

भारत सरकार
GOVERNMENT OF INDIA
संचार और सूचना प्रौद्योगिकी मंत्रालय
MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी विभाग
DEPARTMENT OF ELECTRONICS AND INFORMATION TECHNOLOGY
Website: www.deity.gov.in

संख्या 36(7)/2014-IPHW-(Vol. III)
No.....
To

दिनांक 15th September 2015
Date.....

Shri Rajoo Goel,
Director
M/s ELCINA Electronics Manufacturing Cluster Pvt. Ltd. (SPV)
ELCINA House 442, Okhla Industrial Estate,
New Delhi-110020

Subject: Electronics Manufacturing Cluster Scheme-Final approval for Phase I of Greenfield Electronic Manufacturing Cluster at Khushkhera, Bhiwadi, Rajasthan.

- References: 1) Final application dated 17th February, 2014, letter dated 18th February, 2015 Informing implementation of the project in the two phases and subsequent documents submitted by the applicant.
- 2) EMC Policy Gazette Notification No252 dated 22nd October, 2012
- 3) Guidelines for EMC dated 15th April, 2013 [F.No.8 (50)/2011 – IPHW]
- 4) Guidelines for constitution of SPV dated 30th January, 2014 [F.No.8 (131)/2012 – IPHW]

Sir,

Reference is invited to final application dated 17th February 2014 and subsequent communications including the letter dated 18th February 2015 seeking grant assistance under Electronics Manufacturing Cluster (EMC) scheme from this Department for setting up of Greenfield Electronics Manufacturing Cluster at SPL-1 Salarpur, Khushkhera, Bhiwadi Rajasthan. The said application and documents submitted by you have been considered by the Department of Electronics and Information Technology(DeitY) and on the basis of the assurances and commitments made therein, I am directed to convey the approval of the competent authority for setting up of Greenfield Electronics Manufacturing Cluster (EMC) at SPL-1 Salarpur, Khushkhera, Bhiwadi Rajasthan with a project cost of Rs. 46,08,83,789/- (Rupees Forty Six Crores Eight Lacs Eighty Three Thousand Seven Hundred & Eighty Nine only) [excluding land cost] providing Grant-in-aid assistance of Rs.20,24,11,772/- (Rupees Twenty Crores Twenty Four Lacs Eleven Thousand Seven Hundred & Seventy Two only).

2. The parameters of the project are mentioned hereunder. The area mentioned below is being notified as a Greenfield Electronic Manufacturing Cluster under the EMC Scheme of DeitY.



#	Project Parameters	Details
1.	Name of the Applicant	M/s ELCINA Electronics Manufacturing Cluster Pvt. Ltd. (EEMCPL) – SPV
2.	Location details of the Greenfield EMC	SPL-1 Salarpur, Khushkhera, Bhiwadi Rajasthan. (Survey numbers as per the site plan submitted along with letter no. NIL dated 22 nd June 2015 enclosed (Annexure B)
3.	Area of the EMC	50.34 acres (Phase I) Processing area – 41.34 acres (82.1%) Non – Processing area – 9.00 acres (17.9%)
4.	Sector identified for the EMC	Components for electronic products
5.	Timelines for formation of SPV	The application has been submitted by the SPV and the SPV would be restructured (as per applicant's communication dated 14.07.2015) in line with the Guidelines for the constitution of SPV dated 30.01.2014 issued by DeitY
6.	Project Timeline (Phase-I)	Eighteen (18) months from date of final approval

TERMS AND CONDITIONS

3. This approval and Grant-in-aid is subject to compliance by the SPV to the EMC Scheme and Guidelines and other instructions, orders etc. issued by the Government of India from time to time, and the terms and conditions stipulated hereinafter. The terms used in this letter shall have the meaning ascribed to such terms in **Annexure A** of this letter.

4. The Grant-in-aid has been approved on basis of the eligible activities, break-up of project cost and funding pattern approved by the Competent Authority under the Electronics Manufacturing Clusters Scheme which is mentioned in the table hereunder. The SPV undertakes to comply with the eligible activities, break-up of project cost and funding pattern as provided herein.

