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Agenda No.50.4.31(S): Proposal for final approval for setting up of Common Facility Centre (CFC) in Garments Cluster, Ludhiana, Punjab.

Background:

- Proposal was accorded In-principle approval during 49th Steering Committee Meeting held on 27.02.19, subject to submission of requisite documents prior to final approval.
- Vide letter dated 24.06.19, Government of Punjab has submitted the following documents and requested to consider the proposal for final approval:

Documents required		Status
(i)	Registered lease deed of land in the name of SPV for a minimum period of 30 years.	Unregistered lease deed has been received. The SPV shall get the registered lease deed on receipt of final approval.
(ii)	SIDBI Appraisal Report	Received
(iii)	Commitment letter from SPV for their contribution.	Received
(iv)	Details of SPV's bank account/Mandate form.	Received
(v)	Commitment letter from SPV members to utilise at least 60% of installed capacity.	Received
(vi)	Undertaking from State Government that more than 50% units are Micro / SC-ST / Women Enterprises, as the case may be.	Required
(vii)	Commitment letter from State Government / SPV to meet the escalation cost, if any, over and above the approved project cost.	Received
(viii)	Certificate from State Government for compliance of GFR/ CVC guidelines.	Received
(ix)	Documentary proof from SPV for utilisation of CFC facilities by at least 51% of the cluster members.	Required

Details of the proposal are as under:

1. Basic Information of Cluster

Name of Cluster	Garments Cluster	
District	Ludhiana	
Location of Cluster	Doraha, Ludhiana, Punjab	
Lok Sabha Constituency	Ludhiana	
Main Product	Ladies suits, jeans, cotton t-shirts, rexin jackets, baby garments etc.	
No. of Enterprises including break up (Micro, Small, Medium)	Units	No.
	Micro	: 809
	Small	: 211
	Medium	: 9
	Total	: 1029
Turnover for the last five years (Rs in Crore)	Year	Amount
	2012-13	: Rs. 2148.00
	2013-14	: Rs. 2387.00
	2014-15	: Rs. 2652.00

	2015-16 : Rs. 2947.00 2016-17 : Rs. 3274.00
Exports for the last five years (Rs in Crore)	Year Amount 2012-13 : Rs. 509.00 2013-14 : Rs. 598.00 2014-15 : Rs. 680.00 2015-16 : Rs. 800.00 2016-17 : Rs. 1000.00
Employment in Cluster	Total: 18,095 persons (Direct & Indirect)
Technology Details	The firms do not have access to capital intensive advanced equipment. Further, lack of advanced fabric cutting facilities account for wastage upto 5% of the fabric. Also, there are virtually no training centres/facilities for fresh operator level/advanced level employees.
Whether DS Conducted	The cluster diagnostic study report had been compiled in 2018. The diagnostic study was compiled by the cluster industry association in close co-ordination with the Udyog Sahayak (Chandigarh), MSME-DI (Ludhiana) and District Industries Centre (Ludhiana) and with inputs from the Textiles Committee.
Main findings of DSR	The important findings encapsulated in the DSR may be viewed in terms of critical gap identified on the training, value-added garment component development and raw material primary processing front. These gaps are evidently constraints that merit establishment of relatively capital-intensive equipment. Appropriate interventions could enable development of better quality training and better quality products. A related common facility centre is a dire need.
Main Problems of Cluster	Lack of training facilities for new or existing manpower, lack of input access, due to seasonal availability and price fluctuations, virtual gap in training and value-added component/product development facilities.
Other Information	No other information.

2. Information about Proposed CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Justification for CFC	The availability of CFC with advanced equipment and training centre will improve technological capacities of firm and shall be a source of skilled manpower.	--
(b.) Location of CFC	Doraha, Ludhiana, Punjab	--
% age of units in radius of 5km	25	--
% age of units in radius of 10km	55	--

(c.) Land for CFC				
i. Whether land acquired	Yes	Registered lease deed of land for a period of 30 years is required.		
ii. Title is in name of	SPV, Integrated Apparel Technology and Facilitation Centre (IATFC) Private Limited			
iii. Valuation and its basis	Lease basis			
iv. Land is sufficient	Yes			
v. Change of land use	NA			
vi. If on lease, duration of lease	30			
vii Whether lease is legally tenable	Yes			
(d.) Total Building area	38,000 sq. ft.			
(e.) Rate of construction of building	The SPV is taken a building on lease of 38,000 sq.ft for 30 years. There is no need for further construction.			
(f.) Main Facility Proposed	<ul style="list-style-type: none"> • Value added print and knitted fabric component development • Training on sewing operations • Raw material primary processing and CAD based fabric cutting 	--		
(g.) Prod capacity of CFC	The CFC will be operating at 80% capacity in the first year and 85% capacity in the second year.	--		
(h.) Major Outputs/Deliverables of CFC, Projected performance of the cluster after proposed intervention (in terms of production, export/domestic sales and direct/indirect employment, etc.)	S.No.	Parameter	Before CFC	After CFC
	(i)	No. of units	1029	Not specified
	(ii)	Turnover (Rs. in crore)	3274.00	6300.00
	(iii)	Export (Rs. in crore)	1000.00	2012.00
	(iv)	Employment (in persons)	18095	Increased by 6000 in five years
(i.) Pollution clearance required or not	The pollution clearance is not required.	--		
(j.) Man Power in CFC	The total manpower (direct/indirect) required is 358.	--		
(k.) Revenue generation mechanism for sustainability of assets(service/user charges to be levied, any other-to be specified)	Total income at 100% capacity utilization is assumed at Rs. 1284.21 lakh based on user charges for various products/services proposed in the project.	--		

3. Information about SPV

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Name and Address	Integrated Apparel Technology and Facilitation Centre (IATFC) Private Limited - 2nd floor, Plot no. 763, Kailash nagar, Sherpur Kalan, Ludhiana, Punjab - 142036	Formed
(b.) Nature of SPV(company or Society or Trust)	Private Limited Company	--
(c.) Name of the State Govt. and MSME officials in SPV	The project will be implemented by the SPV in close association with the DIC, Ludhiana Representatives of Director MSME-DI, Ludhiana and GM-DIC, Ludhiana are yet to be decided.	--
(d.) Date of formation of SPV	31-01-18	--
(e.) Number of Members	24	--
(f.) Bye Laws or MA and AOA submitted	Submitted	Received
(g.) Authorized Share Capital	Rs. 200 lakh	--
(h.) Paid up capital as on.....	Rs. 166 lakh	--
(i.) Shareholding Pattern	Submitted	Received
(j.) Commitment letter for contribution	Submitted	Received
(k.) SPV specific A/c	Indian Overseas Bank C/A- 039002000003180	Received
(l.) Trust Building of SPV, Previous track record of co-operative initiatives pursued by SPV members need to be highlighted with support documentation	The cluster member have been playing a pro-active role by bringing together the prospects and problems of the members of the cluster, if any, are taken up at various levels for resolution. Considering the long co-existence of the members of the cluster and the SPV is constituted by the members of the cluster, it is felt that cohesiveness amongst the members exists.	--
(m.) Technical Institution	The AIC-NIFT TEA Incubation Centre for Textiles & Apparels has technically vetted the DPR and has also provided the recommendation letter for the same.	--
(n.) CFC may be utilised by SPV members as also others in a cluster. However, evidence should be furnished with regard	Presently, confirmation received from only 30% of the cluster members for utilization of CFC facilities.	Required

to SPV member ability to utilise at least 60 percent of installed capacity.		
(o.)		
(a) Power requirement for commercial/domestic purpose	321 kva	--
(b) Water	2 kld per day	--
(c) Gas/Oil/Other Utilities	--	--

