(o). **“Capital Support”** refers to the financial grant-in-aid provided by the Government of India under the Shipbuilding Development Scheme (SbDS) towards the creation of eligible infrastructure items specified in Schedule-I, for the establishment of a greenfield shipbuilding cluster project.

(p). **“Project Cost”** means the total capital expenditure as per the DPR or the tendered value, whichever is lower, duly approved by NSbM for capital support grant calculation purposes.

(q). **“Eligible Immovable Assets”** means the physical infrastructure listed in Schedule-I which are created by SPV/shipyard partner under the scheme and not transferable for non-shipbuilding use.

(r). **“Utilization Certificate”** means a certificate issued by a Chartered Accountant confirming proper use of released funds, mandatory before subsequent instalment disbursement.

(s). **“Project Completion Certificate”** means a formal certificate issued by an Independent Evaluation Agency (IEA), upon verification that the greenfield shipbuilding cluster project has achieved one hundred percent (100%) physical progress and that all approved common maritime and landside infrastructure works, as sanctioned under the Shipbuilding Development Scheme (SbDS), have been fully completed, commissioned, and made operational in accordance with the approved Detailed Project Report (DPR) and sanction order issued by the National Shipbuilding Mission (NSbM).

3. Objective of the scheme

3.1 To achieve the key objectives of capacity creation and ecosystem development in India's shipbuilding sector through the establishment of new *Greenfield Shipbuilding Clusters*, in line with the strategic roadmap set out under the *National Shipbuilding*

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Mission (NSbM), the Maritime India Vision (MIV) 2030, and the Maritime Amrit Kaal Vision (MAKV) 2047.

3.2 To incentivize and facilitate large-scale capital investment in the development of *core maritime and industrial infrastructure*, including breakwaters, approach channels, turning basins, dry docks, slipways, fabrication and outfitting facilities, cranes, internal and external connectivity networks, and associated utilities essential for creating integrated shipbuilding and repair ecosystems.

3.3 To enable *common-use infrastructure* within shipbuilding clusters—providing shared access to dry docks, fabrication units, logistics zones, and testing and certification facilities—to promote economies of scale, cost efficiency, and collaborative utilization among multiple shipyards, component manufacturers, and service providers.

3.4 To foster *regional industrial growth and employment generation* by integrating ancillary industries, MSMEs, and service enterprises within the shipbuilding value chain, thereby enhancing domestic value addition, promoting technological innovation, and strengthening India's position as a globally competitive shipbuilding and maritime manufacturing hub.

3.5 To ensure *long-term sustainability and environmental stewardship* in the development of Greenfield clusters through adoption of green and digital shipbuilding technologies, sustainable yard practices, and infrastructure resilience aligned with national decarbonization and energy transition goals.

4. Implementation of the project through the National Shipbuilding Mission

4.1 The National Shipbuilding Mission (NSbM) as established vide order XXXX will be the nodal agency at the nodal level for the implementation of this scheme and for the sanctioning of the capital support under the SbDS scheme.

4.2 The Directorate General of Shipping (hereinafter referred to as "DGS" shall be the designated implementation agency to provide Capital support for greenfield shipbuilding capacity expansion under the Shipbuilding Development as duly empowered by the NSbM. The implementing agency shall function under the overall supervision, guidance, and coordination of the Inter-Ministerial Governing Board of the NSbM.

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- 4.3 The Central government (through any of its organizations) may form/participate in SPVs with State Governments (through any of its organizations) or other entities for development of the Greenfield ship building clusters or for implementing any other initiatives under this scheme
- 4.4 NSbM may also relax any provision of these guidelines with Inter Ministerial approval Governing board including inter-component changes within the scheme, subject to proper written justification and documented rationale.

5. Capital support for greenfield capacity creation.

5.1 Eligibility Criteria – Greenfield Shipbuilding Clusters

5.1.1 The Scheme for Capital Support under the Shipbuilding Development Scheme (SbDS) shall apply to proposed new greenfield Shipbuilding Clusters that shall be established within India for the purpose of developing integrated shipbuilding ecosystems comprising common maritime, industrial, and social infrastructure as defined in Schedule–I of these guidelines.

5.1.2 Capital support shall be considered only for those proposed Greenfield Shipbuilding Clusters that are designed to achieve an aggregate shipbuilding output capacity of at least 1.2 million Gross Tonnage (GT) per annum within a period of five (5) years from the date of establishment of the cluster, taking into account the combined installed capacity of all participating shipyards and industrial units within the cluster.

5.1.3 The applicant entity or consortium proposing the Greenfield Cluster shall be a legally registered Indian company, public sector enterprise, or Special Purpose Vehicle (SPV) established for the development of the cluster in collaboration with the Ministry of Ports, Shipping and Waterways (MoPSW), State Governments, or Port Authorities, as applicable.

5.1.4 The lead shipyard or consortium member(s) participating in the Greenfield Cluster project must have a minimum of five (5) years of demonstrated experience in shipbuilding, ship repair, or related heavy engineering sectors.

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5.1.5 The applicant SPV or shipyard partner shall submit a binding undertaking not to divest, transfer, lease, or repurpose the government-supported shipyard or its associated common infrastructure assets for any non-shipbuilding use for a minimum period of ten (10) years from the date of project completion, except with prior written approval of the National Shipbuilding Mission (NSbM).

5.1.6 Preference shall be given to greenfield clusters proposed in coastal states that provide enabling conditions such as land availability, state-level facilitation, and maritime policy support, as well as commitment to extending co-funding, clearances, and connectivity infrastructure within stipulated timelines.

5.1.7 Funding for common maritime assets (Schedule-I, item 4) and other movable equipment shall be released only after physical commissioning and operational certification by an Independent Evaluation Agency empanelled under Annexure-III.

5.1.8 Capital dredging, major reclamation and foundational marine earthworks shall be the responsibility of the State Government or the SPV and may be executed through PPP or EPC contracts. The Scheme shall not fund maintenance dredging or routine operations & maintenance. Any capital dredging envisaged as part of the cluster development must be explicitly identified in the TEFR and funded separately by the State/SPV or other government financing arrangements.

5.2 Extent of Capital Support

5.2.1 The Capital Support for eligible Greenfield Shipbuilding Clusters shall be provided by the NSbM under the Shipbuilding Development Scheme (SbDS) in the form of a grant-in-aid for the eligible infrastructure items specified in Schedule-I of these guidelines that are directly linked to the development of common shipbuilding infrastructure and facilities within the Greenfield Cluster.

5.2.3 The balance project cost, not covered under the government grant, shall be met through equity participation or debt loans by the implementing Special Purpose Vehicle (SPV) partners, including the concerned State Government, Port Authority, and private/foreign shipyard developers, ensuring adequate financial commitment and shared responsibility for long-term operation and maintenance of the cluster.

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5.3 The implementation of the scheme for establishing the clusters will happen in the process as detailed below.

5.3.1 Phase 1: Location Identification

- a) Potential Locations for establishing Greenfield shipbuilding clusters shall be identified and proposed by the respective State Governments (through any of its organizations/agencies) or by Central Government (through any of its agencies), based on coastal suitability and cluster selection criteria approved by the National Shipbuilding Mission (NSbM). Final authorization for cluster location shall rest with the Inter-Ministerial Governing Board of NSbM.
- b) A Special Purpose Vehicle (SPV) may be jointly constituted by central government (through any of its organizations) with the concerned State Governments (through any of its designated maritime agency) and other strategic entities for the purpose of planning, financing, and developing cluster infrastructure under this Scheme, as per mutually agreed shareholding and responsibilities.
- c) A detailed Techno-Economic Feasibility Study shall be undertaken, and a Techno-Economic Feasibility Report (TEFR) shall be prepared by the SPV or its appointed consultant to comprehensively assess the technical suitability, environmental sustainability, and financial viability of the proposed site for cluster development.
- d) Priority shall be accorded to projects/sites where preliminary statutory and environmental clearances (Environmental Clearance, Coastal Regulation Zone, safety, and port clearances) have been secured and where implementation readiness is demonstrable. No sanction or disbursement shall be made against any Greenfield Cluster proposal until all major statutory approvals (including Environmental Clearance, CRZ permissions and any port/shoreline approvals) required for core works have been obtained. Preliminary clearance status must be demonstrated at Stage-1 for prioritisation but final sanction is contingent on full statutory compliance.
- e) Responsibilities among SPV stakeholders will be clearly defined. Specific roles include:

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- i. **Trunk Connectivity:** Internal roads, rail spurs, and utilities within the cluster shall be developed by the SPV. External connectivity shall be facilitated by the Ministry of Road Transport & Highways and Ministry of Railways through their respective schemes.
- ii. **Costal Infrastructure:** The SPV shall acquire suitable coastal land and undertake development of common maritime assets (such as breakwaters, basins, channels, and reclamation) as per items listed in Schedule I. These shall be eligible for funding under the Scheme through MoPSW.
- iii. **Shipyard Partner Investment:** The selected shipyard partner shall invest in yard-specific infrastructure, equipment, and operations on a commercial basis and pay an agreed annual lease or concession fee to the SPV.
- iv. **Capital dredging:** It shall be executed by the State Government or SPV, preferably through Public-Private Partnership (PPP) models such as the Hybrid Annuity Model (HAM) or Engineering-Procurement-Construction (EPC) with O&M options.
- v. **State Government Support:** States may extend fiscal incentives, tax rebates or policy facilitation through their own schemes to enhance project viability and attract investors.

5.3.2 Phase 2: Shipyard Partner Selection and SPV Investment

- a) Following TEFR and approval of the NSbM for the project/site identified, the SPV shall issue an Expression of Interest (EOI) to invite participation of shipyard developers or investors as per the model bidding guidelines of NSbM.
- b) Selection will be based through a transparent, competitive process based on criteria established by SPV, including technical competence, past shipbuilding experience, financial capacity, investment commitment, output capacity, employment generation, and technology adoption potential.

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- c) The shipyard partner, in consultation with the SPV, shall prepare and submit a Finalized Detailed Project Report (DPR) covering layout design, infrastructure plan, cost estimates, business model, market analysis, implementation schedule.
- d) The SPV shall evaluate the bids and forward the selected proposal and preliminary Detailed Project Report (DPR) to implementing agency (DGS) for technical and financial appraisal. All proposals shall demonstrate implementation readiness, clear land title, and statutory compliance.
- e) The SPV shall also get the preliminary DPR evaluated by the independent evaluation agencies which were listed in Annexure-III. The Independent agency shall prepare a Final Appraisal Report and submit it to DGS.
- f) The Independent Evaluation Agency shall verify the DPR for technical feasibility, cost reasonableness, and environmental compliance, and certify and submit its report to DGS.
- g) DGS, as the Implementing Agency, shall ensure that all prescribed documents as per guidelines are received from the SPV or state government or any of its agency and forward it to NSbM with detailed technical and financial appraisal for further processing.

5.3.3 Phase 3: Project approval by NSbM

- a) The NSbM Governing Board shall determine the quantum and scope of capital support based on project viability, economic impact, and conformity with cluster objectives on a case-by-case basis.
- b) State Government (through any of its organizations) contributions will be as per the SPV agreement terms.
- c) The approval of the NSbM will also detail out the modality of fund release, its timelines and review mechanism.
- d) The SPV will be the on-ground body which will monitor the implementation of the project. It will also be the body to which the NSbM releases the funds for the construction of the infrastructure supported by this scheme.

5.3.4 Phase 4: Site Development

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- a) Upon approval and fund sanction by NSbM, the SPV shall initiate project/ site-level development, including land acquisition, reclamation, grading, connectivity planning, and establishment of internal and seaside infrastructure as per approved components.
- b) Land and common maritime infrastructure developed under the Scheme shall be leased by the SPV to participating shipyard developers on a minimum lease tenure of fifty (50) years for main yard parcels. Lease revenues attributable to NSbM-supported infrastructure shall be ring-fenced in a separate escrow/maintenance account and used solely for the maintenance, repair and future capitalisation of the common infrastructure. The SPV shall publish an annual statement of accounts on utilisation of lease revenues
- c) The developed land and associated infrastructure within the Greenfield Shipbuilding Cluster shall be leased to participating shipyards on a long-term tenure of not less than fifty (50) years, at a nominal or concessionary lease rent, in accordance with the terms specified under the approved tender, concession agreement, or SPV framework. Land parcels earmarked for ancillary and support industries within the cluster may be leased or allotted at commercial, market-linked, or auction-determined rates, as decided by the Special Purpose Vehicle (SPV)
- d) The SPV and shipyard partner shall execute works in parallel, following agreed milestones and roles:
 - I. SPV: Common infrastructure and utilities
 - II. Shipyard Partner: Yard-specific and production facilities
- e) Trunk infrastructure if already funded under DPIIT/NICDC schemes shall not be duplicated under this Scheme.
- f) Lease revenues from MoPSW-supported assets shall be ring-fenced for maintenance and future capitalization of common maritime infrastructure.
- g) Any additional expenditure by the State Government beyond the SPV investment will be at its own discretion and subject to its internal approval processes.