#	Project Component	Quantity	Cost as per evaluation (Rs. '000)
A	Basic development		
A1	Site development & boundary wall		51,208
	Site grading		27,230
	Boundary wall (in km)	2.31	18,978
	Gate house		5,000
A2	Internal roads (in km)	1.88	54,941
A3	Storm Water Drains		52,991
	Drains with cover (in km)	7.33	45,998
	Rainwater collection tank (in cu. mts)	12,250	6,000
	Recharge wells – 2 Nos. (in cu. mts)	10.00 (5x2)	993

A4	Landscaping (in acres) & signage	3.30	9,917
	Sub-Total (A)		169,057
B	Essential services		
B1	Water supply & treatment		30,554
	Tubewell (in Nos.)	02	1,200
	Ground Level Service Reservoir (in Cu. Mts.)	1,000	7,408
	Water Treatment Plant		6,000
	Pump house (in Nos.)	01	495
	Rising mains		119
	Elevated Level Service Reservoir (in Cu. Mts.)	600	7,257
	Distribution network		2,274
	Firefighting system comprising of 32 fire extinguishers & 6 fire buckets with necessary accessories, stands, trolley etc., hydrant system, fire pumps & related accessories.		5,801
B2	Water disposal		13,060
	Collection system		1,394
	Sewage treatment plant		10,000
	Irrigation conveyance		1,666
B3	Solid waste management system		3,498
B4	Electrical distribution		93,868
	132/11 KVA substation (in Nos.)	01	69,381
	11 KV overhead network		5,871
	Electricity board charges		12,338
	Street lighting (No. of Poles)	155	6,278
	Sub-Total (B)		140,980
C	Manufacturing and Support Services		
C1	IT Infrastructure comprising of 1 Data centre admeasuring 371.61 sq. mts. and inclusive of server racks, networking racks, servers, SAN, UPS, power backup, air conditioning (incl. NOC), CCTV, user defined access control entry & exit, internet connectivity with firewall, software licenses 1 network operations centre admeasuring 92.90 sq. mts. and inclusive of supervisor cabin with hardware & furniture, furniture & hardware for NOC officials, monitoring panel – HDTV Training labs (seating capacity of 30) and inclusive of furniture & fixture, IT hardware,		9,050

	air conditioning Video conferencing room (Seating Capacity of 20) and inclusive of furniture & fixture, video conference hardware & air conditioning.		
C2	Training facility (in sq. mts.)	2,994.67	21,741
C3	Centre of incubation (in sq. mts.)	4,168.26	7,900
C4	Equipment for training facility		3,000
	Computer stations (in Nos.)	20	600
	Projector & multimedia devices	01 Set	700
	ASAP PRO/ Bio Optical Breault Research – software (in Nos.)	01	1,700
	Sub - Total (C)		41,691
D	Welfare services		
D1	Hostel building (in sq. mts.)	12,747.60	65,148
D2	Furniture for hostel		16,308
	For 140 rooms - steel cots, mattress, bed sheets, pillows, student desks & chairs, wooden storage, curtain rods, curtains & coolers		14,891
	For 3 common rooms -table with glass top, visitor chairs, computer tables, steel book case, sloping periodical rack, newspaper stand, white board, library tables, LED TV, air conditioners, water cooler, misc. (curtains etc.)		667
	For 2 hostel offices- sofa, visitor chairs, table with glass tops, computer tables, white board, air conditioner, wooden storage, water dispenser, misc. (curtains etc.)		250
	Toilets, other furnishings & misc.		500
D3	Administrative block/ common amenities (in sq. mts.)	2,225.77	21,803
	Sub - Total (D)		1,03,259
E	Administrative expenses		5,895
	Sub - Total (E)		5,895
	Total (A+B+C+D+E)		4,60,882

5. The details of the project cost and grant-in-aid for Phase I of the Project approved by the Competent Authority under the Electronics Manufacturing Clusters Scheme are as provided in table hereunder. The SPV undertakes to comply with the project cost as provided herein.