4. Implement Arrangements

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Implementing Agency	Policy Implementation Unit (PIU), Chandigarh	As per MSE-CDP guidelines
(b.) Fund receiving Agency	Policy Implementation Unit (PIU), Chandigarh	
(c.) Implementation Period	24 months	--
(d.) Appraisal of DPR and main Recommendations	The DPR has been validated by Cluster Development Coordination Committee and Minutes of meeting for the same has also been submitted.	Submitted
(e.) Comments of Technical Division	Submitted	Received
(f.) Approval of Technical Committee	Submitted	Recommended by Technical Committee
(g.) Comments of Cluster Development Division:	--	--
(h.) Working capital(In-principle sanction of loan from a bank, if applicable arrangement made)	Indian Overseas Bank, vide their letter dated 04.06.18 has conveyed In-principle approval for necessary working capital subject to meeting terms and condition of the bank.	--

5. Financial Analysis of CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) BEP	30%	38.51 %- As per SIDBI
(b.) IRR, Payback period	30.88%, pay back period is 3 year 11 month	As per SIDBI- Before Tax: 23.26% After Tax: 16.86%
(c.) DSCR	NA	--
(d.) Return on Capital employed (ROCE)	26.36	26.43 %- As per SIDBI

(e.) NPV	960.45 lakh	NPV is positive - As per SIDBI
(f.) DER	NA	--
(g.) Sensitivity Analysis	Sensitivity Analysis has been carried out by 10% in reduction in capacity utilization, increase in raw material cost & drop in user charges.	--
(h.) Status of CFCs approved in the State	3 CFCs have been approved.	--

6. Proposed Project Cost:

(Rs. in Lakh)

S. No.	Particulars	Proposed by IA	Recommended by SIDBI/As per MSE-CDP
(i)	Land and its Development	0.00	On lease for a period of 30 years
(ii)	Building and other Civil Constructions	0.00	
(iii)	Plant & Machinery(including electrification)	1387.84	1387.84
(iv)	Misc. fixed assets	20.00	20.00
(v)	Preliminary & Pre-operative expenses, maximum 2% of project cost	30.00	30.00
(vi)	Contingency (2% building and 5% on plant and machinery)	69.39	69.39
(vii)	Margin money for Working Capital	8.35	8.35
	Total Project Cost	1515.58	1515.58

7. Proposed means of finance:

(Rs. in Lakh)

S. No.	Particulars	Amount	Recommended by SIDBI/As per MSE-CDP
(i)	Grant-in-aid from Govt. of India	1200.00	1200.00*
(ii)	Grant-in-aid from Govt. of Punjab	150.00	150.00
(iii)	SPV contribution	165.58	165.58
	Total	1515.58	1515.58

* 80% of the maximum eligible Project Cost i.e. Rs.15.00 crore subject to submission of certificate from State Government that more than 50% units are Micro / SC-ST / Women Enterprises, as the case may be.

8. Plant and machinery (with Brief Specification)

(Rs. in lakh)

S. No.	Description	No.	Power Requirement (HP/KW)	Cost
1.	4 Thread overlook machine with chain cutter, lint collector & DD motor	8	5	7.61

2.	4 Thread overlock machine with tape feeder, automatic pneumatic tape cutter, lint collector & DD motor	4	2	5.25
3.	5 Thread flatbed flatlock machine with under bed & top cover thread trimmer	10	6	20.38
4.	5 Thread Cylinder bed Flatlock machine with left hand fabric trimmer, under bed & top cover thread trimmer	4	2.4	11.60
5.	4 Thread cylinder bed overlock machine with variable top feed, chain cutter, lint collector, presser feet lifter & pneumatic fabric tension roller	4	2.4	14.49
6.	5 Thread small cylinder bed with variable top feed, under bed & top cover thread trimmer	6	4.8	29.35
7.	6 Thread feed off the arm machine with presser feet lifter, lint collector & DD motor	6	4.8	28.27
8.	Placket making machine	1	1.8	19.93
9.	Single needle direct drive	30	12	22.24
10.	Single Needle Lock Stitch machine with side cutter	4	2	3.05
11.	Button Hole Machine	2	1	6.89
12.	Button Sewing Machine	2	1	6.19
13.	Bar Tech Machine	2	1	4.62
14.	Placket Box Making Machine	3	1.5	20.67
15.	Computerised Hanger System	2	6	100.94
16.	Automatic Spreader, labelling & CAD based fabric Cutting Machine	1	22	177.76
17.	Large Format Inkjet Printer with Fusing Press of Cylinder Dia 350MM - for running fabric and other supporting equipment like Substrate Support System and Ink Supply System, Ink Pack Set and softwareâ€™s.	2	21	77.02
18.	Denim Laser Marking System	1	7	69.62
19.	Oval (round) type textile screen printing machines -10 Colour 28 Station (1 No - Rs. 98 lakh) with flash (6 Nos - Rs. 15 lakh)	7	100	124.36
20.	Gas Dryer (Curing Machine)	1	5	30.87
21.	High Speed Single Knit Raceway M/c open width 34*28*108 complete with Lycra	1	11	48.52
22.	High Speed Single Knit Raceway M/c open width 34*24*108 complete with Lycra	1	11	48.52
23.	High Speed Single Knit Raceway M/c open width 34*28*108	1	5.5	55.45
24.	High Speed Single Knit Raceway M/c open width 34*24*108	1	5.5	56.99
25.	Circular Knitting Computerised Single Knit Jacquard M/c 34*28*68	1	11	127.08
26.	Circular Knitting Computerised Single Knit Jacquard M/c 34*24*68	1	5.5	127.08
27.	Screw Type Compressor	1	46	11.17
28.	Ingersoll -Rand Refrigerated Type Air Dryer	1	15	2.57
29.	Vertical Air Receiver capacity 1000 Ltr	1	0	0.73
30.	Ingersoll_Rand PF Filter	1	0	0.28
31.	D G Sets	4	0	34.45
32.	Inverter	2	0	9.60

33.	Temperature Control System	1	0	0.80
34.	Transformer	1	0	14.36
35.	AC - 1.5 Tons * 10	10	0	3.00
			Sub -total	1321.71
			Electrification & Installation	66.13
			Total	1387.84

9. Observations:

Following documents are required to be submitted prior to final approval:

- (i) Registered lease deed of land in the name of SPV for a minimum period of 30 years.
- (ii) Undertaking from State Government that more than 50% units are Micro/SC-ST/Women Enterprises, as the case may be.
- (iii) Documentary proof from SPV for utilisation of CFC facilities by at least 51% of the cluster members.
- (iv) Documents regarding registration of all the units in MSME Data Bank.

10. Proposal for Steering Committee:

Committee may consider the proposal for **Final Approval** for setting up of Common Facility Centre (CFC) in Garments Cluster, Ludhiana, Punjab at a total project cost of Rs.1515.58 lakh with GoI assistance of Rs.1200.00 lakh, Government of Punjab contribution of Rs.150.00 lakh and SPV contribution of Rs.165.58 lakhs.

Agenda No.50.4.32(S): Proposal for final approval for setting up of Common Facility Centre (CFC) in Cashew Processing Cluster, Belgaum, Karnataka.