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5.4 Process for Claiming Benefits under Greenfield Clusters

- a) Upon registration or formal acknowledgment by the respective State Government, the State shall convey the shipyard partner's intent, recommendation, and proposed financial structure to NSbM through the designated online portal.
- b) DGS shall review the proposal for in-principle approval based on the report from independent evaluation agency report and submit its technical and financial appraisal to NSbM.
- c) The inter-ministerial governing board of NSbM, chaired by the Secretary, MoPSW, shall review the proposal and approve on merits. A Sub-Committee of experts may be constituted to conduct site visits and evaluate proposals based on predefined criteria.
- d) Based on the Sub-Committee's recommendations, the NSbM governing board may grant final approval, determining eligible components and fund allocation.
- e) The scheme will only support the eligible infrastructure items as specified in schedule-I.
- f) Due diligence, including environmental and financial scrutiny, shall be completed by DGS before issuance of the Sanction Order.
- g) Funds would be released to the SPV on a milestone basis for the construction of eligible items under the greenfield project as per the approval provided by the NSbM and upon the issuance of the necessary utilisation certificates.

5.5 Additional Provisions

- a) Capital support shall be provided only for eligible infrastructure items that are essential for cluster viability; there shall be no obligation on the Government to fund all items listed in Schedule-I.
- b) Detailed computation of capital support shall be annexed to the sanction order, incorporating project location, land development cost, shipyard capacity, machinery, and price indexation.

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- c) All infrastructure created under this Scheme shall incorporate climate-resilient and disaster-mitigation features against floods, cyclones, tsunamis, and seismic risks, in accordance with Indian Port Association and NDMA standards.
- d) Monitoring and reporting mechanisms shall include periodic third-party verification and submission of Utilisation and Completion Certificates to DGS and NSbM.

6 Monitoring and evaluation of Projects funded under SbDS

- 6.1** Projects which are provided equity support (SPV route) by implementing agency will be monitored by the SPVs as well as NSbM and Ministry of Ports, Shipping and Waterways through an appropriate monitoring and evaluation mechanism.
- 6.2** Key Performance Indicators (KPIs) for Greenfield clusters include: annual GT output, capacity utilisation, number of jobs created (direct & indirect), local content percentage, environmental compliance score, and readiness of ancillary supply chain. SPV shall submit monthly MIS updates through the NSbM portal and quarterly consolidated reports for review. NSbM may call for independent mid-term evaluation
- 6.3** The fund recipients / project proponents shall mandatorily submit monthly progress report (physical and financial) of projects as per the electronic format / MIS prescribed by NSbM by the 5th of every calendar month. NSbM along with the fund recipients / project proponents will monitor the progress of projects based on the same.
- 6.4** The fund recipients/ project proponents will submit the utilization certificate for the fund released in the previous tranche for claiming release of subsequent installments / tranches. The fund recipients / project proponents will maintain financial records, supporting documents, statistical records and all other records, to support performance of the project.
- 6.5** During the execution of the project, Ministry of Ports, Shipping and Waterways officials may inspect the projects funded under SbDS Scheme through designated team.
- 6.6** Implementing Agencies shall extend necessary support to agencies entrusted by Government of India with monitoring and evaluation of projects funded under the Scheme.

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6.7 Fund recipients must regularly update project data on designated MIS portals and integrate with NSbM portal as prescribed by the Government.

7 Other points related to the guidelines

7.1 These guidelines will be effective from the date of issue and are applicable to all projects considered for funding under SbDS scheme.

7.2 The funds will be released to the project proponents by Implementing Agencies in terms of procedure for flow of funds under Central Sector Scheme or guidelines issued by Ministry of Finance, Government of India from time to time.

7.3 If any doubt / clarification arises in the implementation of these guidelines, the decision of Ministry of Ports, Shipping and Waterways shall be final and binding.

7.4 The NSbM may reject any project that, in its assessment, lacks adequate socio-economic justification or fails to demonstrate sufficient short-term stimulus along with long-term economic benefits.

7.5 The capital support given under the Scheme is subject to audit by CAG of India.

7.6 The scheme shall not cover maintenance dredging or the Operations & maintenance expenses of projects. All assets created under the scheme must be maintained by respective state governments or any of its agencies/SPV from their own resources.

7.7 NSbM may relax any provision of these guidelines with the approval of Minister-in charge, subject to proper written justification and documented rationale.

7.8 Committed liabilities, if any, beyond the duration of the scheme, up to 6 years post 31st March 2036 shall be honoured.

7.9 Administrative Expenses: Budget of Rs.50 crore has allocated for the Shipbuilding development scheme administration including hiring of contractual manpower/ consultants /agencies and miscellaneous expenses.

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8. Grievance Redressal, Amendments, Review and Interpretation.

(a) If any grievance arises due to any act of commission or omission by DGS under these guidelines, the matter shall be referred to the Institutional Mechanism notified by the Ministry of Ports, Shipping and Waterways (MoPSW) for this purpose. The Institutional Mechanism shall examine and resolve such grievances within ninety (90) days from the date of receipt of the application. The decision of the Institutional Mechanism shall be final and binding. The Ministry of Shipping shall also notify the detailed procedure for filing and resolution of such grievances through the Institutional Mechanism.

(b) Inter Ministerial Governing Board of NSbM shall review these guidelines atleast every two years from the date of issue or the date of last review. However, this shall not affect the right of the Ministry to amend or modify these guidelines at any point of time including the Schedules and Annexures appended thereto.

(c) In case any doubts arise with respect to interpretation of these guidelines, the same would be resolved with the approval of Hon'ble Minister of Shipping and such decision shall be final.

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Schedule- I

a). List of eligible infrastructure items for Greenfield Shipbuilding Expansion

1. Breakwaters/ Tide independent basins/ wave breakers etc.
2. Channel and basin development, land reclamation, area grading, etc.
3. Regional Shipbuilding Capability Development Centres
4. Common maritime assets (Barges, floating cranes.)
5. Internal infrastructure, utilities, land development, etc.

b). The detailed definitions of the above eligible items :

1. Breakwaters/ Tide independent basins/ wave breakers etc definition.

These shall include coastal protection and wave-attenuation structures essential for ensuring safe, uninterrupted shipyard and cluster operations.

- **Breakwaters** are structures constructed to protect harbours, shipyards, or anchorages from the direct impact of waves by absorbing, deflecting, or dissipating wave energy.
- **Tide-Independent Basins** refer to enclosed or semi-enclosed water areas where water levels are maintained independent of tidal fluctuations to allow round-the-clock vessel access and operations.
- **Wave Breakers** are fixed or floating structures built to reduce the intensity of wave action within a designated area, thereby improving navigational safety and stability for vessels and dockside operations.

2. Channel and basin development, land reclamation, area grading, etc. definition.

This category includes works related to navigational access and land preparation for establishing shipbuilding and maritime facilities.

- **Channel and Basin Development** shall include approach channels, turning basins, and manoeuvring zones constructed or deepened to meet minimum

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navigational depths, safety clearances, and operational requirements as per relevant maritime and port engineering standards.

- **Land Reclamation and Area Grading** involves the creation of usable industrial land by infilling low-lying or submerged areas with suitable material, followed by compaction, levelling, or contouring to specified gradients and elevations. The reclaimed land level shall incorporate design allowances for sea-level rise and coastal flooding, in conformity with statutory and environmental clearances.

3. Regional Shipbuilding Capability Development Centres definition.

These centres shall comprise specialized institutions or facilities established within or proximate to shipbuilding clusters, dedicated to human resource development, research, innovation, and technology adoption in shipbuilding and allied sectors. Such centres shall:

- Provide training, certification, and skill-development programs aligned with national standards and industry needs;
- Facilitate applied research, testing, and innovation in green and digital shipbuilding technologies; and
- Support continuous capability enhancement in collaboration with IMU, classification societies, and other recognized academic or technical institutions.

4. Common Maritime Assets (Barges, Floating Cranes, and Allied Floating Equipment) definition.

This category covers shared maritime infrastructure and floating assets intended for common use by multiple shipyards and ancillary units within a Greenfield cluster.

- Eligible assets include barges, floating cranes, pontoons, tugs, and other auxiliary marine craft that support shipbuilding, repair, and logistics operations across the cluster.
- Such assets shall be registered under the SPV/cluster authority and used collectively for heavy-lift, transport, assembly, or vessel movement functions.

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- These assets are admissible for funding only when procured as part of the common-use cluster infrastructure approved by NSbM.

5. Internal Connectivity Infrastructure, Utilities, and Land Development definition

This includes development of essential intra-cluster infrastructure and utilities to ensure seamless operational connectivity and industrial functionality.

- Construction of internal roads, pathways, and rail links for the movement of goods, equipment, and personnel within the cluster;
- Installation of utilities such as water supply, power distribution, drainage, sewage, communication, and firefighting systems; and
- Site preparation, boundary demarcation, landscaping, and construction of essential administrative, welfare, and support facilities in accordance with applicable industrial and safety standards.

Notes:

1. The above five (5) categories constitute the only eligible infrastructure components admissible for capital assistance under the Greenfield Shipbuilding Cluster component of the Shipbuilding Development Scheme (SbDS).
2. All infrastructure shall be immovable and non-transferable, and owned or managed by the State/SPV for exclusive use in shipbuilding, repair, or allied maritime activities.
3. Funding shall be admissible only for immovable or cluster-level infrastructure items listed above. Movable assets, temporary structures, and maintenance activities are not eligible. No additional categories such as maintenance dredging, temporary works, or administrative buildings shall qualify for assistance.
4. Common maritime and floating assets shall be funded only when they are owned by the SPV/cluster and serve multiple shipyards. Funding is post-commissioning, and O&M lies with the SPV. Individual yard-specific movable assets are not eligible.

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Annexure - I

GUIDELINES FOR PREPARATION OF DETAILED PROJECT REPORT (DPR) FOR GREENFIELD SHIPBUILDING CLUSTER PROJECTS

1. Context and Background

This section shall provide:

- A concise overview of the shipbuilding and ship-repair sector, including global and Indian market outlook, emerging opportunities, and national maritime strategies such as *Maritime India Vision 2030* and *Maritime Amrit Kaal Vision 2047*.
- Relevance of the proposed project to national objectives like promoting indigenous shipbuilding, developing ancillary manufacturing ecosystems, and enabling green and sustainable maritime infrastructure.
- Key project description — proposed location, land and waterfront interface, intended facilities (dry docks, slipways, fabrication bays, logistics zones, and common infrastructure).

2. Problem Statement

- Define the key challenges the proposed Greenfield project seeks to address — e.g., capacity deficit, import dependence, lack of modern infrastructure, or inadequate repair ecosystem.
- Support the statement with data from feasibility studies, surveys, or baseline reports.
- Highlight regional or logistical bottlenecks that justify site selection and project necessity.

3. Aims and Objectives

- List the development objectives in order of importance, clearly linking each to deliverables.
Examples:
 - Establish a world-class shipbuilding cluster with X vessels per annum capacity.
 - Build a marine industrial ecosystem for Ancillary equipment, Navigation equipment, Block fabrications Outfitting items etc
 - Promote green-shipbuilding practices and reduce carbon emissions as per Harit Sagar framework

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- Generate direct and indirect employment and skilled workforce in maritime trades.
- Implement automation in shipbuilding operations.

4. Strategy and Approach

- Evaluate alternative strategies (e.g., single large yard vs. distributed cluster).
- Justify the selected approach based on economic, technical, and sustainability criteria.
- Explain site prioritization parameters: coastal suitability, logistics connectivity, land availability, safety against coastal hazards and workforce readiness.
- Indicate possible PPP structures or private participation models.
- Highlight complementarities with existing ports, industrial corridors, or logistics hubs.