In Rupees

#	Parameter	Area (In acres)	Project Cost	Grant-in-Aid (from GoI)
1	Processing area	41.34	35,17,28,744	17,58,64,372
2	Non processing area	9.00	10,32,59,557	2,06,51,912
3	Administrative expenses		58,95,488	58,95,488
	Total		46,08,83,789	20,24,11,772

6. The details of funding for Phase I of the Project approved by the Competent Authority under the Electronics Manufacturing Clusters Scheme are as provided in the table hereunder. The SPV undertakes to ensure the contribution from cluster enterprises/ units to the tune of Rs. 25.85 crores.

In Rupees

#	Funding Sources	Amount
1	Grant-in-aid from GoI	20,24,11,772
2	Contribution from cluster enterprises/ units	25,84,72,017
	Total	46,08,83,789

7. **Implementation schedule:** The project components wise implementation schedule for Phase I of the Project approved by the Competent Authority under the Electronics Manufacturing Clusters Scheme is as provided hereunder. The SPV undertakes to implement the Project within the approved timelines. In the event of considerable and persistent delay of the project, GOI has the right to foreclose the Project, appoint a new implementation agency for execution of the project and recover the entire Grant –in –aid released along with interest and penalties as stipulated in this approval letter.

(a) Total duration of Phase 1 of the project – 18 months

(b) Project Component-wise timeline:

Particulars	Timeline
Basic Development	8 months (2 nd to 9 th month)
Essential Services	10 months (8 th to 17 th month)
Manufacturing & Support Services	9 months (9 th to 17 th month)
Welfare Services	11 months (7 th to 17 th month)
Project completion and Handover	18 th month

8. The SPV shall ensure that it is restructured (as per the applicant's communication dated 14th July 2015) in full compliance of terms and conditions laid out in the 'Guidelines for constitution of Special Purpose Vehicle (SPV) for implementation of Electronics Manufacturing Clusters (EMCs)' dated 30th January 2014, Electronics Manufacturing Cluster Scheme, the Guidelines and any other instructions issued by DeitY from time to time. In the event of failing to comply with the conditions laid out in EMC Scheme or Guidelines including the utilization of land or committing breach of the bond at any time, the SPV shall be liable to refund to the President of India the entire amount of the Grant-in-aid with interest @ Prime lending Rate (PLR) per annum prevailing at that time and as notified by Reserve Bank of India .The SPV will

also be liable to such other penalties as provided under the approval and any other law. DeitY may also take legal action for recovery of the dues as may be considered appropriate.

9. The SPV shall execute a bond for proper utilization of grant wherein it shall undertake that it shall abide by the terms and conditions specified in the approval letter, the terms of the Scheme and Guidelines and any other instructions issued by the Department of Electronics and Information Technology from time to time. The SPV shall also be required to provide a *Self-certified undertaking that they have not obtained or applied for grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government.* In the event of failing to comply with the conditions laid out in EMC Scheme or Guidelines including the utilization of land or committing breach of the bond at any time, the SPV shall be liable to refund to the President of India the entire amount of the Grant-in-aid with interest @ Prime lending Rate (PLR) per annum prevailing at that time and as notified by Reserve Bank of India. The SPV will also be liable to such other penalties as provided under the approval and any other law. DeitY may also take legal action for recovery of the dues as may be considered appropriate.

10. The SPV shall create an Escrow account with a Nationalized Bank and shall provide the details thereof to the Department of Electronics and Information Technology (DeitY) Government of India. The Government of India shall enter into a Tripartite Agreement (TPA) with the SPV and the Bank where the escrow account of the SPV is maintained for proper utilization of the central grant. The terms of the escrow account shall be as approved by the Government of India.

11. The SPV shall ensure that minimum 80% of the land of the Electronic Manufacturing Cluster shall be allotted to processing area while remaining 20% of the land may be allotted for non-processing area. The SPV shall ensure that a minimum of 75% units within the EMC should be from among the verticals covered under Modified Special Incentives Package Scheme.

12. The disbursement of Grant-in-aid will be made on pro-rata basis i.e. all proportionate payments to be released after the corresponding amount is mobilized and deposited in escrow account by the SPV and other necessary conditions for release of such payments as prescribed have been complied with.