Background:

- (i) Proposal was accorded In-principle approval during the 47th SCM held on 25.07.18 subject to ensuring a higher number of units as members of the cluster by the time of final approval and submission of requisite documents prior to final approval.
- (ii) Vide email dated 17.06.19, KCTU, Bangalore submitted the documents and requested to consider the proposal for final approval:

Documents required		Status
(a)	SIDBI Appraisal Report of revised DPR with Plant & Machinery as recommended by Technical Committee, to be vetted by MSME-DI, Hubli before SIDBI appraisal.	Received
(b)	NOC in English language	Received
(c)	Letter from IA/State Govt. ensuring a higher number of units as members of the cluster at the time of final approval	Details submitted. No. of units in the cluster have been increased to 80 from 35.

Details of the proposal are as under:

DSR Details

DSR Conducted by :	Idea Coe Tech Pvt. Ltd
Validated by :	MSME-DI, Hubli, Joint Director, DIC, Belgaum and SPV members validated on 14.07.2017.
When Started :	10/04/2017
When Completed :	12/07/2017

1. Basic Information of Cluster

Name of Cluster :	Cashew Processing Cluster
Location of Cluster :	Belgaum
Main Product :	Processed Cashew Kernel
No. of Enterprises including break up (Micro, Small, Medium)	Micro-80(including additional 45 units)
Turn over for the last five years :	(Rs. in Crore)
	Year Amount
	2013-14 : 14.00
	2014-15 : 18.00
	2015-16 : 22.00
	2016-17 : 25.00
	2017-18 : 30.00
Exports for the last five years:	Nil
Employment in Cluster :	1600 (Direct -600 & Indirect-1000)
Technology Details :	The cluster members are following traditional practices for processing of Cashew like boiling, cooking, manual cutting,

	picking by women. Manual sorting and packing.
Whether DS Conducted :	Yes.
Main findings of DSR :	<ul style="list-style-type: none"> ➤ The cluster units are heavily concentrating on export market, due to global demand they are unable to get sufficient raw material from Chandagad, Shinoli, Belgundi, Tudaye, Khanapur, Desur, Nadagad, Naganwadi villages situated in Belgaum District. ➤ As per Horticulture department report dated on 31-3-2017 cashew grown in Belgaum District is 8,179 MT in 5,438 hectares. Majority of the cashew grown in Belgaum and Khanapura Taluk about 7,809 MT in 5,206 hectares in Belgaum district. In CFC we are processing 20 tons/day. Our machine capacity is 32 Tons/day. There are 60 units involved in processing of cashew in the cluster employing nearly 2500 people directly and 6500 people indirectly.
Main Problems of Cluster :	<ul style="list-style-type: none"> ➤ The cluster members are not able to maintain quality parameters as the cluster lacks advanced machineries. ➤ While boiling cooking pressure and cooking time are not carefully controlled. ➤ Therefore uniform desired color of the cashew kernel inside the nut cannot be maintained Locally made Cutting machine is not able to give top graded products One women worker needs to push the pedal 10000 times to break 50 kg of nuts which affects their health and there is a chance of damage of their hand and skin. ➤ Lack of Heat treatment of unpeeled kernels Bormha treatment The cashew picking and grading process is done manually by women who will take more than 20 days during this period fungus will attack and this will result in poor quality of sorting ➤ The cluster units have poor packaging facilities The cluster members are packing the cashew kernels in plastic crate of 20 Kgs capacity for selling in the local retail market The export quality packaging is very much needed The product branding is lacking in the cluster and needs a brand identity for the cluster produce.
Other Information :	<ul style="list-style-type: none"> ➤ The cluster falls under Government recognized Cashew processing and gets maximum attention since the units are very active in importing raw material and exporting Kernels of different grade adding value to our countries economy and it facilitates job creation for rural women.

2. Information about Proposed CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a) Justification for CFC	A common facility Center is planned for Cashew processing with State of the art processing machines with 32 Tonns Processing capacity which enables SPV to capture Domestic and Export Market and reduce its cost of production..	--
(b) Location of CFC	The proposed land for the CFC is located in Desur Village, Uchagaon Hubli, Belgaum Tq.& Dist.	--

Description	Proposed by Implementation Agency (IA)	Remarks	
% of units in radius of 5km	20	--	
% of units in radius of 10km	15	--	
(c) Land for CFC			
(i) Whether land acquired	Yes. The total extent of land is 2.5 acres in Desur Village.	Received	
(ii) Title is in name of	In the name of SPV:- M/s Belgaum Cashew Processors Cluster Society		
(iii) Valuation and its basis	NA		
(iv) Land is sufficient	Yes		
(v) Change of land use	Not applicable.		
(vi) If on lease, duration of lease	SPV has taken 2.5 Acres land for 30 years lease.		
(vii) Whether lease is legally tenable	Yes		
(d) Total Building area(sq ft)	The SPV proposes to construct the building 25,630 Sq. ft for CFC.	--	
(e) Rate of construction of building	Building with the estimated cost at 250 lakhs, with compound wall, the cost/ sqft is 986.		
(f) Main Facility Proposed	<ul style="list-style-type: none"> ➤ Common Temperature controlled boiling facility. ➤ Common Cutting and peeling facility. ➤ Common Heat treatment of unpeeled kernels [Bormha treatment] facility. ➤ Common Packaging facility. ➤ Common Facilities for marketing and branding. 	--	
(g) Prod capacity of CFC	➤ Machines are designed to process 30 Tons/day of cashew and capacity utilization is 62.5%.	--	
(h) Major Outputs/Deliverables of CFC, Projected performance of the cluster after proposed intervention (in terms of production, export/domestic sales and direct/indirect employment etc.)	Particulars	Before Interventions (in quantity)	After intervention (in quantity)
	No. of Units	80	100
	Turnover (Rs. in crore)	30	40
	Employment (in nos.)	Direct -600 Indirect-1000	Direct -800 Indirect-1200
	Profit (Rs. in crore)	3.95	4.5
	Production(Tons/day)	20	25
*			
(i) Pollution clearance required or not	Received approval letter from Pollution Control Board.	Received	
(j) Man Power in CFC	314	--	
(k) Revenue generation mechanism for sustainability of assets(service/user charges to be levied, any other-to be specified)	<ul style="list-style-type: none"> ➤ Service charges are levied for the availing CFC services. ➤ The charges proposed are lesser than the current rates. ➤ The service charges are adequate for maintenance and surplus generated can be utilized for further 	--	

Description	Proposed by Implementation Agency (IA)	Remarks
	additions to the CFC	

*** Revised tangible outcome on revision of number of units**

3. Information about SPV

Description	Proposed by Implementation Agency (IA)	Remarks
(a) Name and Address	Belgaum Cashew Processors Cluster Society. Desur Village, Uchagaon Hobli, Belgaum Tq. & District.	SPV formed
(b) Nature of SPV (company or Society or Trust)	Society, Registered under Karnataka Societies Registration Act 1960.	--
(c) Name of the state Govt. and MSME officials in SPV	As per order of Director of Industries, Govt. of Karnataka. The following State & Central Govt. Officials will be the member of project steering committee in SPV: 1. Representative from DIC, 2. Belgaum, Karnataka council for Technological Upgradation, Bangalore(KCTU). 3. Government of Karnataka 4. MSME-DI, Hubli, Government of India.	--
(d) Date of formation of SPV	29-6-2017	--
(e) Number of Members	80	--
(f) Bye Laws or MA and AOA submitted	Yes.	Received
(g) Authorized Share Capital	10 % of Project Cost Rs 141.50 lakh.	--
(h) Paid up capital	Not applicable.	--
(i) Shareholding Pattern	Shareholding for 35 members provided.	Received
(j) Commitment letter for contribution	Commitment letter for SPV contribution provided.	Received
(k) SPV specific A/c	State Bank of India, Account no. 37022576010	--
(l) Trust Building of SPV, Previous track record of co-operative initiatives pursued by SPV members need to be highlighted with support documentation	The cluster members have completed majority of the soft interventions activities like trust building and capacity building activities. Exposure visits to Achal cashew Pvt. Ltd., Maharashtra.	--
(m) Technical Institution	Idea CoE Tech Private Ltd.	--
(n) CFC may be utilised by SPV members as also others in a cluster. However, evidence	Commitment letter with regard to SPV members to utilize at least 60 percent of installed capacity provided.	Received

should be furnished with regard to SPV member ability to utilise at least 60 percent of installed capacity.		
(o)		
(a) Power requirement for commercial/domestic purpose	700 KVA.	--
(b) Water	25,000 liters/day	--
(c) Gas/Oil/Other Utilities	Not applicable.	--