5. Target Beneficiaries and Stakeholder Engagement

- Identify direct and indirect beneficiaries — shipowners, operators, maritime workforce, ancillary suppliers, and coastal communities.
- Describe stakeholder consultations conducted during formulation.
- Outline mechanisms for beneficiary participation, cost sharing, and social inclusion.
- Assess potential socio-economic impacts and suggest mitigation measures for adverse effects.

6. Legal and Regulatory Framework

- List applicable legal and policy instruments (Environment Act, CRZ Notification, Port Land Policy, Labour Laws, Shipbuilding Subsidy Rules, etc.).
- Discuss institutional responsibilities and anticipated clearance timelines.
- Identify regulatory risks and propose mechanisms for compliance management.

7. Environmental and Social Impact

- Summarize findings from Environmental and Social Impact Assessment (ESIA).
- Address land acquisition, rehabilitation/resettlement, and ecological concerns.
- Include mitigation and management plans (marine biodiversity protection, dredging control, pollution abatement, coastal shoreline stability and CSR/community development).

8. Technology and Innovation

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- Describe technology choices, evaluation criteria, and rationale for selection.
- Emphasize adoption of automation, digital yard systems, and green energy technologies.
- Outline provisions for future scalability and upgradation.

9. Project Management and Implementation

- Define institutional framework (Implementing Agency / SPV / Developer).
- Present organization structure, governance model, and human-resource plan.
- Include project monitoring and MIS framework with defined milestones.

10. Financial Analysis and Funding Plan

- Provide detailed cost estimates with component-wise breakup.
- Outline means of financing — equity, debt, government grants, and PPP.
- Include sensitivity and viability analysis (NPV, IRR, DSCR).
- Discuss cost-recovery models, operation & maintenance (O&M) strategy, and financial sustainability.

11. Implementation Schedule

- Specify zero date and completion milestones.
- Include a PERT/CPM chart highlighting the critical path, dependencies, and major deliverables.

12. Economic and Cost–Benefit Analysis

- Undertake both financial and economic viability analyses.
- Quantify direct benefits (employment, revenue generation) and indirect benefits (cluster development, technology diffusion).
- Include measurable non-financial outcomes where appropriate.

13. Risk Assessment and Mitigation

- Identify key risks: environmental, financial, regulatory, technical, and operational.
- Present mitigation measures and contingency provisions.
- Address force majeure and external dependencies (e.g., port dredging, supply chain).

14. Outcomes and Impact Evaluation

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- Define Key Performance Indicators (KPIs): capacity utilization, throughput, green-vessel share, job creation, and revenue contribution.
- Establish baseline data and target outcomes.
- Specify monitoring and reporting methodology.

15. Evaluation and Review

- Outline evaluation mechanism (concurrent, mid-term, post-project).
- Define third-party evaluation requirements before continuation or scale-up.

16. Executive Summary

A concise overview summarizing the rationale, objectives, technical and financial highlights, benefits, risks, and sustainability aspects of the project.

DPR Application Checklist (Must be attached with every DPR) :

Require applicants to upload these mandatory documents — if any missing, application rejected or held:

1. TEFR + DPR (componentised cost, time-phased).
2. Land title documents, land-use proof, lease/conveyance draft.
3. ESIA report, CRZ/EC copies or proof of application.
4. SPV incorporation documents and shareholder agreement.
5. EOI/RFP model and procurement timeline for shipyard partner.
6. Financial model (NPV/IRR/DSCR) + sources of funds and committed state co-funding.
7. Project risk matrix and mitigation plan.
8. Bank/account details + proof of ring-fenced account setup for lease revenue (if applicable).
9. Draft lease/concession agreement, and model maintenance & O&M plan.

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Annexure-II

Greenfield Cluster selection criteria:

SI No	Criteria	Sub-Criteria	Weightage (Tentative)
1	Site Feasibility	- Land Availability: Minimum contiguous land parcel (e.g., 2000+ acres), encumbrance-free - Coastal Topography & Bathymetry: Natural depth, tidal range, draft (minimum 9m), suitability for large vessel launch - Waterfront length availability (e.g., km of usable shoreline) - Preliminary clearance status, ecological sensitivity, mangrove/wetland proximity - Requirement for reclamation/dredging/grading/filling etc. - External Connectivity: Road/Rail/Air/Port linkages - Availability of social/internal infrastructure, utilities, townships	20%
2	State Support	- Existing/proposed policies from state government - Dedicated state Shipbuilding/Maritime policy and incentive package - Extent and quantum of support (fiscal, non-fiscal) - Timelines for support provisioning - Single-window clearance mechanisms and governance efficacy - Institutional facilitation (e.g., SIPCOT, Maritime Board)	15%
3	Project Preparedness	- Land acquisition stage - SPV formation and structuring status - Techno-Economic Feasibility Report (TEFR) preparation - Detailed Project Report (DPR) status - Progress on environmental and regulatory clearances	15%
4	Industry & Investor Interest	- Responses to EoIs/standalone proposals - Signed MoUs with shipyards (domestic & international separately)	15%

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SI No	Criteria	Sub-Criteria	Weightage (Tentative)
		- Anchor international player interest - Domestic industry/consortium interest - Announced investment plans and pipeline - Investor site visits	
5	Manpower & Skilling Ecosystem	- Availability of skilled workforce in proximity - Presence of maritime/shipbuilding training institutions (e.g., IMU, AMET, HIMT) - Existing private sector skill providers - Industry-academia collaboration potential	10%
6	Ancillary & MSME Ecosystem	- Presence of MSMEs/ancillaries catering to shipbuilding - Linkage with research/innovation institutions (e.g., NIOT, IITs) - Strength of local supplier base for ship components, engines, interior works - Policy and institutional support for MSME participation	10%
7	Funding & Financial Support	- Availability of state/central funding support mechanisms - Infrastructure financing scope (NIIF, NABFID, etc.) - Investor appetite and access to project finance - Incentives for equity/VC participation in shipbuilding clusters	5%
8	Order Pipeline & Market Demand	- Current/projected domestic orderbook (Commercial Orders, PSUs, Navy, Coast Guard, etc.) - Demand aggregation initiatives from Government - International demand potential from foreign orders/charterers - Ship repair market potential	5%
9	Supply Chain Maturity	- Maturity of logistics/supply chains - Proximity to steel plants, heavy engineering, outfitters - Access to global component suppliers via nearby ports - Time-to-delivery advantage due to cluster proximity	5%

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Annexure- III

List of Independent Evaluation and Certification agencies

1. IIT Madras – Department of Ocean Engineering (DOE)
2. IIT Kharagpur – Department of Ocean Engineering and Naval Architecture (OENA)
3. IIT Mumbai - Ocean Engineering, Department of Civil Engineering

Notes:

1. The above agencies shall possess demonstrable domain expertise in maritime infrastructure development, marine engineering, project finance, and industrial planning, and shall undertake evaluations on parameters including infrastructure adequacy, cost reasonableness, implementation timelines, compliance with environmental and safety standards, and anticipated economic and operational outcomes.
2. The National Shipbuilding Mission (NSbM) may, as deemed necessary, empanel or authorize additional institutions or organizations with equivalent expertise and capability to undertake such evaluations.

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Annexure- VIII

1. (a) Title: The scheme for providing Capital support for greenfield capacity expansion, capital assistance for brownfield shipyard expansion , capability development through India Ship Technology Centre and providing shipbuilding risk coverage shall be called “Shipbuilding Development Scheme ” and the guidelines formulated to implement the scheme together shall be called “Guidelines for Implementation of Shipbuilding Development Scheme(SbDS)”. These Guidelines pertain specifically to the Brownfield Shipyard Expansion Component under the Shipbuilding Development Scheme (SbDS).

(b) Validity: The Shipbuilding Development Scheme and the guidelines shall come into force with effect from XXX and remain valid for all Detailed Project Reports (DPRs) submitted from XXX to 31 March 2036, including the said dates.

(c) Applicability: The scheme for capital assistance for brownfield expansion for items listed in Schedule-I shall apply to all existing Indian shipyards that are duly registered and have been in operation for a minimum of three (3) years from the date of registration. Expansions undertaken within or adjacent to the premises of an existing shipyard, as well as those proposed at distant locations or through joint venture arrangements, shall also qualify as brownfield expansions under the Scheme only if such facilities are established and registered under the same legal entity and name as the base shipyard for at least one (1) year prior to the date of application.

2. Definitions.

(a) “National Shipbuilding Mission (NSbM)” refers to a nodal coordinating agency for the shipbuilding sector in India, constituted under the Shipbuilding Financial Assistance Scheme (SBFAS) by the Ministry of Ports, Shipping and Waterways (MoPSW), responsible for comprehensive policy oversight, technical evaluation, sanctioning of capital assistance, and implementation coordination of India's shipbuilding development initiatives under this Scheme.

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(b) **“Shipyard”** means any floating or a land-based facility comprising of all or any amongst the following as essential features, namely, - waterfront, turning basin, berthing and docking facility, slipways and ship lifts, and, located within the territories of India and undertaking construction, manufacture, reconstruction or repair of vessels in India.

(c) **“Competent authority”** means the authority designated by the Inter-Ministerial Governing Board for the performance of various functions under the scheme including examination of applications, issuance of in-principle approvals, and disbursement of funds toward Capital assistance for brownfield shipyard capacity expansion.

(d). **“Implementing agency”** refers to Directorate General of Shipping (DGS) which executes the SbDS scheme for the component of capital assistance for brownfield shipyard expansion.

(e) **“Detailed Project Report (DPR)”**, refers to the principal project document prepared and submitted by the shipyard under the Scheme, outlining the proposed infrastructure development initiative for a shipyard.

(f) **“Independent Evaluation Agency (IEA) ”**, refers to an institute or organization listed in the Annexure-III of these guidelines, responsible for the technical and financial evaluation of Detailed Project Reports (DPRs) submitted by shipyards under the Scheme. These agencies certify physical progress of the project, milestone completion of the project, and asset verification during implementation.

(g) **“In-principle approval”** means the approval granted by the competent authority establishing eligibility of capital assistance, subject to fulfillment of conditions prescribed in the policy guidelines.

(h) **“Actual Payment”** means the total quantum of verified payments received and accounted for by the shipyard in connection with the approved brownfield capacity expansion project, as detailed in the sanctioned Detailed Project Report (DPR) which shall be duly certified by a Chartered Accountant, supported by verifiable documentary evidence for each transaction, including invoices, payment vouchers, and corresponding

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bank statements confirming receipt of funds against approved eligible infrastructure items.

(i). **"Brownfield Shipyard"** means an existing Indian shipyard which have been registered under the central or state act and have been operational for at least 03 years after the date of registration seeking to expand, modernize, or enhance its production capacity, infrastructure through additional capital investment for the items listed in

(j). **"Capital Assistance "** refers to financial grant-in-aid provided by the Government of India under the Shipbuilding development scheme towards eligible infrastructure items listed in Schedule-I for a brownfield project. The grant shall be limited to a maximum of twenty-five percent (25%) of the Fair Assessed Project Cost (FAPC), as defined in these Guidelines.

(k). **"Fair assessed project cost (FAPC)"** refers to the lowest value among the project cost stated in the DPR submitted by shipyard, the cost appraised by the Independent Evaluation Agency (IEA), and the actual capital expenditure of the project certified by a Chartered Accountant.

(l). **"Project Cost"** means the total capital expenditure estimated as per the detailed Project report submitted by the shipyard.

(m). **"Eligible Immovable Assets"** means the physical infrastructure listed in Schedule-I which are created by shipyards under the scheme and not transferable for non-shipbuilding use.

(n). **"Fund Utilization Certificate (FUC)"** means a certificate duly issued and certified by a Chartered Accountant registered with the Institute of Chartered Accountants of India (ICAI), confirming that the funds released under each tranche of capital assistance have been utilised by the shipyard for eligible infrastructure items only. The certificate shall present a detailed statement of expenditure incurred, duly supported by corresponding invoices, payment proofs, and item-wise physical progress, and shall be submitted in the format prescribed at Annexure–IX of these guidelines.

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(o). **“Project Completion Certificate (PCC) ”** means a formal certificate issued by Independent evaluation agency as per the format in Annexure-X, upon achieving one hundred percent (100%) physical progress and completion of all approved works under the sanctioned brownfield capacity expansion project.