13. In the event of any shortfall in project funds, the same will have be mobilized and brought in by the SPV.

14. The first installment of Grant-in-aid (i.e. 20% of the Grant-in-aid) to be released after the structure of SPV complies with the requirements of '*Guidelines for constitution of Special Purpose Vehicle (SPV) for implementation of Electronics Manufacturing Clusters (EMCs)*' dated 30th January, 2014 and after submission and signing of the requisite administrative legal documents viz. Bank Guarantee, Agreement, Tripartite Agreement (TPA) etc. and compliance of other terms & conditions as mentioned in the approval letter. The subsequent installments will be released as mentioned below:

- a. The second installment of Grant-in-aid (i.e. 30% of the grant-in-aid) will be released after allotment of land to at least 5 constituent units (or at least 5 acres of land whichever is higher) and submission of application(s) under M-SIPS by at least 2 constituent units of the

EMC. This installment of 30% of Central grant will be released after utilization of 80% of first installment and proportionate contribution from constituent units.

- b. Third instalment of Grant-in-aid (i.e. 30% of the grant-in-aid), will be released after the SPV submits water and electricity approvals from the concerned authorities to DeitY. This installment of 30% of Central grant will be released after utilization of 80% of second installment and proportionate contribution from constituent units.
- c. Fourth Instalment of Grant-in-aid (i.e. 20% of the grant-in-aid) will be released after the SPV submits the executed lease deed for the land to DeitY and completion of the project. This final installment of 20% of Central grant will be released after successful completion of the project.

14. The Government of India's disbursement will be effected to the escrow account only when proportionate contribution from the SPV is deposited in the escrow account. All the payment to the SPV will be released subject to and in accordance to clause 6.13 of the EMC Guidelines. The deposits in the escrow account shall be utilized only for authorized expenditure for the approved Phase I of the project. The bank guarantee mentioned in clause 6.13 of the EMC Guidelines shall be in a form acceptable to DeitY.

15. The Grant-in-aid sanctioned by the Government of India would be utilized only for the Phase I project components mentioned in this approval letter.

16. Any escalation/enhancement in the cost of the individual project components shall be solely borne by the SPV. The SPV shall arrange additional funds, if any required, to meet time and cost overruns. The Central grant for the purposes shall be limited to amount approved for Grant-in-aid as per this approval letter.

17. In the event of reduction of cost in a project component, the Central grant shall automatically get reduced on pro-rata basis for the said project component.

18. It shall be the responsibility of the SPV to obtain necessary approvals and clearances as stipulated as per law.

19. The SPV shall submit the "Utilization Certificate" on the basis of audit done by Chartered Accountant and after the acceptance of the same by its Board of Directors.

20. The SPV shall maintain subsidiary accounts of the GOI grant and furnish to the Accounts Officer a set of audited statement of accounts. These audited statements of accounts should be furnished after utilization of Grant-in-aid or whenever called for.

21. The SPV shall undertake all procurement of goods, equipment and services or any other item through a transparent and competitive procurement process. Appropriate performance guarantees should be built in the agreement(s) to ensure timely and good quality delivery of goods and services procured.

22. In case the DeitY, Government of India is of the opinion that the implementation of the project or operation of the SPV is not satisfactory or in case of disputes amongst the Board members of the SPV, DeitY, Government of India would have the right to effect a change in the

management of the SPV or issue such directions as may be necessary. The Articles of Association of the SPV shall be suitably formulated and if required modified to enable the Government of India to enforce, if required the above conditions stipulated while sanctioning the Grant-in-aid.

23. Any other special terms and conditions or procedures for transaction of business, as Government may desire to be followed by the SPV, shall be incorporated in the Articles of Association of the SPV before release of Grant-in-aid.

24. The SPV shall appoint a Managing Director or Chief Executive Officer with approval of its Board of Directors. However, the appointment shall need ratification by the Department of Electronics and Information Technology thereafter. SPV or the Managing Director of the SPV, as the case be, would be the Drawing and Disbursing Officer for the amounts released under this approval letter.