4. Implementation Arrangements

Description	Proposed by Implementation Agency (IA)	Remarks
(a) Implementing Agency	Karnataka Council for Technological Upgradation (KCTU), Bangalore, Govt. of Karnataka.	As per guidelines
(b) Fund receiving Agency		
(c) Implementation Period	24 Months	--
(d) Appraisal of DPR and main Recommendations	Submitted	SIDBI appraisal received
(e) Comments of Technical Division	Based on actual requirement and capacity of the cluster units, Boiler capacity (500 kg or 1000 kg or less) may be identified and accordingly project may be re-casted with appropriate capacity machinery & equipments.	--
(f) Approval of Technical Committee	Considering the capacity of cluster units, Technical Committee agreed to the views of Technical Division for allowing only one boiler (either 500 kg or 1000 kg) as per SPV choice and accordingly recommended the proposal for placing before Steering Committee for in-principle approval.	TEAC recommended the proposal.
(g) Comments of Cluster Development Division:	--	--
(h) Working capital(In-principle sanction of loan from a bank, if applicable arrangement made)	Not applicable.	--

5. Financial Analysis of CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a) BEP	42%	As per SIDBI 31.77%
(b) IRR, Payback period	21%	As per SIDBI 18.08
(c) DSCR	-	--

Description	Proposed by Implementation Agency (IA)	Remarks
(d) Return on Capital employed (ROCE)	41%	As per SIDBI 27.55%
(e) NPV	Rs.1.14 lakh	--
(f) DER	-	--
(g) Sensitivity Analysis	(5% - capacity utilization reduction) IRR – Pre tax - 21% IRR – Post tax - 19% NPV – Net Present Value - 1 BEP - 44% ROCE -38%	--
(h) Status of CFCs approved in the State	a) Cluster Implemented 1. Auto components Cluster, Hubli 2. Readymade Garment Cluster, Hubli 3. Food Cluster, Gulbarga 4. Raisin Processing Cluster, Bijapur. 5. Auto Cluster, Bidar b) Clusters Under implementation 1.ELCIA Cluster, Bangalore. 2. Heat Treatment & Engg Cluster Hubli, 3. Printing Cluster Bangalore 4. Raisin Processing Cluster, Athani, Belgaum 5. Utopia Cashew Cluster, Kumta, Uttara Kannada.	--

6. Project Cost:

(Rs. in lakh)

S. No.	Particulars	Proposed by IA		As per MSE-CDP/Recommended by SIDBI
		Earlier Cost	Revised Cost	
(i)	Land lease	25.00	2.00	2.00
(ii)	Building & other Civil construction	250.00	250.00	250.00
(iii)	Plant & Machinery(including electrification)	1043.00	1013.40	1013.10
(iv)	Misc. Fixed assets	15.00	15.00	15.00
(v)	Preliminary & Pre-operative expenses	25.00	25.00	21.00
(vi)	Contingency (2% building and 5% on plant and machinery)	57.00	57.00	55.66
	Total	1415.00	1362.40	1356.76

7. Means of finance:

(Rs. in lakh)

S. No.	Particulars	Proposed by IA	As per MSE-CDP
(ii)	Grant-in-aid from Govt. of Karnataka	141.50	135.68
(iii)	SPV contribution	141.50	136.08
	Total	1415.00	1356.76

8. Plant & Machinery (with brief specification)

(Rs. in lakh)

S. No.	Particulars	No. of m/c	Total cost with GST
1.	IBR Boiler 500 kg/hr and 1,000 kg/hr (2 no's), chimney, Ducting, Insulation and PRS.	1 set	36.00
2.	Cooker with automatic loading	14 sets	36.34
3.	Raw Cashew Grading machine with Auto Feeding	4 sets	26.04
4.	Cashew nut cutting (shelling) machine	28 sets	384.80
5.	Cashew nut peeling machine	10 sets	32.45
6.	Compressor 15 HP	10 sets	47.20
7.	Cashew Kernel Dryer	10 sets	58.88
8.	Cashew kernel size grading machine	5 sets	106.66
9.	Cashew kernel color Grading machine	2 sets	21.00
10.	Vita Tin packing machine and tin filling machines	6 sets	19.82
11.	Vacuum Packing Machine	1 set	31.62
12.	Tables and accessories	1 set	5.31
13.	Extra trolleys an trays	10 sets	40.12
14.	Hooper, conveyor and Blowing system	1 set	10.74
15.	Installation and Piping from boiler to cooker and dryer	1 set	34.81
16.	Humidification room	4 sets	10.38
17.	Weighing scale 30 and 150 kg capacity each	4 sets	8.50
18.	Weighing scale 300 and 1000 kg capacity each	1 set	3.19
19.	Electrical wiring, cabling ducting till all machines control panels etc.	1 set	80.83
20.	250 KVA DG set	1 set	18.41
	Total		1013.10

9. Observations:

- (A) Following documents are required to be submitted prior to issue of final approval:
- List of SPV members along with Shareholding pattern for 80 members
- (B) SIDBI in its appraisal report pointed out that while counting the number of members, the SPV shall consider multiple units of the same proprietor/partnership as one member. There are multiple units promoted by the same persons. Govt. of Karnataka / KCTU needs to clarify.
- (C) As recommended by Techno Economic Appraisal Committee (TEAC), a clause would be added in the Sanction Order "In case of any deviation from the agreed principles of utilization and denial of fair access to the eligible stakeholders, assets created would be handed over to another SPV through a transparent procedure for smooth and effective operationalization of the facilities".

10. Proposal for Steering Committee:

Committee may consider the proposal for **Final Approval** for setting up of Common Facility Centre (CFC) in Cashew Processing Cluster, Belgaum, Karnataka at a total project cost of Rs.1356.76 lakh with GoI assistance of Rs.1085.00 lakh, State Government grant of Rs.135.68 lakh and SPV contribution of Rs. 136.08 lakh.

Agenda No.50.4.33(S): Proposal for final approval for setting up of Common Facility Centre (CFC) in Lorry Body Building Cluster, Nammakal, Tamil Nadu.

Background

- (i) Proposal was accorded In-principle approval during the 48th SCM held on 27.02.19, subject to submission of following documents prior to Final approval.