3. Objective of the scheme

3.1 Accomplish key objectives such as brownfield capacity expansion and capability build up, with a focus on long-term sustainability and to implement strategic objectives outlined under the National Shipbuilding Mission (NSbM) and Maritime India Vision 2030 goals for an initial period up to 31st March 2036

3.2 To incentivize capital investment by existing operational shipyards for expansion of production capacity, creation of new dry docks, slipways, fabrication facilities, cranes and other immovable infrastructure essential for large-scale commercial shipbuilding.

3.3 To accelerate capacity addition in the short- to medium-term by enabling modernization and technological enhancement of brownfield shipyards capable of rapid implementation within 2–4 years.

3.4 To promote adoption of advanced, green, and digital shipbuilding technologies, modular construction methods, and productivity enhancement tools, in line with global benchmarks.

3.5 To ensure long-term sustainability through generation of employment, increased domestic value addition, and enhanced export competitiveness of Indian shipyards.

4. Implementation of the projects through the National Shipbuilding Mission

4.1 The National Shipbuilding Mission (NSbM) as established vide order XXXX will be the nodal agency at the national level for the implementation of this scheme and for the sanctioning of the Capital assistance under the SbDS scheme.

4.2 The Directorate General of Shipping (hereinafter referred to as "DGS" shall be the designated implementation agency to provide Capital assistance for

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brownfield expansion under the Shipbuilding Development as duly empowered by the NSbM. DGS shall function under the overall supervision, guidance, and coordination of the Inter-Ministerial Governing Board of the NSbM.

4.3 NSbM may also relax any provision of these guidelines with the approval of the Inter-Ministerial approval Governing board, including inter-component changes within the scheme, subject to proper written justification and documented rationale.

4.4A Project Appraisal Committee (PAC) shall be constituted by DGS with representatives from Financial institutions, technical experts to evaluate proposals and recommend admissible capital assistance.

5 Eligibility of shipyards for Capital assistance to existing/ brownfield shipyards towards the expansion of production capacity.

5.1 Eligibility Criteria

5.1.1 The Scheme for capital assistance for brownfield expansion for items listed in Schedule-I shall apply to all existing Indian shipyards that are duly registered and have been in operation for a minimum period of three (3) years from the date of registration.

5.1.2 Expansions undertaken within or adjacent to the premises of an existing shipyard, as well as those proposed at distant locations or through joint venture arrangements, shall qualify as brownfield expansions under the Scheme only if such facilities are established and registered under the same legal entity and name as the base shipyard for at least one (1) year prior to the date of application.

5.1.3 Brownfield shipyards situated within approved Greenfield cluster SPVs shall not be eligible for separate Brownfield capital assistance.

5.2 Extent of Capital Assistance

5.2.1 The capital assistance for eligible brownfield shipyards shall be provided in the form of a grant, limited to a maximum of twenty-five percent (25%) of the Fair assessed Project Cost (FAPC), as defined in Clause 5.3.2 of these guidelines.

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5.2.2 Projects involving maintenance dredging, acquisition of floating assets, procurement of movable or transportable equipment, or creation of facilities not directly related to shipbuilding activities shall not be eligible for capital assistance, except for the immovable infrastructure items explicitly listed in Schedule–I.

5.2.3 Used, refurbished, or depreciated movable equipment, including machinery older than five (5) years, shall not qualify for capital assistance.

5.2.4 Capital assistance shall be extended only once for each approved project proposal. Any subsequent phase or expansion shall require a fresh DPR and appraisal.

5.3 Computation of Brownfield Capital Assistance

5.3.1 The quantum of capital assistance for a brownfield shipyard shall be on a case-by-case basis, depending upon the specific nature, scale, and scope of investments proposed by the shipyard for capacity expansion or modernization.

5.3.2 For the purpose of computing the eligible amount of capital assistance, the “Fair assessed Project Cost (FAPC) ” shall be defined as the lowest value among the following, duly expressed in Rupees:

- a) the project cost as indicated in the Detailed Project Report (DPR) submitted by the applicant shipyard;
- b) the cost as appraised and certified by the Independent Evaluation Agency, based on its technical and financial assessment of the DPR; and
- c) the actual capital expenditure incurred, and certified by a Chartered Accountant registered with the Institute of Chartered Accountants of India, supported by verifiable documentary evidence.
- d). Projects involving maintenance dredging, acquisition of floating assets, procurement of movable or transportable equipment, or creation of facilities not directly related to shipbuilding activities shall not be eligible for capital assistance, except for the immovable infrastructure items explicitly listed in Schedule–I.

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5.4 Application for brownfield Capital support.

- 5.4.1 The applications for In-principle approval for capital assistance for brownfield shipyard capacity expansion shall be submitted as per the procedure prescribed in section 5.5 of these guidelines through designated online portal of the National Shipbuilding mission (NSbM). Assets initiated, procured, or under execution prior to the submission of the application shall not be eligible for assistance.
- 5.4.2 The capital assistance contribution from NSbM in any brownfield expansion project shall be limited to twenty-five percent (25%) of the fair assessed Project Cost (FAPC) as determined under Clause 5.3.2, and shall be disbursed in four tranches of 20%, 30%, 30%, and 20%, linked to milestone-based technical, physical and financial progress. The balance expenditure must be incurred by the respective shipyards from their own resources.
- 5.4.3 The first instalment of 20% of the fair assessed project cost shall be released by NSbM upon award of work and after all statutory clearances are in place, subject to submission of requisite documentation through the online portal. Only works commenced after the date of In-Principle Approval shall be considered eligible.
- 5.4.4 The Second instalment, equivalent to thirty percent (30%) of the fair assessed Project Cost, shall be released by NSbM only after achieving a minimum physical progress of fifteen percent (15%) of the approved project and submission of a Fund Utilisation Certificate confirming that at least seventy-five percent (75%) of the funds released under the first instalment have been duly utilised.
- 5.4.5 The third instalment, equivalent to thirty percent (30%) of the fair assessed Project Cost, shall be released by NSbM only after achieving a minimum physical progress of forty percent (40%) of the approved project and upon submission of a Fund Utilisation Certificate confirming that at least seventy-five percent (75%) of the cumulative funds released under the first and second instalment have been duly utilised.

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- 5.4.6 The Fourth and final instalment, equivalent to twenty percent (20%) of the fair assessed Project Cost, shall be released by NSbM only after achieving one hundred percent (100%) physical progress of the approved project, subject to submission of a Fund Utilisation Certificate accounting for the entire amount previously released and a completion certificate duly countersigned by an independent evaluation agency listed under Annexure-III.
- 5.4.7 The recommendation for disbursement of the first three instalments of capital assistance shall be made in accordance with the prescribed percentage for each tranche, based on the lowest fair assessed project cost determined from either the project cost indicated by the shipyard in the Detailed Project Report (DPR) or the cost as appraised and certified by the Independent Evaluation Agency (IEA). However, the final tranche of capital assistance shall be computed and released on the basis of the fair assessed project cost as defined in Clause 5.3.2 of these guidelines.
- 5.4.8 In exceptional cases, fund recipients or project proponents may request the early release of the fourth and final instalment prior to full completion of the approved project, provided that at least seventy-five percent (75%) of the funds previously released have been duly utilised and a minimum physical progress of seventy percent (70%) has been achieved. In such cases, NSbM may release the final instalment after deducting five percent (5%) of the fair assessed project cost, which shall be retained and released only upon completion of the project and submission of the final Completion Certificate duly countersigned by an Independent Evaluation Agency listed under Annexure–III.
- 5.4.9 In case DGS, upon scrutiny, identifies deficiencies in the applications or supporting documents submitted under clauses 5.4.1 to 5.4.7, the applicant shipyard shall be provided with an opportunity to rectify the same within a stipulated timeframe. The decision regarding In-principle approval or release of Capital assistance shall thereafter be taken based on the shipyard's response and compliance with the prescribed requirements. Any

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denial of benefits under the Scheme shall be communicated to the applicant shipyard in writing, with the reasons for such denial duly recorded.

5.4.10 Each tranche of capital assistance released under the Scheme shall be supported by a Bank Guarantee of equivalent value furnished by the shipyard in favour of DGS.

5.5 Detailed Workflow of Application and Approval procedure for Capital Assistance for Brownfield shipyard expansion under SbDS.

Applications for capital assistance under the brownfield shipyard capacity expansion component shall be processed through a structured workflow as prescribed in these guidelines. All applications shall be submitted online through the designated NSbM portal, along with the requisite documents, certificates, and declarations specified in this section. The detailed procedure for application submission, appraisal, and approval of capital assistance is outlined below.

Step 1: Application Preparation by Shipyard.

(a). The shipyard shall prepare a Detailed Project Report (DPR), either in-house or through a reputed external consultant, in accordance with the format and requirements prescribed in Annexure–I.

(b). The shipyard shall compile the following supporting documents.

- Proof of incorporation and valid registration as a shipyard;
- Audited financial statements and tax compliance certificates for the last three (3) financial years;
- The Detailed Project Report (DPR) document prepared by shipyard or by an external consultant
- Copies of statutory and environmental clearances including CRZ, safety, and building approvals;
- Board resolution or equivalent authorization approving the investment proposal;

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- Self-declaration confirming commitment to operate the upgraded facility for a minimum of ten (10) years post completion.

Step 2: Submission to NSbM via online portal / other mechanism

(a). Registration of shipyard in NSbM portal: The applicant shipyard shall create its profile on the NSbM online portal by submitting the following documents of proof of incorporation and valid shipyard registration and) Audited financial statements and tax compliance certificates for the last three (3) financial years. Upon successful verification and approval of shipyard registration, the shipyard may log in to the portal using its authorized credentials to proceed with the application submission.

(b). Form Filling and Document Upload: The applicant shipyard shall complete the online application form on the NSbM portal for each brownfield expansion project, providing all requisite information and uploading supporting documents as prescribed. The application shall include details relevant to each tranche of payment, wherever applicable, in accordance with the milestone-based disbursement schedule.

- I. Enter applicant and project details, including shipyard name, registered address, project title, and contact information.
- II. Provide bank account details of the shipyard for fund transfer and verification purposes.
- III. Upload the Affidavit, duly signed by the Proprietor / Partner / Chairman / CMD / MD / CEO of the shipyard, or an authorized signatory, in the prescribed format at Annexure–IV.
- IV. Upload the Detailed Project Report (DPR) and all supporting documents prepared as per Annexure–I.
- V. Upload the Indemnity Bond, duly signed by the Proprietor / Partner / Chairman / CMD / MD / CEO, as per the format provided in Annexure–V.
- VI. Upload the following Independent Evaluation Agency (IEA) Reports wherever applicable :

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- a. Technical and Financial Appraisal Report of IEA.
 - b. Independent Evaluation agency DPR Evaluation Certificate (Annexure–VII)
 - c. Physical Site Inspection Certificate (Annexure–VIII), along with all supporting documents in the prescribed digital formats.
 - d. Project completion certificate (Annexure-X)
- VII. Indicate the planned start date and expected completion date of the proposed project.
- VIII. Actual Payment Certificate, as per Annexure–VI, duly certified by a Chartered Accountant, accompanied by detailed invoice-wise documentation and supporting evidence for all expenditures incurred and payments made towards eligible infrastructure items listed under Schedule-I.

Upon successful submission of the application for the first time, the portal shall generate a unique Application ID and digital acknowledgement confirming receipt of the application by NSbM.

Step 3: Technical and Financial Evaluation by Independent Evaluation Agency (IEA)

- a) The applicant shipyard shall also upload a copy of the Detailed Project Report (DPR) and all supporting documents prepared as per Annexure–I on NSbM portal and select any of the Independent Evaluation Agency (IEA) as listed under Annexure–III to conduct a detailed technical and financial evaluation of the proposed brownfield expansion project.
- b) The IEA shall undertake a physical site visit to the shipyard to assess the existing facilities, verify the proposed area of expansion, and evaluate the infrastructure and machinery to be procured as per the Detailed Project Report (DPR).
- c) The evaluation shall cover the following parameters:
 - Technical Feasibility: Adequacy and appropriateness of the proposed design, layout, and engineering specifications of the eligible infrastructure items as defined in Schedule-I. The role of the Independent Evaluation Agency (IEA) shall be limited to providing technical assessment and advisory inputs only.