25. The SPV shall submit performance-cum-achievement report before applying for the next installment as grant (within 6 months from end of every Financial Year).

26. Accounts of the SPV shall be open to inspection by the Department of Electronics and Information Technology and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry of Communication and Information Technology or Department of Electronics and Information Technology, whenever the SPV is called upon to do so.

27. The SPV shall complete process for transfer of the roads and Right of Way as per proposal to Govt. of India for the Phase I of the Project.

28. The assets acquired wholly or substantially out of Government of India's Grant-in-aid shall not, without the prior sanction of the Government of India, be disposed of, encumbered or utilized for the purpose other than for which the Grant-in-aid has been released.

29. The SPV shall provide a certificate of actual utilization of the grants received for the purpose for which it was sanctioned in Form GFR 19-A as per the stipulated time and as and when asked for by DeitY, Government of India. The Utilization Certificate should be submitted within six months of the closure of the financial year by the SPV. Receipt of such certificate shall be scrutinized by DeitY. Where such certificate is not received from the SPV within the prescribed time, the Ministry or Department will be at liberty to blacklist such Chief Promoter and/ or the SPV from any future grant, subsidy or other type of financial support from the Government.

30. The SPV shall maintain a register of permanent and semi-permanent assets acquired wholly or mainly out of the funds of Grant-in-aid on the basis of Form GFR -19.

31. The SPV shall furnish a return of such assets acquired during a financial year in the Form-GFR-19.

32. The SPV shall fix user charges for various facilities and services provided by under the Phase I of the Project in order to ensure that it fully recovers the O&M cost and make the Phase I of the Project sustainable.

33. In case of winding up, dissolution, etc. of the SPV, at any point in time, all assets and any unutilized grant shall automatically vest with the Government of India.

34. The SPV shall report on the physical progress as well as the expenditure incurred in the Project to the Department of Electronics and Information Technology every quarter.

35. DeitY shall display on its website the details of the Project approved and the progress of its implementation.

36. Out of the Grant-in-aid, the administrative expenses (incurred during the execution of Phase I of the Project) shall be limited to that approved as per this approval letter. Administrative expenses beyond this amount shall be met by the SPV from its own resources.

37. The SPV shall endeavor to ensure that the following units make investment toward electronic manufacturing in the cluster being set up in Phase I of the Project:

- i. M/s Sahasra Electronics Pvt. Ltd.
- ii. M/s Elin Electronics Ltd.
- iii. M/s Deki Electronics Ltd.
- iv. M/s Value4tronics Enterprises LLP
- v. M/s East India Technologies Pvt. Ltd.
- vi. M/s Digital Circuits
- vii. M/s Kailash Chand Jain Ltd.
- viii. M/s Mrideep Consultants & Agents
- ix. M/s Sphere Infraventures LLP
- x. M/s Speedofer Components Pvt. Ltd.
- xi. M/s Victor Component Systems Pvt. Ltd.
- xii. M/s Maxim Global
- xiii. M/s UKB Electronics Pvt. Ltd.
- xiv. M/s Leading point powertronics Pvt. Ltd.
- xv. M/s E-durables Electronics Pvt. Ltd.
- xvi. M/s Jaikartar Digitech Pvt. Ltd.
- xvii. M/s Zupitex India Pvt. Ltd.
- xviii. M/s Duggar Power Products Pvt. Ltd.
- xix. M/s EFY Exports Pvt. Ltd.
- xx. M/s Fiem Industries Pvt. Ltd.

38. In the event of failing to comply with the conditions laid out in EMC Scheme or Guidelines or this approval letter (including the utilization of land) at any time, the SPV will be liable to refund to the President of India the entire amount of the Grant-in-aid with interest @ Prime Lending Rate (PLR) per annum of Reserve Bank of India (RBI) thereon and will be liable to such other penalties as provided under the approval and any other law. DeitY shall also be entitled to take legal action for recovery of the dues as may be considered appropriate.

39. The SPV shall submit all relevant documents within the time lines as specified in the EMC scheme and guidelines, or as and when asked for demonstrating the fulfillment of all terms and conditions precedent at each stage.