Documents required		Status
(i)	Confirmation from State Government regarding enhancement of their contribution towards the Project.	Received
(ii)	Registered land documents in the name of SPV (If land is on lease basis, registered lease deed for a minimum period of 30 years is required).	Registered Land Documents provided are in Tamil Language, Registered Land Documents in English Language in the name of SPV are required and same is to be vetted by
(iii)	SIDBI Appraisal Report.	Received
(iv)	Commitment letter from State Government / IA to meet the cost escalation, if any, over and above the approved project cost.	Received
(v)	Commitment letter from SPV for their contribution.	Received
(vi)	Certificate from State Government that more than 50% units in the cluster are Micro/SC/ST/Women Enterprises, as the case may be.	Received
(vii)	Details of SPV bank account.	Received
(viii)	Certificate from State Government for compliance of GFR/ CVC guidelines.	Received

- (ii) Vide PUC dated 24.06.19, General Manager (Admin), TANSIDCO, Chennai submitted above documents and requested to consider the proposal for final approval

Details of the proposal are as under:

1. Basic Information of Cluster

Name of Cluster :	Lorry Body Building Cluster,
District :	Namakkal
Location of Cluster :	Namakkal
Lok Sabha Constituency :	Nammakal
Main Product :	Construction of Cabin and Body Building for: <ul style="list-style-type: none"> (i) Open Body Lorry (ii) Tankers & Trippers (iii) Trailers (iv) Haulage (v) Rigid Trucks (vi) Cabs (vii) Delivery Vans (viii) Repair of Old and Commercial Vehicles

No. of Enterprises including break up (Micro, Small, Medium) :	Micro : 287 & Small : 2 (SPV Members – 100 Nos)												
Turnover for the last five years :	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount (Rs. in crore)</th> </tr> </thead> <tbody> <tr> <td>2008-09</td> <td>47.30</td> </tr> <tr> <td>2009-10</td> <td>52.55</td> </tr> <tr> <td>2010-11</td> <td>58.39</td> </tr> <tr> <td>2011-12</td> <td>64.88</td> </tr> <tr> <td>2012-13</td> <td>72.08</td> </tr> </tbody> </table>	Year	Amount (Rs. in crore)	2008-09	47.30	2009-10	52.55	2010-11	58.39	2011-12	64.88	2012-13	72.08
Year	Amount (Rs. in crore)												
2008-09	47.30												
2009-10	52.55												
2010-11	58.39												
2011-12	64.88												
2012-13	72.08												
Exports for the last five years :	Nil												
Employment in Cluster :	2792 persons												
Technology Details :	Currently units in the cluster are using conventional technology for construction of cabin and body, advance and upgraded technology is required, which adhere to ARI Standard.												
Whether DS Conducted :	Yes												
Main findings of DSR :	Advanced Machine is required for purposed CFC												
Main Problems of Cluster :	<ul style="list-style-type: none"> ➤ Non availability of advanced machines and Technology. ➤ Non availability of R&D Facilities. ➤ Non availability of Testing Facilities. ➤ Non availability of Trained Man Power. ➤ Non Availability of Machinery to avail TAC/Cop 												

2. Information about Proposed CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Justification for CFC	To have facilities like Advance Machinery & Technology, Testing Facilities, Training Facilities and R&D Facilities to meet ARI Norms	--
(b.) Location of CFC	No.26/5, llanagar 3 of llanagar Village Panchayat, Elachipalayam, Union, Thiruchengode Taluk, Namakkal	--
% age of units in radius of 5km	50	--
% age of units in radius of 10km	100	--
(c.) Land for CFC		
i. Whether land acquired	Purchased	Registered Land Document in name of SPV in Tamil Language is provided However Land document in the name
ii. Title is in name of	Nammakal District Lorry Body Building Pvt Ltd.	
iii. Valuation and its basis	NA	

Description	Proposed by Implementation Agency (IA)	Remarks																				
iv. Land is sufficient	Yes	of SPV in English language is required and same is to be vetted by MSME-DI, Chennai																				
v. Change of land use	NA																					
vi. If on lease, duration of lease	Purchased																					
vii Whether lease is legally tenable	Yes																					
(d.) Total Building area	28416 Sq Feet	--																				
(e.) Rate of construction of building	NA	--																				
(f.) Main Facility Proposed	<ul style="list-style-type: none"> ➤ Bending Facility ➤ Roll Forming Facility ➤ Pressing Facility ➤ Testing Centre ➤ Training Centre 	--																				
(g.) Prod capacity of CFC	Provided	--																				
(h.) Major Outputs/Deliverables of CFC, Projected performance of the cluster after proposed intervention (in terms of production, export/domestic sales and direct /indirect employment, etc.)	<table border="1"> <thead> <tr> <th>S. No.</th> <th>Particulars</th> <th>Before</th> <th>After</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>No. of units</td> <td>289</td> <td>375</td> </tr> <tr> <td>(iii)</td> <td>Turnover (Rs. in cr)</td> <td>72.08</td> <td>95.00</td> </tr> <tr> <td>(iv)</td> <td>Employment (in Nos.)</td> <td>2792</td> <td>3600</td> </tr> <tr> <td>(v)</td> <td>Export (Rs. in Cr)</td> <td>Nil</td> <td>1.00</td> </tr> </tbody> </table>	S. No.	Particulars	Before	After	(i)	No. of units	289	375	(iii)	Turnover (Rs. in cr)	72.08	95.00	(iv)	Employment (in Nos.)	2792	3600	(v)	Export (Rs. in Cr)	Nil	1.00	--
	S. No.	Particulars	Before	After																		
	(i)	No. of units	289	375																		
	(iii)	Turnover (Rs. in cr)	72.08	95.00																		
	(iv)	Employment (in Nos.)	2792	3600																		
(v)	Export (Rs. in Cr)	Nil	1.00																			
(i.) Pollution clearance required or not	Not Provided (as mentioned in SIDBI Appraisal Project is under white category)	Required																				
(j.) Man Power in CFC	Not Provided	--																				
(k.) Revenue generation mechanism for sustainability of assets (service/user charges to be levied, any other-to be specified)	Provided	--																				

3. Information about SPV

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Name and Address	Namakkal Body Building Cluster No.26/5, llanagar 3 of llanagar Village Panchayat,Elachipalayam, Union,Thiruchengode Taluk, Namakkal	--
(b.) Nature of SPV(company or Society or Trust)	Private Limited Company	--

Description	Proposed by Implementation Agency (IA)	Remarks
(c.) Name of the state Govt. and MSME officials in SPV	Not Provided	--
(d.) Date of formation of SPV	07.09.09	--
(e.) Number of Members	25	--
(f.) Bye Laws or MA and AOA submitted	Provided	--
(g.) Authorized Share Capital	Rs.10,00000/- .	--
(h.) Paid up capital	-	--
(i.) Shareholding Pattern	Provided	--
(j.) Commitment letter for contribution	Provided	--
(k.) SPV specific A/c	Account No: 31440429039 (SBI)	--
(l.) Trust Building of SPV, Previous track record of co-operative initiatives pursued by SPV members need to be highlighted with support documentation	Various Trust building Activities Carried Out in Cluster	--
(m.) Technical Institution	-	--
(n.) CFC may be utilised by SPV members as also others in a cluster. However, evidence should be furnished with regard to SPV member ability to utilise at least 60 percent of installed capacity.	Not Provided	Required.
(o.)		
(a) Power requirement for commercial/domestic purpose	Provided	-
(b) Water	-	-
(c) Gas/Oil/Other Utilities	NA	-

4. Implement Arrangements

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Implementing Agency	Tamilnadu Small Industries Development	-

Description	Proposed by Implementation Agency (IA)	Remarks
	Corporation Limited (TANSIDCO), Chennai	
(b.) Fund receiving Agency	Tamilnadu Small Industries Development Corporation Limited (TANSIDCO), Chennai	
(c.) Implementation Period	18 Months	24 Months from issuance of Final Approval Letter
(d.) Appraisal of DPR and main Recommendations	SIDBI	-
(e.) Comments of Technical Division	-	--
(f.) Approval of Technical Committee	-	Recommended the proposal
(g.) Comments of Cluster Development Division:	NA	--
(h.) Working capital(In-principle sanction of loan from a bank, if applicable arrangement made)	NA	--