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- **Regulatory Compliance:** Conformity with shipbuilding standards, port engineering codes, classification norms, and environmental/safety regulations.
- **Project Alignment:** Consistency with the objectives and strategic roadmap of the National Shipbuilding Mission (NSbM) and policy priorities of the Shipbuilding Development Scheme (SbDS).
- **Financial Viability:** Assessment of cost estimates, reasonableness of supplier quotations, funding structure, and long-term financial sustainability of the project.

d). The Independent Evaluation Agency (IEA) shall prepare a comprehensive Technical and Financial Appraisal Report (TFAR) in the prescribed format, along with the DPR Evaluation Certificate (Annexure–VII) and the Physical Site Inspection Report (Annexure–VIII). These documents shall be uploaded through the NSbM portal and submitted to the applicant shipyard and the Directorate General of Shipping (DGS) within forty-five (45) days from the date of application.

e). The Directorate General of Shipping (DGS) shall ensure that the complete proposal — including the IEA evaluation reports, the Technical and Financial Appraisal Report (TFAR), and the recommendations of the Project Appraisal Committee (PAC) — is duly consolidated and forwarded to the National Shipbuilding Mission (NSbM) through the NSbM portal for consideration and approval within forty-five (45) days from the date of upload of the IEA evaluation report by IEA.

Step 4: Preliminary Scrutiny by DGS

a). The Directorate General of Shipping (DGS) shall conduct a preliminary scrutiny of the application submitted through the NSbM online portal to ensure completeness, accuracy, and conformity with the requirements prescribed under these guidelines.

b). The scrutiny process shall include the following actions:

i). Verification that all mandatory fields in the application form have been duly completed, and review of the legibility, completeness, and authenticity of uploaded documents, including verification of digital signatures and file formats.

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- ii). Confirmation that all prescribed annexures, certificates, and supporting documents corresponding to each tranche of payment or project milestone have been correctly uploaded, including:
 - a) The Detailed Project Report (DPR) prepared in accordance with Annexure–I;
 - b) The Technical and Financial Evaluation Reports issued by the Independent Evaluation Agency (IEA) for the project;
 - c) The Project Execution Certificates issued by the IEA, certifying physical and financial progress against approved milestones;
 - d) The Fund Utilisation Certificate (FUC) issued by a Chartered Accountant, confirming utilisation of previously released funds; and
 - e) The Actual Payment Certificate, as per Annexure–VI, duly certified by a Chartered Accountant, accompanied by detailed invoice-wise documentation for all eligible expenditures and payments made.
- c). In case any deficiencies or discrepancies are identified during scrutiny, the DGS shall issue a digital deficiency notice through the NSbM portal or via email, clearly specifying the missing, incomplete, or non-compliant information or documents.
- d). The applicant shipyard shall be granted a period of minimum of fifteen (15) days from the date of notification to rectify the deficiencies and resubmit the corrected application.
- e). Upon satisfactory rectification and verification, the response submitted by the shipyard shall be reviewed by DGS. If all deficiencies are found to be resolved and documents are in order, the complete application shall be placed before the Project Appraisal Committee (PAC) by DGS for review and recommendation, prior to forwarding the proposal to the National Shipbuilding Mission (NSbM) for consideration and approval.

Step 5: Consolidated Technical and Financial Appraisal by DGS

- a) The Directorate General of Shipping (DGS) shall carry out a comprehensive technical and financial appraisal of each brownfield expansion project based on the Detailed Project Report (DPR) submitted by the shipyard and

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the recommendations of Technical and Financial Evaluation Report submitted by the Independent Evaluation Agency (IEA). The appraisal shall assess the project's overall feasibility, design adequacy, operational suitability, and financial soundness in alignment with the objectives of the Shipbuilding Development Scheme (SbDS).

- b) The technical appraisal shall validate the design, engineering specifications, and operational feasibility of the proposed eligible infrastructure items under Schedule-I, ensuring compliance with approved shipbuilding, port engineering, and safety standards.
- c) The financial appraisal shall evaluate the project's fiscal viability and funding structure through due diligence of audited financial statements, cost estimates, funding mix, and projected post-expansion revenues to confirm long-term sustainability.
- d) The DGS may, where necessary, appoint a Surveyor or Technical Officer to conduct on-site inspection to verify baseline capacity, readiness of existing facilities, and conformity of the project with the DPR and IEA reports.
- e) Upon completion of the appraisal, DGS shall compile a Consolidated Technical and Financial Appraisal Report (TFAR) summarizing key findings, observations, and recommendations along with its recommendation for admissible quantum of capital assistance and submit it to the Project Appraisal Committee (PAC) for review.
- f) The Project Appraisal Committee (PAC), constituted by DGS and comprising technical, financial, and domain experts, shall:
 - Evaluate the overall technical, financial, and operational viability of the project;
 - Recommend the admissible quantum of capital assistance and define the milestone-based disbursement schedule in the ratio of 20%–30%–30%–20%; and

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- Specify any special conditions for approval, including the adoption of green technologies, domestic content preference, local employment generation, or technology-transfer commitments.

g). The Committee's final recommendations shall be recorded in the minutes and the shipyard application shall be forwarded to the NSbM for review and approval, along with the Consolidated Appraisal Report and supporting documents uploaded via the NSbM online portal.

Step 6: Sanction and Communication of Approval

- a) The National Shipbuilding Mission (NSbM) shall review the Consolidated Appraisal Report, along with all supporting documents and recommendations submitted by the Directorate General of Shipping (DGS), against the shipyard's application. Based on the project's overall conformity with the objectives, eligibility criteria, and appraisal findings under the Shipbuilding Development Scheme (SbDS), the proposal shall be placed before the NSbM Committee for consideration and grant of In-principle approval or rejection.
- b) Upon In-principle approval by NSbM, a Sanction Letter shall be issued to the applicant shipyard by Directorate General of Shipping (DGS).
- c) The In-principal approval/ sanction Letter shall specify:
 - i). The approved quantum and percentage of capital assistance;
 - ii). The milestone-linked disbursement schedule, defining release of assistance in four tranches of 20 % – 30 % – 30 % – 20 %;
 - iii). The compliance requirements, including statutory, environmental, and safety regulations; and
 - iv). The obligations for progress reporting, third-party monitoring, and submission of utilisation and completion certificates.
- d) A summary of all projects accorded In-principle approval shall be published on the NSbM portal for transparency and public record.
- e) Following the issue of the Sanction Letter, the process of fund disbursement shall be governed by the provisions of Clauses 5.4.1 to 5.4.6 of these guidelines.

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Step 7: Project Commencement and Implementation

- a) Upon receipt of the In-principal approval/sanction Letter, the shipyard shall commence procurement, construction, and implementation activities strictly in accordance with the approved Detailed Project Report (DPR) and the scope sanctioned under the Shipbuilding Development Scheme (SbDS).
- b) Any change in the approved project scope, deviation exceeding six (6) months from the project milestone schedule proposed by the shipyard, or escalation in the assessed project cost after the grant of In-principle approval shall be promptly communicated to DGS for information and record. However, the approved quantum of capital assistance shall remain fixed and shall not be revised once the In-principle approval has been accorded for the respective brownfield project.
- c) The shipyard shall ensure that all works are executed in accordance with the approved design, technical specifications, and milestones defined in the Sanction Letter, and completed within the prescribed timelines.
- d) The Final Completion Certificate, required for claiming the final tranche of capital assistance, shall be submitted within five (5) years from the date of In-principle approval of the original application, unless an extension is specifically approved by NSbM based on justified reasons.
- e) The Final Completion Certificate shall be issued by an Independent Evaluation Agency (IEA) empanelled under Annexure–III, following physical verification of project completion prior to the release of the final instalment of assistance by NSbM/DGS.

6 Project funding mechanism for Brownfield Capacity Expansion

- 6.1 Once a project is sanctioned and funded under the Scheme, following due appraisal and approval by the National Shipbuilding Mission (NSbM), the release of funds shall be undertaken by DGS in accordance with the extent and limits prescribed under these Guidelines. Disbursement shall be made only after all statutory and regulatory clearances are in place and the work order for the approved project components has been formally awarded by the shipyard.

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- 6.2 No financial guarantees, sovereign assurances, or other contingent liabilities shall be extended by the Central Government for any project considered under this Scheme. The Government's financial obligation shall be limited strictly to the approved quantum of capital assistance sanctioned under the Scheme, subject to the shipyard's full compliance with these Guidelines and all applicable terms and conditions of sanction.
- 6.3 All fund recipients or project proponents shall mandatorily engage an Independent Evaluation Agency (IEA) listed under Annexure–III for periodic monitoring, physical verification, and milestone certification of the project. The Completion Certificate issued by the designated IEA, confirming 100% physical and financial completion, shall be a precondition for the release of the final tranche of capital assistance.
- 6.4 **Funding Protocol for items 7 and 8 listed in Schedule-I.**
- 6.4.1 Notwithstanding anything contained in Clauses 5.4 and 6.1, the disbursement of capital assistance for Schedule-I Item 7 (Cranes) and Item 8 (Block / Modular Fabrication Facilities) shall be made only after successful commissioning of the respective equipment or facility.
- 6.4.2 Such items shall not follow the standard tranche-wise disbursement pattern of 20% – 30% – 30% – 20% prescribed for other infrastructure components. The entire eligible quantum of assistance for these items shall be released post-commissioning, subject to verification by the Independent Evaluation Agency (IEA) and submission of:
- (a) a Commissioning Certificate issued by the IEA confirming full operational readiness;
 - (b) a Fund Utilisation Certificate (Annexure–IX) for the actual expenditure incurred; and
 - (c) a Chartered Accountant's Certificate (Annexure–VI) verifying payment completion.
- 6.4.3 For the purpose of this clause, "commissioning" shall mean completion of installation, load testing, and operational verification of the equipment or system in accordance with manufacturer specifications and the approved DPR.

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6.4.4 The Directorate General of Shipping (DGS) shall record the commissioning verification and recommend release of funds to the National Shipbuilding Mission (NSbM) upon satisfactory compliance with the above conditions.

7 Monitoring and evaluation of Projects funded under SbDS

- 7.1 NSbM shall maintain an online dashboard for real-time progress tracking. The fund recipients / project proponents will submit monthly progress report (physical and financial) of projects as per the electronic format / MIS prescribed by NSbM by the 5th of every calendar month. NSbM along with the fund recipients / project proponents will monitor the progress of projects based on the same.
- 7.2 The fund recipients/ project proponents will submit the utilization certificate for the fund released in the previous tranche for claiming release of subsequent installments / tranches. The fund recipients / project proponents will maintain financial records, supporting documents, statistical records and all other records, to support performance of the project.
- 7.3 During the execution of the project, Ministry of Ports, Shipping and Waterways officials may inspect the projects funded under SbDS Scheme through designated team.
- 7.4 DGS shall extend necessary support to agencies entrusted by Government of India with monitoring and evaluation of projects funded under the Scheme.
- 7.5 Fund recipients must regularly update project data on designated MIS portals and integrate with NSbM portal as prescribed by the Government.
- 7.6 The funds will be released to the project proponents by DGS in terms of procedure for flow of funds under Central Sector Scheme or guidelines issued by Ministry of Finance, Government of India from time to time.
- 7.7 If any doubt / clarification arises in the implementation of these guidelines, the decision of Ministry of Ports, Shipping and Waterways shall be final and binding.
- 7.8 The NSbM may reject any project that, in its assessment, lacks adequate socio-economic justification or fails to demonstrate sufficient short-term stimulus along with long-term economic benefits.
- 7.9 The capital assistance given under the Scheme is subject to audit by CAG of India.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

- 7.10 The scheme shall not cover maintenance dredging of shipyard berths or the Operations & maintenance expenses of projects.
- 7.11 NSbM may relax any provision of these guidelines with the approval of Minister-in charge, subject to proper written justification and documented rationale.
- 7.12 Committed liabilities, if any, shall be honoured beyond the duration of the scheme, up to 6 years post 31st March 2036.
- 7.13 Administrative Expenses: Budget of Rs.50 crore has been allocated for the Shipbuilding development scheme administration including hiring of contractual manpower/ consultants /agencies and miscellaneous expenses.

