

## **Setting up of New Mini Tool Room at Chennai under Public Private Partnership (PPP) Mode**

**Pre-application Conference held on 02.07.2010 at MSME-DI, Chennai**

### **Authority's Responses to the Queries**

<b>S. No.</b>	<b>Queries</b>	<b>Authority's Responses</b>
1.	Kindly clarify that just one year back we have incorporated a company and started setting up a tool room at SIPCOT allotted land at Sriperumbudur. Just 2 months back, we have started the commercial production in the unit. Will the new unit is eligible to participate in the bid process?	An existing Tool Room cannot avail of the grant under this scheme. A new Project Company has to be setup for implementing the project. The intending bidders has to meet the eligibility criteria as per RFQ document.
2.	Can two qualified individuals being a partner of any existing tool room participate in this bid?	Individuals can apply subject to fulfillment of eligibility criteria.
3.	Any NRI/ Foreign citizens/ Foreign companies can participate in this bid?	Yes. However, such participation is subject to regulatory norms for validating documents from foreign countries <i>and guidelines for investment issued by Government.</i>
4.	We have less than one year experience in India, but have 30 years to tool room experience in Germany, whether we are eligible under this scheme?	Experience outside India may be considered for adjudging eligibility, subject to regulatory norms for validating documents from foreign countries.
5.	As per point no. 2.2.2 qualification & experience What is the maximum age limit of a person shown as qualified (the lead member) and what is the department's guidelines for existence / continuance of that person in the Mini Tool Room? Or when shall he get retired from the Tool Room?	There is no precondition on age limit of the applicant.
6.	Please clarify is the term "entity" refers to a 'single member' or a 'single Company'	"Entity" term refers to any person/company/society/trust which is considered as an independent legal entity under Indian Law.
7.	Clause 2.2.2 please clarify whether a family trust is considered as a single entity or a consortium. If it is considered as Consortium, can anyone of the member be the lead Member on the approval of the trust resolution?	A registered trust is considered as a single entity.

8.	Please let us know the maximum commissioning period of the Project and maximum operational period of the system.	Total Agreement Period will be 11.5 years including 1.5 years as commissioning period and 10 years as operational period.
9.	Basic infrastructure requirements of the Projects i.e Land, Built-up area, Capacity, Power requirements , man power etc.	These details will be provided to eligible bidders at Request for Proposal (RFP) stage.
10.	A model copy of the Project draft requirement, feasibility report, technical specification of the machineries and other relevant details pertaining to the project is required for more clarification.	These details will be provided to eligible bidders at RFP stage.
11.	Terms for release of funds for the project.	The terms for release of funds for the project are given in the scheme guidelines available at the website <a href="http://www.dcsmse.gov.in">www.dcsmse.gov.in</a>
12.	What is the minimum eligible size of the tool room in terms of investment, area in MTR scheme with number of machines?	These details will be provided to eligible bidders at RFP stage.
13.	Since, the project is being awarded to the lowest grant bidder, is there any guidelines to use the specific quality & Quantity of Machines in the Project?	These details will be provided to eligible bidders at RFP stage
14.	Is it possible to conduct AICTE or DOTE approved programs of tool design & Manufacture, CAD/CAM, Mechatronics inside this project premises?	The Project Company will be free to conduct training programmes as per the need of the industry. However, Project Company will have to necessarily met the minimum project requirements in terms of trainee days, which will be mentioned in the Agreement.
15.	To provide part of Tool Design/Tool Room associated training including Tool/Die making, jigs & fixtures, CNC, CAD/CAM training, the student would prefer a seal of authenticity like Govt recognised certificates so that the students shall have better confidence of employability and employers shall also value such certification.  Will the Govt provide the necessary recognition of the Training Centre, certificates and can MSME or existing Tool Room Training Centres tie up for Training & using of certificates.	The Authority cannot provide any assistance to the Project Company in this regard.  The Project Company is free to tie-up with any autonomous body for such purposes.  The Authority shall not be party to such an arrangement.
16.	We have a land at Vellore, are we eligible to apply under this scheme?	Any bidder fulfilling the eligibility criteria can apply.  The Mini Tool Room has to be setup in Chennai.

17.	Can the Project be setup at Sriperumbudur area?	The Mini Tool Room has to be setup in Chennai.
18.	TN SIDCO has allotted land at Kakallur approximate 0.5 acres of land in the existing company name for expansion. If we use the land particularly or part of the building for New Mini Tool Room, how and where the formality is to be completed for bifurcating the land/building particularly or partly for Mini Tool Room	<p>The Mini Tool Room has to be setup in Chennai.</p> <p>The Project Company should have freehold/leasehold rights over the land and building.</p> <p>The minimum land area required shall be specified in the RFP.</p> <p>The rules for subdivision/bifurcation of land/building will be as per rules laid down by the relevant planning authority for the area.</p>
19.	Can we take the Company's land on lease under the Mini Tool Room Project and avail the financial facilities for Civil Building Construction of Tool Room and establish.	<p>The Project Company can take land on lease, subject to the conditions mentioned in the Project Agreement.</p> <p>The extent of grant that can be utilised for land and building will be limited to 25% of total grant to be availed for the project. The grant shall be disbursed accordingly.</p> <p>The applicant is advised to refer to the Scheme guidelines for further details.</p>
20.	What is the percentage of margin money to be brought in by the applicant in to the project?	A minimum of 15% of Project Cost has to be invested as equity into the Project Company.
21.	Whether that percentage of margin money will be calculated based on the total project cost or project cost minus grant (subsidy)?	The margin money will be based on the total project cost.
22.	Will the MSME give any assistance in sanctioning of term loan & approvals from all statutory bodies like , BDO, PCB, IF, FIRE, Health etc?	No
23.	Clause 1.2.4, please let us know if the BG amount should be in terms of percentage proportional to the Bidding amount.	Bank Guarantee amount will be for an absolute amount as provided in the bid document (RFP).
24.	Will existing Company's liabilities be linked with the Mini Tool Room Project or will the MTR be considered as stand alone division without any link with the existing company.	The Project Company for the Mini Tool Room will be an independent legal entity and will not have any link with the existing company.
25.	What kind of powers has to be given to the Director appointed by the Government after setting up the tool room? What would be the roles and responsibilities?	The GoI Nominee on the board of Directors shall have no executive powers. He will be a representative of the authority.