5. Financial Analysis of CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) BEP	45.37 %	--
(b.) IRR, Payback period	11.85 %	--
(c.) DSCR	-	--
(d.) Return on Capital employed (ROCE)	27.04 %	--
(e.) NPV	Positive @ 10%	--
(f.) DER	-	--
(g.) Sensitivity Analysis	Provided	--
(h.) Status of CFCs approved in the State	This is the first lorry body Processing CFC Cluster which has already been approved by Govt. of Tamil Nadu	--

6. Proposed Project Cost is as follow:

(Rs. in Lakh)

S. No.	Particulars	Proposed by IA	Recommended by SIDBI/ As per MSE-CDP
(i)	Land and Building	130.03	130.03
(ii)	Plant & Machinery	1413.57	1345.54
(iii)	Misc. fixed assets	5.00	73.03
(iv)	Preliminary & Pre-operative expenses	30.00	30.00

S. No.	Particulars	Proposed by IA	Recommended by SIDBI/ As per MSE-CDP
(v)	Contingency	78.41	69.28
(vi)	Margin money for Working Capital	5.00	5.12
	Total Project Cost	1662.01	1653.00

7. Proposed means of finance are as follows:

(Rs. in lakh)

S. No.	Particulars	As per IA (before enhanced Govt. of TN Share)	As per IA (after enhanced Govt. of TN share)	Recommended by SIDBI	As per MSE-CDP
(i)	Grant-in-aid from Govt. of India	1377.73	1310.07	1301.97	1301.97
(ii)	Grant-in-aid from Govt. of Tamil Nadu	98.53	166.19	165.30	165.30
(iii)	SPV contribution	185.73	185.73	185.73	185.73
	Total	1661.99	1661.99	1653.00	1653.00

8. Plant and machinery (with Brief Specification)

(Rs. in lakh)

S. No.	Description	No.	Cost
(i)	Hydraulic Press Break	1	174.42
(ii)	Roll Forming Machine 18 Station	1	74.16
(iii)	Hydraulic "H" frame Deep Drawing Press	1	286.56
(iv)	Hydraulic "H" frame Deep Drawing Press	1	228.00
(v)	Press Tools & Dies for parts of Cabin Kit	1	582.40
	Total		1345.54

9. Observations:

(A) Following documents are required to be submitted prior to issue of final approval:

- (i) NOC from State Pollution Control Board.
- (ii) Commitment letter from SPV members to utilise at least 60 percent of installed capacity.
- (iii) Land documents in English language vetted by MSME-DI, Chennai.
- (iv) Documentary Proof that project falls in White Category.

(B) As recommended by Techno Economic Appraisal Committee (TEAC), a clause would be added in the Sanction Order "In case of any deviation from the agreed principles of utilization and denial of fair access to the eligible stakeholders, assets created would be handed over to another SPV through a transparent procedure for smooth and effective operationalization of the facilities".

10. Proposal for Steering Committee:

Committee may consider the proposal for **Final Approval** for setting of Common Facility Centre (CFC) in Lorry Body Building Cluster, Namakkal, Tamil Nadu at a total project cost of Rs.1653.00 lakh with Gol assistance of Rs. 1301.97 lakh, Govt. of Tamil Nadu assistance of Rs. 165.30 lakh and SPV contribution of Rs.185.73 lakh.

Agenda No.50.4.34 (S): Proposal for final approval for setting up of Common Facility Centre (CFC) in Printing Cluster, Salem, Tamil Nadu.

Background

- (i) Proposal was accorded In-principle approval during the 48th SCM held on 12.11.18, subject to submission of following documents prior to Final approval.

Documents required		Status
(i)	Confirmation from State Government regarding enhancement of their contribution towards the Project.	Received
(ii)	Registered land documents in the name of SPV (If land is on lease basis, registered lease deed for a minimum period of 30 years is required).	Lease deed in the name of SPV for a period of 21 years received.
(ii)	Tangible outcomes such as number of units, turnover, export, employment etc.	Received
(iii)	Commitment letter from SPV for their contribution.	Received
(iv)	SIDBI Appraisal Report.	Received
(v)	Details of SPV bank account.	Received
(vi)	Commitment letter from State Government / IA to meet the cost escalation, if any, over and above the approved project cost.	Not Provided
(vii)	Certificate from State Government that more than 50% units in the cluster are Micro/SC/ST/Women Enterprises, as the case may be.	Received
(viii)	Certificate from State Government for compliance of GFR/ CVC guidelines.	Received
(ix)	Certificate from State Pollution Control Board.	Received
(x)	Document Revenue generation mechanism for sustainability of assets (service/user charges to be levied, any other-to be specified)	Received

- (ii) Vide PUC dated 19.06.19 (received on 28.06.19), General Manager (Admin), TANSIDCO, Chennai submitted above documents and requested to consider the proposal for final approval

Details of the proposal are as under:

1. Basic Information of Cluster

Name of Cluster :	Printing Cluster	
District :	Salem	
Location of Cluster :	Salem	
Lok Sabha Constituency :	Salem	
Main Product :	Annual reports, Brochures, Diaries, Directories, Greeting cards, magazines, newsletters, note and school books, posters and Text books	
No. of Enterprises including break up (Micro, Small, Medium) :	Micro	480

	<table border="1"> <tr> <td>Small</td> <td>20</td> </tr> <tr> <td>Total</td> <td>500</td> </tr> </table>	Small	20	Total	500								
Small	20												
Total	500												
Turnover for the last five years :	<table border="1"> <thead> <tr> <th>Year</th> <th>Amount (Rs. in crore)</th> </tr> </thead> <tbody> <tr> <td>2012-13</td> <td>220</td> </tr> <tr> <td>2013-14</td> <td>240</td> </tr> <tr> <td>2014-15</td> <td>255</td> </tr> <tr> <td>2015-16</td> <td>270</td> </tr> <tr> <td>2016-17</td> <td>300</td> </tr> </tbody> </table>	Year	Amount (Rs. in crore)	2012-13	220	2013-14	240	2014-15	255	2015-16	270	2016-17	300
Year	Amount (Rs. in crore)												
2012-13	220												
2013-14	240												
2014-15	255												
2015-16	270												
2016-17	300												
Exports for the last five years :	Nil												
Employment in Cluster :	2380 Persons												
Technology Details :	<ul style="list-style-type: none"> ➤ District Industries Centre, ➤ Department of Printing Technology, Anna University, ➤ College of Engineering, Salem, Thiyagaraja Polytechnic, Salem. 												
Whether DS Conducted :	Yes												
Main findings of DSR :	Advanced Technology , Product Development Facility and quality control Facilities are required												
Main Problems of Cluster :	<ol style="list-style-type: none"> 1) Optimisation of procurement costs. 2) Technology upgradation 3) Quality of design. 4) Requirement of multi-colour printing and product development facilities. 												
Other Information :	--												

2. Information about Proposed CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Justification for CFC	Advanced Technology , Product Development Facility and quality control Facilities are required	--
(b.) Location of CFC	Salem	
% age of units in radius of 5km	50	--
% age of units in radius of 10km	40	--
(c.) Land for CFC		
i. Whether land acquired	Yes, Leased	Registered land documents in the name of SPV is required. (If land is on lease basis,
ii. Title is in name of	Salem Prints Cluster Services Private Limited	
iii. Valuation and its basis	1.60 Crores	
iv. Land is sufficient	Yes (1Acre)	
v. Change of land use	Categorized as Industrial Land	
vi. If on lease, duration of lease	Yes, 21 Years	