8. Grievance Redressal, Amendments, Review and Interpretation.

- (a) If any grievance arises due to any act of commission or omission by DGS under these guidelines, the matter shall be referred to the Institutional Mechanism notified by the Ministry of Ports, Shipping and Waterways (MoPSW) for this purpose. The Institutional Mechanism shall examine and resolve such grievances within ninety (90) days from the date of receipt of the application. The decision of the Institutional Mechanism shall be final and binding. The Ministry of Shipping shall also notify the detailed procedure for filing and resolution of such grievances through the Institutional Mechanism.
- (b) Inter Ministerial Governing Board of NSbM shall review these guidelines atleast every two years from the date of issue or the date of last review. However, this shall not affect the right of the Ministry to amend or modify these guidelines at any point of time including the Schedules and Annexures appended thereto.
- (c) In case any doubts arise with respect to interpretation of these guidelines, the same would be resolved with the approval of Hon'ble Minister of Shipping and such decision shall be final.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Schedule- I

List of eligible items for Brownfield Expansion

- 1) **Channel and basin development** shall include permanent improvement works within existing water areas of the shipyard, such as access channels, turning basins and docking zones, through structural interventions like quay wall strengthening, basin reshaping, and widening of maneuvering zones to accommodate larger vessels safely. Dredging works are expressly excluded.
- 2) **Dry dock** shall include the construction, modernization, or upgradation of permanent graving docks, designed to admit a vessel, seal through dock gates, and drain water to expose the hull for construction, maintenance, repair, or inspection. Eligible works include dock gates, pumping systems, and associated structural or mechanical systems, as regulated under applicable port and shipbuilding standards.
- 3) **Slipway** shall include the construction or strengthening of reinforced concrete or steel slipways, extending from the shore into the water and used for launching newly built vessels or retrieving vessels for repair and maintenance. Eligible works include rails, winch systems, vessel and transfer cradles, and associated structural elements required to support and guide vessels during launching or hauling operations.
- 4) **Shiplift** shall include the installation, modernization, or upgradation of mechanical lift dock systems comprising a structural platform operated by synchronized hoists, used for lifting vessels out of the water or launching them. Eligible works include platform structures, hoisting mechanisms, transfer systems, and associated electrical and control systems necessary for safe and efficient vessel handling.
- 5) **Floating dock** shall include the acquisition, construction, or modernization of floating dry docks, whether self-propelled or non-propelled, designed to be

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

submerged to receive a vessel and refloated to lift it above the waterline for construction, maintenance, or repair activities. Eligible works include ballast systems, pumps, control mechanisms, and associated structural or safety systems in accordance with applicable maritime standards.

- 6) **Pier/Jetty** shall include the construction, modernization, or strengthening of berthing structures projecting from the shore into the water, used for mooring, loading, and unloading of vessels. Eligible works include fenders, mooring equipment, bollards, walkways, and loading/unloading arrangements, designed and executed in accordance with relevant port engineering standards and safety regulations.
- 7) **Cranes** shall include the procurement, installation, or upgradation of mechanical lifting equipment, such as Goliath, Gantry, Tower, Wharf (Jetty), Portal, Jib, Bridge, and Wall Travelling Cranes, which are fixed or operate on permanent rails/tracks embedded in concrete and not mounted on rubber wheels or mobile carriers. These cranes are primarily used for lifting, moving, and positioning ship blocks, heavy components, or entire vessels within designated areas of the shipyard such as the building dock, slipway, block assembly zones, and outfitting berths.
- 8) **Block/ Modular Fabrication facility** shall include the establishment, modernization, or upgradation of dedicated fabrication facilities or bays, located within the premises of an existing shipyard or away from the shipyard, equipped for the cutting, forming, welding, and assembly of large, three-dimensional ship sections (blocks or modules) using advanced prefabrication techniques to enhance productivity and modular construction capability. Such facilities, whether established within or adjacent to the premises of an existing shipyard or at a distant location through a Joint Venture arrangement in which the shipyard is a shareholder, shall qualify as brownfield expansions under the scheme only if they are established and registered under the same legal entity and name as the base shipyard for a minimum period of one (1) year prior to the date of application.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

All equipment and installations under this item shall constitute fixed, immovable infrastructure integral to the block fabrication process and shall conform to recognized shipbuilding, safety, and environmental standards, supporting modular, high-productivity, and energy-efficient shipbuilding operations.

Eligible works and equipment under this category shall also include the following:

- a) Heavy cutting, bending, rolling, and forming equipment, such as CNC/plasma plate cutting machines, heavy -duty rolling machines, heavy-duty bending machines, permanently installed within the fabrication facility;
- b) Automated or semi-automated welding and assembly systems installed at fixed stations or operating on permanent gantry or rail tracks within the fabrication and block assembly areas, including but not limited to submerged arc welding systems, panel line welding systems, block alignment and erection fixtures, and associated heavy structural supports;
- c) Surface preparation and coating systems, such as grit blasting and priming plants, plate auto-blast and priming machines, and hull block-level blasting and painting systems, installed as fixed yard infrastructure; and
- d) Material handling and lifting systems integral to block fabrication, gantry or Goliath cranes, and high-capacity transfer systems permanently serving the fabrication bays.

All assets created under Schedule—I shall remain non-transferable and exclusively used for shipbuilding operations for a minimum period of ten (10) years from the date of commissioning.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Annexure - I

GUIDANCE NOTES FOR PREPARATION OF DETAILED PROJECT REPORT (DPR) FOR BROWNFIELD SHIPYARD MODERNISATION / EXPANSION PROJECTS

1. Context and Background

- Describe the existing shipyard, including ownership, registration details, and management structure.
- Summarize current facilities, key equipment, production capacity, and operational performance.
- Present an executive summary of the proposed expansion project, outlining its scope, objectives, and investment size.
- Highlight the anticipated impact of the project in terms of productivity, employment, and competitiveness.
- Explain the strategic rationale for undertaking the modernisation or expansion.
- Link the proposal with national and policy objectives such as technology upgradation, capacity enhancement, environmental compliance, and export competitiveness.
- Compare the current installed capacity with the projected post-expansion capacity, demonstrating expected efficiency and output gains.
- Establish alignment with national maritime and industrial initiatives, including *Maritime India Vision (MIV) 2030*, *MAKV 2047* and *Atmanirbhar Bharat Abhiyan*.

2. Problem Statement

- Operational bottlenecks (e.g., obsolete infrastructure, lack of automation, low productivity).
- Provide baseline data (yard capacity, throughput, productivity indicators).
- Summarise Capacity constraints in existing facilities and machinery that the proposed infrastructure and equipment upgrades aim to address and environmental non-compliance issues.
- Need and justification for the proposed investment.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

3. Objectives and Expected outcomes

- Specify objectives such as capacity augmentation, lead-time reduction, compliance with green-yard norms, workforce upskilling, and productivity improvement, improvement in cost efficiency and safety.
- State measurable deliverables: number of new docks installed, percentage increase in output, energy-efficiency targets, number of trained personnel.
- Include anticipated benefits such as productivity enhancement, employment generation, cost reduction, and environmental performance improvements.

4. Strategy and Approach

- Examine upgrade alternatives — incremental vs. comprehensive modernization.
- Justify selected approach with technical, economic, and operational rationale.
- Provide phasing plan to ensure minimal disruption to ongoing operations. Include detailed project timelines with Gantt charts or milestone-based activity breakdowns.
- Explore PPP and outsourcing models where relevant.

5. Target Beneficiaries and Stakeholder Engagement

- Identify primary and secondary stakeholders (yard management, workers, ship-owners, suppliers, local community).
- Summarise stakeholder consultations and social impact considerations.
- Address retraining, safety, and inclusion of weaker sections.

6. Legal and Regulatory Framework

- Review applicable regulatory requirements for expansion, including environmental clearance amendments, lease renewals, and safety certifications.
- Highlight compliance risks and propose mitigation actions.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

- List all statutory and environmental clearances required and their current status, including Coastal Regulation Zone (CRZ), state/port authority approvals, and industrial safety clearances.

7. Environmental and Social Impact

- Present the environmental and social management plan for the upgrade.
- Include measures to minimise pollution, manage waste, improve energy efficiency, and enhance workplace safety.
- Incorporate alignment with Green Shipyard or Sustainable Infrastructure standards, where applicable.

8. Technology and Innovation

- Describe retrofit and upgradation technologies proposed (digital workflow, robotic welding, renewable-energy integration).
- State the basis for technology selection and compatibility with existing systems.
- Include plans for green-yard certification and emission reduction.

9. Project Management and Implementation

- Define the project governance framework, implementing agency, and monitoring arrangements.
- Provide HR transition and skill-upgradation plans.
- Include a detailed implementation timeline with milestone tracking framework integrated with the NSbM portal for progress reporting and fund release.

10. Financial Analysis and Funding Plan

- Present capital cost and phasing of expenditure.
- Outline funding sources: internal accruals, loans, subsidies, and grants.
- Include financial viability metrics and O&M projections.
- Discuss expected revenue enhancement post-modernization.

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11. Implementation Schedule

- Provide timeline for design, procurement, construction, and commissioning.
- Attach a PERT/CPM chart showing activity interdependencies.
- Ensure key milestones are aligned with fund disbursement tranches (20%, 30%, 30%, 20%) as per Clause 5.4.

12. Economic and Cost–Benefit Analysis

- Assess direct and indirect benefits such as higher productivity, increased employment, and regional economic stimulation.
- Include non-quantifiable social and technological benefits where relevant.
- Highlight contributions to national shipbuilding capacity, export potential, and environmental sustainability targets under the Shipbuilding Development Scheme.

13. Risk Assessment and Mitigation

- Identify potential risks: operational disruption, cost overruns, technology mismatch, regulatory delays.
- Include financial risk mitigation measures such as cost escalation reserves and contingency provisioning.

14. Outcomes and Impact Evaluation

- Define KPIs: post-upgrade throughput, turnaround time reduction, energy consumption savings, and workforce skill index.
- Provide baseline vs. target comparison.
- Include monitoring indicators tied to NSbM portal reporting, such as fund utilisation, milestone completion, and independent audit verification.

15. Evaluation and Review

- Specify independent mid-term and post-completion evaluation requirements.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

- Define decision points for future expansion or replication.
- Include requirements for submission of mid-term progress reports and post-completion evaluation by the Independent Evaluation Agency empanelled under Annexure–III.

16. Executive Summary

A clear and concise project summary covering background, rationale, objectives, technical and financial overview, benefits, risks, and outcomes.

17. Relevant Annexures (Supporting Documents)

Attach the following supporting documents:

1. Statutory and environmental clearance copies.
2. Audited financial statements (last 3 years).
3. Board resolution / project approval.
4. Detailed cost breakup and supplier quotations.
5. Gantt chart or PERT/CPM schedule.
6. Drawings, layout plans, and photographs.
7. Environmental and social management plan.
8. DPR Evaluation Report, Evaluation Certificate, and Site Inspection Report (Annexure-V, Annexure–VII, Annexure–VIII).
9. Affidavit, Indemnity Bond, Fund Utilisation Certificate (Annexure–IV, IX, VI).

Certification

I/We hereby certify that the information and data furnished in this Detailed Project Report are true, correct, and complete to the best of our knowledge and belief.