40. The terms and conditions of this approval letter are inclusive or in addition to the standard terms and conditions mentioned in Annexure – 8 of the EMC Guidelines. In case of any conflict between the terms and conditions mentioned in this approval letter and the terms and conditions mentioned in the EMC Scheme or EMC Guidelines or any other terms and conditions imposed on the SPV regarding the Project, DeitY, Government of India shall have the sole authority and right to decide which terms and conditions shall prevail and the decision of the Secretary, DeitY, Government of India shall be final and binding on the SPV.

41. In case of any dispute, Secretary, Department of Electronics and Information Technology, Government of India, shall be the sole “Arbitrator” and his decision shall be final and binding for all the concerned.



(Dr. Ajay Kumar)

Additional Secretary to Govt. of India

Tel: 24360160

Copy to:

1. PS to Hon'ble MCIT, Govt. of India.
2. Secretary, DeitY
3. JS&FA, DeitY
4. Secretary-Industries, Govt. of Rajasthan
5. Chairman, RIICO



(Dr. Ajay Kumar)

Additional Secretary to Govt. of India

Tel: 24360160

Definitions:

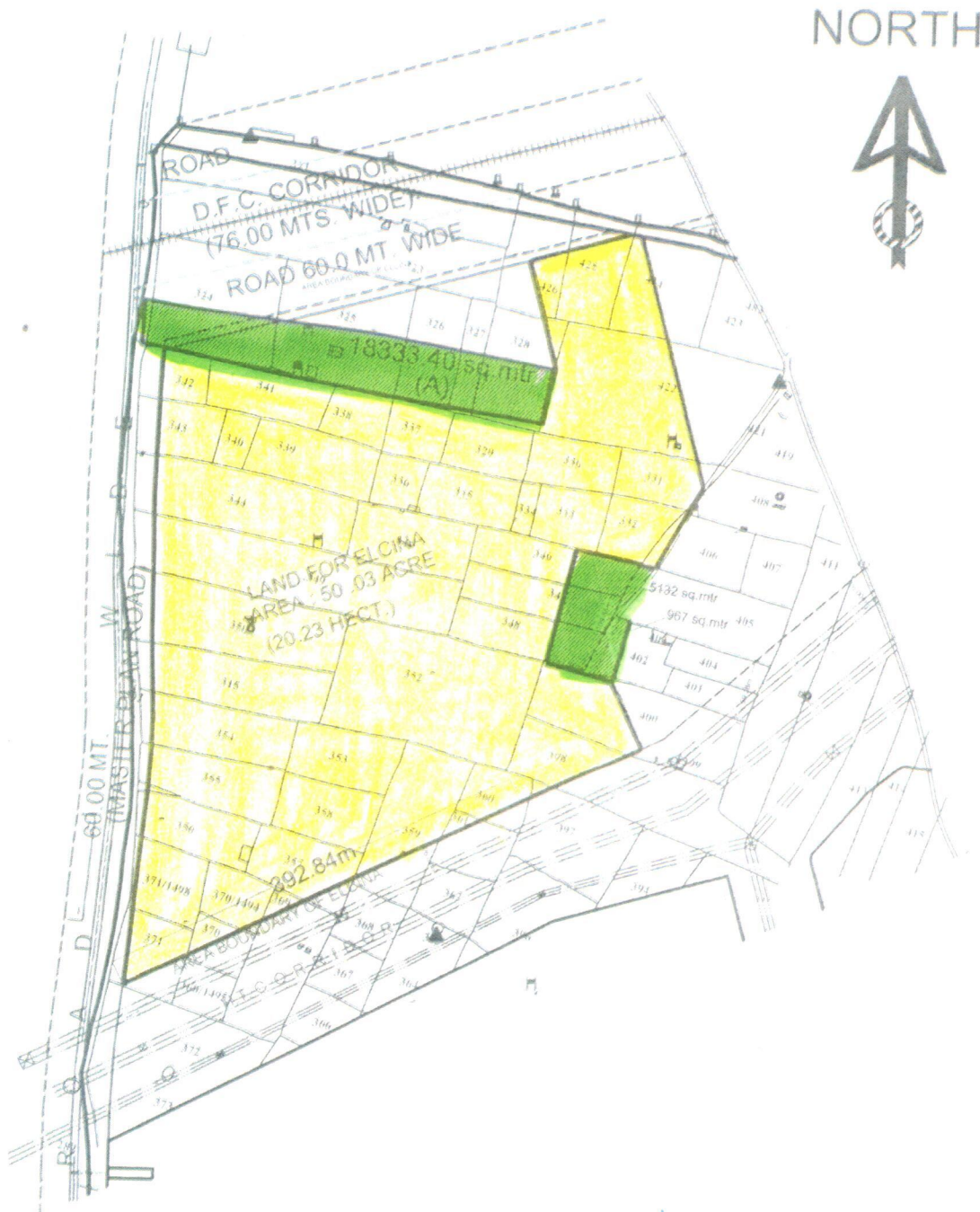
The terms used in the approval letter No. 36(7)/2014-IPHW-(Vol.III) dated 15th September 2015 issued to M/s ELCINA Electronic Manufacturing Cluster Private Limited shall have the meaning ascribed to such terms in the EMC Scheme and EMC Guidelines and where such terms are not defined therein, the terms shall have the meaning, unless the context otherwise requires, as provided below:

1. **SPV:** The applicant – M/s ELCINA Electronic Manufacturing Cluster Private Limited is an SPV proposed to be restructured as per ‘Guidelines (dated 30th January, 2014) for constitution of SPV’, issued by DeitY.
2. **Grant-in-aid:** Financial assistance provided by DeitY towards implementation of Phase I of the project (refer para 4.1 of the EMC Scheme dated 22nd October, 2012).
3. **Project:** Phase I of the project for setting up of Greenfield EMC at SPL-1, Salarpur, Khushkhera, Bhiwadi Rajasthan submitted by M/s ELCINA Electronic Manufacturing Cluster Private Limited.
4. **DeitY:** Department of Electronics and Information Technology, Ministry of Communication and Information Technology, Government of India.
5. **PLR:** Prime Lending Rate as issued by RBI prevailing at the time occurrence of the event.
6. **GOI:** Ministry of Communication and Information Technology acting through Department of Electronics and Information Technology for and on behalf of the President of India
7. **Form GFR-19:** General Financial Rules (GFR) issued by Ministry of Finance, Government of India from time to time.
8. **EMC Scheme:** Electronic Manufacturing Scheme Notification No. 252 dated 22nd October, 2012 in Part-I, Section 1 of the Gazette of India (Extraordinary) [F. No. 8(50)/2011-IPHW]
9. **EMC Guidelines:** Guidelines for Electronics Manufacturing Clusters (EMC) Scheme to provide world class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector dated 15th April, 2013 [F. No. 8(50)/2011-IPHW].
10. **SPV Guidelines:** Notification of Guidelines for constitution of Special Purpose Vehicle (SPV) for implementation of Electronics Manufacturing Clusters (EMCs). Dated 30th January, 2014 [F. No. 8(131)/2012-IPHW].
11. **Accounts Officer:** Accounts Officer appointed by Department of Electronics and Information Technology
12. **Utilization certificate:** Utilization Certificate stipulated as per Form GFR 19.

RIICO

Annexure-B

TENTATIVE SITE PLAN SUPER IMPOSE WITH KHASRA PLAN
OF PLOT NO. SPL-1 AT INDUSTRIAL AREA, SALARPUR (BHIWADI)
FOR: M/S ELCINA ELECTRONICS MANUFACTURING CLUSTER PVT. LTD.



10/06/15

SR. D/M

A.R.M.

10.6.15

R.M.

10.6.15

UNIT HEAD

RIICO

TENTATIVE SITE PLAN OF PLOT NO. SPL1 AT INDUSTRIAL AREA
SALARPUR (SEMI DEVELOPED)
FOR; M/S ELCINA ELECTRONICS MANUFACTURING CLUSTER PVT. LTD.

AREA = 50.03 ACRES
(202471.41 SQM APPROX.)

LAND USE = INDUSTRIAL