Description	Proposed by Implementation Agency (IA)	Remarks	
vii Whether lease is legally tenable	Yes	registered lease deed for minimum 30 years is required).	
(d.) Total Building area	10,000 Sq Ft	--	
(e.) Rate of construction of building	INR 70,00,000	--	
(f.) Main Facility Proposed	<ul style="list-style-type: none"> ➤ Design Facility ➤ Printing Facility ➤ Value added Facility 	--	
(g.) Prod capacity of CFC	--	Required	
(h.) Major Outputs / Deliverables of CFC, Projected performance of the cluster after proposed intervention (in terms of production, export/ domestic sales and direct/ indirect employment, etc.)	Parameters	Before CFC	After CFC
	No. of units	500	550
	Employment (in Nos)	2380	3150
	Export (Rs in Cr)	-	25.00
	Turnover (Rs in Cr)	180.00	260.00
(i.) Pollution clearance required or not	Provided	--	
(j.) Man Power in CFC	73 Persons	--	
(k.) Revenue generation mechanism for sustainability of assets(service/user charges to be levied, any other-to be specified)	Provided	--	

3. Information about SPV

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Name and Address	Salem Prints Cluster Services Private Limited, SF No. 163/3, Dadagapatti Village, Salem Taluk, Salem 636201	--
(b.) Nature of SPV(company or Society or Trust)	Private Limited Company	--
(c.) Name of the state Govt. and MSME officials in SPV	Not Provided	--
(d.) Date of formation of SPV	14.12.12	--
(e.) Number of Members	44	--
(f.) Bye Laws or MA and AOA submitted	Provided	--
(g.) Authorized Share Capital	Rs. 2,00,00,000/-	--

Description	Proposed by Implementation Agency (IA)	Remarks
(h.) Paid up capital	Provided	--
(i.) Shareholding Pattern	Provided	--
(j.) Commitment letter for contribution	Provided	Received
(k.) SPV specific A/c	Account No: 800820110000326 (Bank of India)	Received
(l.) Trust Building of SPV, Previous track record of co-operative initiatives pursued by SPV members need to be highlighted with support documentation	Not Provided	--
(m.) Technical Institution	DIC, Government ITI Salem, Government College of Engineering Salem, Thiagarajar Polytechnic, Salem.	--
(n.) CFC may be utilised by SPV members as also others in a cluster. However, evidence should be furnished with regard to SPV member ability to utilise at least 60 percent of installed capacity.	Provided	--
(o.)		
(a) Power requirement for commercial/domestic purpose	Provided	--
(b) Water	Provided	--
(c) Gas/Oil/Other Utilities	--	--

4. Implement Arrangements

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Implementing Agency	TANSIDCO, Chennai	As per MSE-CDP guidelines
(b.) Fund receiving Agency	TANSIDCO, Chennai	
(c.) Implementation Period	1 Year	24 Months from issuance of Final Approval Letter
(d.) Appraisal of DPR and main Recommendations	SIDBI	--
(e.) Comments of Technical Division	--	--
(f.) Approval of Technical Committee	--	Recommended the proposal
(g.) Working capital(In-principle sanction of loan	--	--

Description	Proposed by Implementation Agency (IA)	Remarks
from a bank, if applicable arrangement made)		

5. Financial Analysis of CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) BEP	25.90%	--
(b.) IRR, Payback period	17.31%	--
(c.) DSCR	--	--
(d.) Return on Capital employed (ROCE)	25.90%	--
(e.) NPV	Positive @10%	--
(f.) DER	--	--
(g.) Sensitivity Analysis	Provided	--

6. Proposed Project Cost:

(Rs. in Lakh)

S. No.	Particulars	Proposed by IA	Recommended by SIDBI	As per MSE-CDP
(i)	Land and Building	15.00	15.00	15.00
(ii)	Building and other Civil Constructions	70.00	70.00	70.00
(iii)	Plant & Machinery (including electrification)	1159.00	1109.40	1109.40
(iv)	Misc. fixed assets	15.00	63.98	63.98
(v)	Preliminary & Pre-operative expenses, maximum 2% of project cost	27.06	26.43	26.43
(vi)	Contingency (2% building and 5% on plant and machinery)	59.35	56.87	56.87
(vii)	Margin money for Working Capital	4.82	4.82	4.82
	Total Project Cost	1350.23	1346.50	1346.50

7. Proposed Means of Finance:

(Rs. in lakh)

S. No.	Particulars	As per IA (before enhanced Govt. of Tamil Nadu Share)	As per IA (after enhanced Govt. of Tamil Nadu share)	Recommended by SIDBI	As per MSE-CDP
(i)	Grant-in-aid from Govt. of India	1124.60	1080.17	1076.44	1076.44
(ii)	Grant-in-aid from Govt. of Tamil Nadu	90.60	135.03	135.03	135.03
(iii)	SPV contribution	135.03	135.03	135.03	135.03
	Total	1350.23	1350.23	1346.50	1346.50

8. Plant and machinery (with Brief Specification)

(Rs. in lakh)

S. No.	Description	No.	Cost
1.	Computer & Software	4 Computer, 2 Printer and 1 scanner	12.00
2.	Trendsetter Q800 Plate Setter F-speed with XPO TDL	1	80.00
3.	Four color sheet fed offset	1	690.00
4.	Four color web offset	1	194.40
6.	Die punching and creasing machine	1	40.00
7.	Variable Data Printing machine	1	23.00
9.	Case making machine	1	70.00
	Total		1109.40

9. Observations:

(A) Following documents are required to be submitted prior to issue of final approval:

- (i) Registered land document in the name of SPV (if land is on lease basis, registered lease deed for a minimum period of 30 years is required).
- (ii) Documentary proof from SPV for utilization of CFC facilities by at least 51% of the cluster members.
- (iii) Commitment letter from State Government / IA to meet the cost escalation, if any, over and above the approved project cost.

(B) As recommended by Techno Economic Appraisal Committee (TEAC), a clause would be added in the Sanction Order "In case of any deviation from the agreed principles of utilization and denial of fair access to the eligible stakeholders, assets created would be handed over to another SPV through a transparent procedure for smooth and effective operationalization of the facilities".

10. Proposal for Steering Committee:

Committee may consider the proposal for **Final Approval** for setting up of CFC in Printing Cluster, Salem, Tamil Nadu at a total project cost of Rs.1346.50 lakh with GoI assistance of Rs.1076.44 lakh, State Government contribution of Rs.135.03 lakh and SPV contribution of Rs.135.03 lakh.

Agenda No.50.4. 35(S): Proposal for final approval for setting up of Common Facility Centre (CFC) in Powerloom Cluster, Namakkal, Rasipuram, Tamil Nadu.

- (i) Proposal was accorded In-principle approval during the 48th SCM held on 12.11.18, subject to submission of following documents prior to Final approval.