Signature: _____

Name: _____

Designation: _____

Consultant Organization : _____

Shipyard Name: _____

Date: _____

Seal: _____

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Annexure-II

Brownfield Shipyard evaluation Criteria:

Sl. No.	Criteria	Sub-Criteria	Weightage (Tentative)
1	Existing Yard Context & Infrastructure Readiness	- Present ownership structure, operational status (active / dormant) - Current capacity, throughput and utilization rate - Inventory of key assets: dry docks, slipways, cranes, jetties, fabrication and outfit areas - Structural condition and maintenance status of existing infrastructure - Scope for layout optimization and integration of additional facilities	20%
2	Problem Identification & Modernisation Rationale	- Bottlenecks in production, space utilization, or capacity constraints - Presence of obsolete machinery, non-automated workflows, high turnaround time - Non-compliance with environmental / safety norms - Justification for modernization in alignment with national maritime and shipbuilding policies	10%
3	Strategic Objectives & Upgrade Potential	- Defined modernization objectives: capacity augmentation, productivity, safety, and sustainability - Measurable deliverables: new docks, cranes, fabrication lines, or yard automation - Linkage to green-yard certification, ESG compliance, and reduced emission targets - Impact on employment, skills, and local ecosystem	10%
4	Technical Strategy & Implementation Plan	- Evaluation of modernization alternatives (incremental vs comprehensive) - Justification of chosen strategy with technical and economic rationale - Phasing plan ensuring continuity of ongoing operations	10%

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

		- Integration with existing systems and expansion scope	
5	Stakeholder & Workforce Ecosystem	- Identification of primary stakeholders (yard, workforce, ship-owners, suppliers, community) - Stakeholder consultation and social impact analysis - Reskilling and safety management for workforce - Inclusion of local MSMEs, community development initiatives	10%
6	Regulatory Compliance & Governance Framework	- Status of clearances: Environmental, CRZ, lease renewals, factory and safety licenses - Regulatory compliance history and mitigation of pending issues - Institutional structure for project execution (SPV, PMC, yard management) - Governance model and reporting mechanisms	10%
7	Technology Upgradation & Innovation	- Adoption of modern technologies: digital yard management, robotic welding, renewable energy - Retrofitting plans compatible with existing infrastructure - Integration of energy-efficient systems and waste minimization measures - R&D, innovation and collaboration with global design / tech partners	10%
8	Financial Strength, Funding & Viability	- Capital cost estimates and phasing of expenditure - Access to internal accruals, institutional loans, and government subsidies - Financial health indicators (turnover, debt-equity ratio, profitability) - Cost recovery model and O&M sustainability post modernization	10%
9	Market Position & Order Pipeline	- Current and projected order book (domestic, export, repair) - Partnerships and MoUs with shipowners, OEMs, and global clients - Competitiveness and diversification potential in green shipbuilding and repair markets	5%

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

10	Environmental, Social & Safety Performance	- Current status of environmental management and occupational health systems - Measures for pollution control, waste management, and energy efficiency - Social impact mitigation and worker welfare initiatives - Compliance with ISO 14001 / 45001 and green-yard benchmarks	5%
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Guidance Notes:

1. Brownfield shipyards proposed for modernization should demonstrate high potential for productivity improvement, capacity augmentation, and cost competitiveness within the existing physical and regulatory footprint.
2. Environmental and social performance history shall be a key differentiator; non-compliant or litigation-prone sites will receive lower weightage.
4. Evaluation shall be based on composite scoring out of 100, combining field assessment, document review, and independent expert validation.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Annexure- III

List of Independent Evaluation and Certification agencies

1. IIT Madras – Department of Ocean Engineering (DOE)
2. IIT Kharagpur – Department of Ocean Engineering and Naval Architecture (OENA)
3. IIT Mumbai - Ocean Engineering, Department of Civil Engineering

Notes:

1. The above agencies shall possess demonstrable domain expertise in maritime infrastructure development, marine engineering, project finance, and industrial planning, and shall undertake evaluations on parameters including infrastructure adequacy, cost reasonableness, implementation timelines, compliance with environmental and safety standards, and anticipated economic and operational outcomes.
2. The National Shipbuilding Mission (NSbM) may, as deemed necessary, empanel or authorize additional institutions or organizations with equivalent expertise and capability to undertake such evaluations.
3. The cost of appointing and operating Independent Evaluation Agencies shall be borne by NSbM from the administrative budget; no evaluation fee shall be charged to shipyards.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

ANNEXURE-IV

DRAFT AFFIDAVIT FORMAT (SbDS)

I, _____ (insert name), son/daughter of _____ (insert Father's name), being the authorized signatory of _____ (insert name of the Shipyard) (hereinafter referred to as the "Shipyard") do hereby solemnly affirm and state as under:

1. That I am the _____ (position / rank) of _____ (insert name of Shipyard) and am competent to swear this affidavit.
2. I state that _____ (insert name of the Shipyard) is a company/partnership firm/proprietorship firm registered under the applicable laws of the country and situated in _____ (insert name of the State) and the activities are carried out/operated within the territories of India.
3. I state that the Shipyard has prepared and submitted a Detailed Project Report (DPR) dated _____ (insert date of DPR submission) for the proposed brownfield expansion project under the Shipbuilding Development Scheme (SbDS) of the Government of India.
4. I state that the DPR includes details of the infrastructure and machinery to be procured or constructed, projected capacity enhancement, capital cost estimates, project timelines, and anticipated benefits including employment generation and environmental improvements.
5. I state that the Shipyard shall use the following Bank Accounts for all financial transactions related to the project under SbDS, namely:
 - (i) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of _____ (insert name of the shipyard).
 - (ii) Bank Account No. _____ (insert bank account number) opened in _____ (insert name and address of the Branch of the Bank) in the name of _____

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

(insert name of the shipyard).

5.1. I further state that any change in the Bank Account number shall be intimated by me or the authorized signatory of the Shipyard to the Government of India within seven (7) days of such change.

6. I state that the Shipyard is not claiming any monetary support under any other policy or scheme of the Central or State Government for the said project, except for benefits that are generally available to shipyards irrespective of the specific project, such as:

- (i) exemptions of domestic taxes or import duties applicable on procurement of raw materials, components or capital goods;
- (ii) fiscal or monetary benefits arising from the location of the shipyard;
- (iii) fiscal or monetary benefits arising from grant of infrastructure status to the shipyard; or
- (iv) any other fiscal or monetary benefit available by virtue of being a shipyard.

7. I state that the execution of the proposed project has not commenced prior to the submission of the DPR dated _____ (insert DPR date).

8. I state that the following documents have been furnished by the Shipyard in support of its application for capital assistance under SbDS, namely:

- ☐ Proof of incorporation and shipyard registration;
- ☐ Audited financial statements for the last three (3) financial years and tax compliance certificates if applicable;
- ☐ Statutory clearances including environmental, coastal regulation, and safety approvals;
- ☐ Board resolution or equivalent authorization approving the proposed investment;
- ☐ Self-declaration committing to operate the upgraded facility for a minimum period of ten (10) years;

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

- ☐ Detailed Project Report outlining the scope, cost estimates, timelines, and expected outcomes of the proposed project as per Annexure-I.
- ☐ Technical and Financial Appraisal Reports prepared by the Independent Evaluation Agency listed under Annexure-III.
- ☐ Evaluation Certificate issued by the Independent evaluation Agency certifying the technical feasibility, financial viability, and final estimated project cost as per Annexure-VIII.
- ☐ Site Inspection report issued by the Independent evaluation agency as per Annexure-VIII.
- ☐ Indemnity Bond as per Annexure-V.

I state that all the above documents are true copies of their originals and are genuine. I undertake to furnish any other/further/additional documents that may be asked by the Government of India for processing the application under SbDS.

VERIFICATION

Verified at _____ (insert place) on this the _____ day of _____ 20__ that the contents of the foregoing affidavit are true and correct to the best of my knowledge and no part of it is false and nothing material has been concealed therefrom.

DEPONENT

Note: The affidavit shall be executed after discharging the Stamp Duty Liability on the affidavit at the rate prescribed in the applicable State Stamp Act or the Indian Stamp Act, whichever is applicable.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)
ANNEXURE-V

DRAFT INDEMNITY BOND FORMAT (SbDS)

(To be executed post DPR approval and prior to release of first instalment)

This Indemnity Bond is executed at _____ on this _____ day of _____, **20**, by _____ (insert name of the Shipyard), through its _____ (insert name and designation of the authorized signatory), son/daughter of _____ (insert father's name), having its registered office at _____ (insert full address of the Shipyard) (hereinafter referred to as the "Shipyard").

IN FAVOUR OF

Government of India, represented through the Ministry of Ports, Shipping and Waterways, Transport Bhavan, 1, Parliament Street, New Delhi – 110001 (hereinafter referred to as the "Government").

WHEREAS, the Shipyard has submitted a Detailed Project Report (DPR) dated _____ for a brownfield expansion project under the Shipbuilding Development Scheme (SbDS) of the Government of India.

AND WHEREAS, the Shipyard has applied for capital assistance under SbDS and has received in-principle approval from the competent authority on _____.

AND WHEREAS, based on the documents furnished and appraisal reports submitted, the Shipyard is eligible for capital assistance up to _____% of the approved project cost, subject to milestone-based disbursement and compliance with the terms and conditions of the scheme.

NOW THIS BOND WITNESSETH AS UNDER:

- 1) The Shipyard affirms that all documents submitted in support of its application — including the Detailed Project Report (DPR), statutory and environmental clearances, financial statements, and declarations — are genuine, complete, and true copies of their originals.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

- 2) The Shipyard confirms that the eligible infrastructure items for which capital assistance is being claimed have not commenced prior to the submission of the DPR, and that implementation shall strictly follow the approved scope, specifications, and timelines as sanctioned under the Scheme.
- 3) The Shipyard undertakes that the infrastructure and machinery proposed in the DPR shall be procured, installed, and commissioned in India, and that the physical progress shall be reported accurately at each milestone stage by the Independent Evaluation Agency designated under the Scheme.
- 4) The Shipyard agrees to furnish any additional documents, reports, or clarifications as may be required by the Government, the Directorate General of Shipping (DGS), or its designated agencies for the purpose of processing, verification, and release of capital assistance.
- 5) The Shipyard accepts that each tranche of capital assistance shall be released only upon verification of physical progress, compliance with approved milestones, and satisfactory utilization of previously disbursed funds, in accordance with the Scheme Guidelines
- 6) The Shipyard agrees that the capital assistance released shall be treated as provisional and subject to final settlement upon completion of the project and submission of a Completion Certificate, duly countersigned by the Independent evaluation agency.
- 7) The Shipyard hereby undertakes to furnish a Bank Guarantee against each tranche of payment released by the Directorate General of Shipping. Such Bank Guarantee, issued in favour of the DGS, shall remain valid until project completion and shall be liable for encashment, at the sole discretion of the Directorate, in the event of any default, non-compliance, or breach of the Shipbuilding Development Scheme (SbDS) Guidelines. The Shipyard shall not contest such invocation.
- 8) The Shipyard agrees to indemnify and keep harmless the Government of India, the Ministry of Ports, Shipping and Waterways (MoPSW), and the Directorate General of Shipping against any loss, damage, claim, or liability arising out of misrepresentation, omission, or submission of false or misleading information in connection with the capital assistance application.

**DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)**

- 9) The Shipyard further undertakes that, in the event any information or document submitted is found to be false, incorrect, or misleading, the capital assistance received shall be refunded to the Government along with interest at 18% per annum, calculated from the date of disbursement until the date of repayment.
- 10) The Shipyard hereby affirms that all infrastructure assets and equipment created, acquired, or funded under the SbDS shall be operated, maintained, and utilized exclusively for shipbuilding and allied purposes for a minimum period of ten (10) years from the date of commissioning, and shall not be diverted, leased, transferred, or disposed of during this period without the prior written approval of DGS.

IN WITNESS WHEREOF, the Shipyard has executed this Indemnity Bond on the date and year first above written.

(Signature of Proprietor/Partner/CMD/Chairman/CEO/MD)

For and on behalf of _____ (Name of Shipyard)

Witnesses:

1. _____ (Name and Signature)
2. _____ (Name and Signature)

Note: This Indemnity Bond shall be executed on non-judicial stamp paper of appropriate value as per the applicable State Stamp Act or the Indian Stamp Act.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)
ANNEXURE-VI

[FORMAT FOR LETTER OF CHARTERED ACCOUNTANT ON THE LETTERHEAD
OF THE PRACTISING CHARTERED ACCOUNTANT]

(Post Milestone Completion – SbDS Phase Claim)

This is to certify that _____ (**Name of Shipyard**) (hereinafter referred to as the “Applicant”) has submitted a Detailed Project Report (DPR) dated _____, and has received in-principle approval under the Shipbuilding Development Scheme (SbDS) of the Government of India for undertaking a brownfield expansion project.

With reference to the request for release of capital assistance under SbDS, the shipyard had earlier submitted an affidavit dated _____, a copy of which is attached with this certificate.

The undersigned has carried out a financial audit on _____ (insert date) to verify the actual capital expenditure incurred by the shipyard towards the approved project components as per the DPR and the sanctioned scope.

It is noted that the shipyard has achieved the milestone corresponding to _____% physical progress and has submitted a Utilisation Certificate confirming that at least _____% of the previously released funds have been utilised.

The net eligible expenditure incurred by the shipyard for this phase is ₹_____ (in Indian Rupees), verified against supplier invoices, payment records, and bank statements.