Documents required		Status
(i)	Confirmation from State Government regarding enhancement of their contribution towards the Project.	Received
(ii)	Conversion certificate of land from Agricultural to industrial use.	To be provided
(iii)	Tangible outcomes such as number of units, turnover, export, employment etc.	To be provided
(iv)	Certificate from State Pollution Control Board	To be provided
(v)	Proof of formation of SPV and Bye-Laws or MoA and AoA.	Received
(vi)	Details of Share holding pattern of SPV members.	To be provided
(vii)	Commitment letter from SPV for their contribution.	Received
(viii)	Details of SPV bank account.	Received
(ix)	Proof of tie-up with Technical Institution.	Received
(x)	SIDBI Appraisal Report.	Received
(xi)	Commitment letter from State Government / IA to meet the cost escalation, if any, over and above the approved project cost.	Received
(xii)	Commitment letter from SPV for utilization of at least 60% of the facilities created.	Received
(xiii)	Certificate from State Government that more than 50% units in the cluster are Micro/SC/ST/Women Enterprises, as the case may be.	Received
(xiv)	Certificate from State Government for compliance of GFR/ CVC guidelines.	Received

1. Basic Information of Cluster

Name of Cluster :	Power Loom Cluster	
District :	Namakkal	
Location of Cluster :	Namakkal	
Lok Sabha Constituency :	Namakkal	
Main Product :	Fabrics of all type (eg. Shirts, Towels, Dhotis)	
No. of Enterprises including break up (Micro, Small, Medium) :	Micro	440
	Small	5
	Total	445
Turnover for the last five years :	Year	Amount (Rs in Crore)
	2013-14	350
	2014-15	380
	2015-16	400
	2016-17	450

	2017-18	480
Exports for the last five years :	Nil	
Employment in Cluster :	7500 persons	
Technology Details :	Currently units in the cluster are using conventional technology, advance and upgraded technology is required.	
Whether DS Conducted :	YES	
Main findings of DSR :	1) Non-Availability of Advanced technology 2) Non-Availability of Testing facilities	
Main Problems of Cluster :	1. Production cycle is longer due to wait state of support facility - sizing, warping, Dyeing in the cluster location (latency of approximately 30 to 40 days) 2) Due to lower productivity, profits to owners are strained. The reason is Capital Inadequacy for support facilities 3) No Direct Market Access - Most of the orders are job works	
Other Information :	-	

2. Information about Proposed CFC

Description	Proposed by Agency (IA)	Implementation	Remarks
(a.) Justification for CFC	As there is no Modern Dyeing Facility with Zero Liquid Discharge ETP Compliant, no mechanised Sizing, Warping Facilities Present, the Cluster Units are fast losing the business Opportunities. So CFC is an Emergency need for the Micro & Small Enterprises to sustain and grow.		--
(b.) Location of CFC	Kalyani, Namakkal		--
% age of units in radius of 5km	422		--
% age of units in radius of 10km	23		--
(c.) Land for CFC			
i. Whether land acquired	Yes		Received.
ii. Title is in name of	Namakkal Rasi Looms Cluster Private Limited		--
iii. Valuation and its basis	NA		--
iv. Land is sufficient	Yes		--
v. Change of land use	Non-Agricultural Land. Applied for change of Land use.		Letter required.
vi. If on lease, duration of lease	NA		Land purchased
vii Whether lease is legally tenable	NA		--
(d.) Total Building area	29400 sq ft		--
(e.) Rate of construction of building	Rs.1084 per Sq ft.		--

Description	Proposed by Implementation Agency (IA)	Remarks
(f.) Main Facility Proposed	(i) Yarn Dyeing, (ii) Sizing, (iii) Warping with ZLD compliance	--
(g.) Prod capacity of CFC	Provided	--
(h.) Major Outputs/ Deliverables of CFC, Projected performance of the cluster after proposed intervention (in terms of production, export/ domestic sales and direct /indirect employment, etc.)	Not Provided	Required
(i.) Pollution clearance required or not	Not Provided	Required
(j.) Man Power in CFC	130 Persons	--
(k.) Revenue generation mechanism for sustainability of assets (service/user charges to be levied, any other-to be specified)	Provided	--

3. Information about SPV

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Name and Address	Namakkal Rasi Looms Cluster Private Limited Door No.3, V. Nagar, Road No.5, Rasipuram, Namakkal District. Pin: 637408	--
(b.) Nature of SPV(company or Society or Trust)	Company registered under Company act 2013	--
(c.) Name of the state Govt. and MSME officials in SPV	Not Provided	--
(d.) Date of formation of SPV	21.07.10	--
(e.) Number of Members	44 Nos	--
(f.) Bye Laws or MA and AOA submitted	Provided	--
(g.) Authorized Share Capital	Provided	--
(h.) Paid up capital	--	--
(i.) Shareholding Pattern	Not Provided	Required
(j.) Commitment letter for contribution	Provided	--
(k.) SPV specific A/c	Account Number: 0985201001589 (Canara Bank)	--
(l.) Trust Building of SPV, Previous track record of co-	--	--

Description	Proposed by Implementation Agency (IA)	Remarks
operative initiatives pursued by SPV members need to be highlighted with support documentation		
(m.) Technical Institution	PEDEXCIL (Power Loom Development Export Promotion Council) SITRA (South Indian Textile Research Association)	--
(n.) CFC may be utilised by SPV members as also others in a cluster. However, evidence should be furnished with regard to SPV member ability to utilise at least 60 percent of installed capacity.	Provided	--
(o.)		
(a) Power requirement for commercial/domestic purpose	580 KW	--
(b) Water	25000 Litres per day	--
(c) Gas/Oil/Other Utilities	--	--

4. Implement Arrangements

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) Implementing Agency	TANSIDCO, Tamilnadu	--
(b.) Fund receiving Agency	TANSIDCO, Tamilnadu	--
(c.) Implementation Period	45 Weeks from the date of signing Tripartite Agreement	24 months from date of issuance of Final Approval
(d.) Appraisal of DPR and main Recommendations	SIDBI	--
(e.) Comments of Technical Division	--	--
(f.) Approval of Technical Committee	To be obtained	Recommended by Technical Committee.
(g.) Working capital(In-principle sanction of loan from a bank, if applicable arrangement made)	--	--

5. Financial Analysis of CFC

Description	Proposed by Implementation Agency (IA)	Remarks
(a.) BEP	40.36%	--
(b.) IRR, Payback period	IRR : 14.56%	--
(c.) DSCR	--	--
(d.) Return on Capital employed (ROCE)	25.08%	--
(e.) NPV	Positive@10%	--
(f.) DER	--	--
(g.) Sensitivity Analysis	Provided	--

6. Proposed Project Cost is as follow:

(Rs. in lakh)

S. No.	Particulars	As per IA	As per SIDBI/MSME-CDP
(i)	Land and its Development	5.25	5.25
(ii)	Building and other Civil Constructions	318.75	318.75
(iii)	Plant & Machinery (including electrification)	1545.32	1498.11
(iv)	Misc. fixed assets	10.00	57.20
(v)	Preliminary & Pre-operative expenses, maximum 2% of project cost	44.06	37.69
(vi)	Contingency (2% building and 5% on plant and machinery)	81.28	81.28
(vii)	Deposit	0.00	5.00
(viii)	Margin money for Working Capital	6.00	6.00
	Total Project Cost	2010.66	2009.28

7. Proposed means of finance are as follows:

(Rs. in lakh)

S. No.	Particulars	As per IA (before enhanced Govt. of Tamil Nadu Share)	As per IA (after enhanced Govt. of Tamil Nadu share)	Recommended by SIDBI	As per MSE-CDP
(i)	Grant-in-aid from Govt. of India	1350.00	1248.94	1148.94	1148.94
(ii)	Grant-in-aid from Govt. of Tamil Nadu	100.00	201.06	201.06	201.06
(iii)	SPV contribution	560.66	560.66	659.30	659.30
	Total	2010.66	2010.66	2009.3	2009.3