This certificate is issued to _____ (Name of Shipyard) for the purpose of claiming the next tranche of capital assistance from the Government of India under the Shipbuilding Development Scheme, promulgated vide GOI Order No. _____ dated _____.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

The break up details of the balance payment received by the shipyard, subsequent to the date of issuance of initial certificate by the Chartered accountant, is as follows;

S.No.	Invoice No.& date	Date receipt payment	of of Total Amount Received (INR)	Break-up of amount received (INR)	
				Principal component	Tax component
1					
2					
3					
4					
...					
Total					

Signature: _____

Name: _____

Membership No.: _____

Address: _____

Date: _____

Place: _____

Seal of Chartered Accountant

**DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)**

Annexure – VII

[To be issued on the letterhead of DPR Evaluation Agency]

INDEPENDENT EVALUATION AGENCY DPR EVALUATION CERTIFICATE FORMAT

This is to certify that **M/s.** _____ (**Name of Shipyard**),
having its registered office at _____ (**Full
Address**), has submitted a Detailed Project Report (DPR) dated _____
(**Insert Date**) for consideration under the **Shipbuilding Development Scheme (SbDS)**
of the Government of India.

The DPR has been evaluated by _____ (Name of IEA) as per Annexure-III of
Guidelines for Brownfield shipyard expansion in accordance with the technical and
financial parameters prescribed under the scheme guidelines.

Based on the evaluation, we certify the following:

1. The DPR submitted by the shipyard is complete in all respects and includes detailed scope of work, infrastructure and machinery procurement plan, capacity enhancement projections, timelines, and cost estimates.
2. The **technical appraisal** confirms the feasibility of the proposed expansion, compliance with shipbuilding standards, and alignment with strategic objectives of SbDS.
3. The **financial appraisal** includes independent financial modelling conducted by our agency, estimating the final project cost at ₹ _____ (in Indian Rupees), which is considered reasonable and viable.

This certificate is issued to facilitate the sanction of capital assistance under SbDS, based on the lowest of the DPR-estimated cost and the cost determined by the evaluation agency.

Signature: _____

Name & Designation: _____

**DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)**

Agency Name: _____

Seal of Evaluation Agency

Date: _____

Place: _____

ANNEXURE – VIII

Site Inspection Certificate Format – SbDS

(To be issued on the letterhead of the Independent Evaluation Agency)

To:

[The Competent Authority]

Subject: Inspection Certificate for Project under SbDS – Milestone Verification

This is to certify that:

- (a) A physical inspection of the project site of **M/s.** _____
(Name of Shipyard) located at _____
(Full Address) was conducted on _____ **(Date)** by our team,
recognized by DGS under the Shipbuilding Development Scheme (SbDS).
- (b) The inspection was carried out to verify the physical progress of the project as per the approved Detailed Project Report (DPR) and the sanctioned milestone schedule.
- (c) As on the date of inspection, the shipyard has achieved physical progress of _____%,
and the infrastructure/machinery installed is in accordance with the specifications outlined
in the DPR.
- (d) The shipyard has submitted a Utilization Certificate confirming that _____% of
previously released funds have been utilised.

**DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)**

(e) The inspection confirms that the milestone criteria for release of the next tranche of capital assistance under SbDS have been met.

(f) Deviations from the approved DPR specifications, if any, are listed below:

(i) _____

(ii) _____

This certificate is issued to support the release of the next instalment of capital assistance under the Shipbuilding Development Scheme.

Yours sincerely,

(Name of Authorized Signatory)

Designation

Agency Name

Seal of Evaluation Agency

Enclosures: Site photographs, progress report, Utilization Certificate

Copy to: M/s. (Name of Shipyard)

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Annexure-IX

FORMAT FOR FUND UTILIZATION CERTIFICATE (FUC)

(To be issued by a Chartered Accountant registered with the Institute of Chartered Accountants of India on the firm's letterhead)

To

The Director General of Shipping,
Ministry of Ports, Shipping and Waterways,
Government of India

Subject: *Fund Utilization Certificate for Capital Assistance Released under the Shipbuilding Development Scheme (SbDS) – Brownfield Shipyard Expansion*

1. Name of Shipyard: _____
2. Registered Address: _____
3. Project Title: _____
4. Sanction Letter No. & Date: _____
5. Total Approved Capital Assistance (₹): _____
6. Fair Assessed Project Cost (₹): _____
7. Instalment No.: ☐ 1st ☐ 2nd ☐ 3rd ☐ 4th (Final)
8. Period Covered: From _____ to _____

A. DETAILS OF FUND RELEASE AND UTILIZATION

Sl. No.	Particulars	Amount (₹)	Remarks
1	Amount Released under this Tranche		
2	Cumulative Amount Released till Date		
3	Amount Utilized from Current Tranche		
4	Cumulative Utilization of Released Funds		
5	Unutilized Balance (if any)		

B. DETAILS OF EXPENDITURE INCURRED TOWARDS ELIGIBLE ITEMS

Sl. No.	Infrastructure Component (as per Schedule-I)	Vendor / Contractor	Invoice No. & Date	Amount Paid (₹)	Mode of Payment / Transaction Reference	Remarks
1	Items...					

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

C. SUMMARY OF PHYSICAL PROGRESS (as certified by Independent Evaluation Agency)

Milestone	Targeted Physical Progress (%)	Achieved (%)	Verified by (IEA)	Date of Verification	Remarks
Milestone-I					
Milestone-II					
Milestone-III					
Milestone-IV					

D. DECLARATION BY CHARTERED ACCOUNTANT

I/We have examined the books of accounts, vouchers, bank statements, and relevant records of M/s. _____ (Name of Shipyard) for the utilization of funds released under the Shipbuilding Development Scheme (SbDS) towards the approved Brownfield Shipyard Expansion Project.

I/We hereby certify that:

1. The funds released under the said tranche amounting to ₹_____ have been utilized **solely for the creation of eligible immovable assets** as listed in Schedule-I of the Scheme Guidelines.
2. The expenditure incurred is duly supported by **invoices, payment vouchers, and proof of electronic transfer** from the shipyard's registered project bank account.
3. The physical progress achieved corresponds to the utilization reported and is consistent with the independent verification report submitted by the designated **Independent Evaluation Agency (IEA)**.
4. No part of the assistance has been diverted for non-project purposes or for ineligible components.
5. The unutilized balance, if any, shall be adjusted or refunded as per the directions of the Directorate General of Shipping / NSbM.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)

E. CERTIFICATION

Particular	Value / Reference
Total Funds Released (₹)	
Total Funds Utilized (₹)	
% Utilization of Cumulative Release	
Date of Physical Verification by IEA	
Certified Physical Progress (%)	
Verified by	_____ (Name & Membership No.)

For and on behalf of
(Name of Chartered Accountant / Firm)

Signature: _____
Name: _____
Membership No.: _____
Firm Registration No.: _____
Address: _____
Date: _____
Place: _____
(Seal of Chartered Accountant)

Countersigned by:
(Authorized Signatory of Shipyard)
Signature: _____
Name: _____
Designation: _____
Seal of Shipyard

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Enclosures:

1. Copies of invoices and payment proofs for expenditure items listed in Section B.
2. Copy of latest Independent Evaluation Agency (IEA) Site Inspection Certificate (Annexure–VIII).
3. Summary statement of bank transactions linked to project account.
4. Photographic evidence of milestone progress.

Notes:

- This certificate must be submitted for each tranche of capital assistance released under the Scheme.
- The final Fund Utilization Certificate shall accompany the **Project Completion Certificate** (Annexure–X) for release of the final instalment.
- Any false or misleading declaration shall render the shipyard liable for recovery of the entire grant amount with **18% interest per annum** as per Clause 7.0 of the Scheme Guidelines.

**DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION
under Shipyard Development Scheme (SbDS)**

Annexure–X

FORMAT FOR PROJECT COMPLETION CERTIFICATE (PCC)

(To be issued on the letterhead of the Independent Evaluation Agency as listed under Annexure–III of the SbDS Guidelines)

To

The Director General of Shipping
Ministry of Ports, Shipping and Waterways
Government of India

Subject: *Project Completion Certificate for Brownfield Shipyard Expansion Project under the Shipbuilding Development Scheme (SbDS)*

1. Name of Shipyard: _____
2. Registered Address: _____
3. Project Title: _____
4. NSbM Sanction Letter No. & Date: _____
5. Fair Assessed Project Cost (₹): _____
6. Total Approved Capital Assistance (₹): _____
7. Project Location: _____
8. Period of Execution: From _____ to _____

A. PROJECT OVERVIEW

Particular	Details
Date of In-Principle Approval by NSbM	
Date of Work Commencement	
Scheduled Completion Date	
Actual Completion Date	
Total Duration (Months)	
Implementing Shipyard / Agency	
Independent Evaluation Agency (IEA)	

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

B. SUMMARY OF PROJECT COMPONENTS & STATUS

Sl. No.	Major Infrastructure Component (as per Sanctioned DPR)	Approved Cost (₹ Crore)	Actual Cost (₹ Crore)	% Completion	Remarks
1	Items`...				
Total					

C. FINANCIAL SUMMARY

Particular	Amount (₹ Crore)
Total Project Cost (As per DPR)	
Total Actual Expenditure (Certified by CA)	
Fair Assessed Project Cost (Lowest of DPR, IEA, or CA Value)	
Total Capital Assistance Approved	
Total Capital Assistance Released	
% Utilization of Released Funds	
Balance Amount (if any)	

D. PHYSICAL & FINANCIAL PROGRESS

Milestone	Targeted Physical Progress (%)	Actual Physical Progress (%)	Verified By	Date of Verification	Remarks
1st Instalment (20%)					
2nd Instalment (30%)					
3rd Instalment (30%)					

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Milestone	Targeted Physical Progress (%)	Actual Physical Progress (%)	Verified By	Date of Verification	Remarks
4th Instalment (20%)					
Cumulative Completion	100%	100%			

E. CERTIFICATION BY INDEPENDENT EVALUATION AGENCY (IEA)

This is to certify that a physical inspection and detailed evaluation of the project undertaken by **M/s. _____ (Name of Shipyard)** was conducted on **(Date)** at the project site located at **(Full Address)**.

Based on examination of relevant records, physical verification, Fund Utilization Certificates, and supporting documents, we hereby certify that:

1. The project has achieved **100% physical completion** and is operational as per the approved scope in the Detailed Project Report (DPR) sanctioned under the Shipbuilding Development Scheme (SbDS).
2. All eligible infrastructure items constructed or procured are **permanent, immovable assets**, and are being used exclusively for shipbuilding and related activities.
3. The total capital assistance released under SbDS has been **utilized in full** towards the approved project components, as verified through Fund Utilization Certificates (Annexure–IX).
4. The project complies with all relevant **statutory, environmental, and safety clearances** applicable to its operation.
5. No major deviations from the approved DPR or cost estimates have been observed except those listed below (if any).

List of Deviations / Observations (if any):

- (i) _____
- (ii) _____

If none, indicate “Nil”.

F. RECOMMENDATION

The Independent Evaluation Agency recommends that the **final tranche (20%)** of capital assistance under the Shipbuilding Development Scheme (SbDS) may be released to the shipyard, as all milestones and utilization conditions prescribed in the Guidelines have been fulfilled.

DRAFT GUIDELINES FOR BROWNFIELD SHIPYARD EXPANSION under Shipyard Development Scheme (SbDS)

Authorized Signatory

(Name & Designation): _____

Independent Evaluation Agency: _____

Seal of Agency

Date: _____

Place: _____

Countersigned by:

For M/s. _____ (Name of Shipyard)

Signature: _____

Name: _____

Designation: _____

Seal of Shipyard

Date: _____

Enclosures:

1. Copy of latest Fund Utilization Certificate (Annexure–IX).
2. Site photographs showing completed infrastructure.
3. Summary of financial audit report certified by Chartered Accountant.
4. Copies of statutory and environmental clearance compliance certificates.

Notes:

- This certificate must be issued by the same **Independent Evaluation Agency (IEA)** that conducted the final inspection.
- The certificate forms the basis for the release of the **final tranche of capital assistance (20%)** under the Shipbuilding Development Scheme (SbDS).
- Any false certification or concealment of information shall attract recovery of funds with **18% interest per annum** as per Clause 7.0 of the Guidelines.