

Government of India
Ministry of Communications and Information Technology
Department of Electronics and Information Technology
(IPHW-Division)

Electronics Niketan, 6, CGO Complex
New Delhi-3

To

Date: 22nd January 2014

Shri S. Ramanath
Managing Director
Kinfra House 31/2312,
Sathamangalam, Trivandrum
Kerala-695010

Subject: Electronics Manufacturing Cluster Scheme – “In principle” approval for Greenfield Electronics Manufacturing Cluster at Kakhanad, Kerala,.

Sir,

I am directed to convey the “in-principle” approval of the Government of India under Electronics Manufacturing Cluster Scheme (EMC) for Greenfield EMC project at Kakhanad, District Ernakulum, Kerala with estimated project cost of Rs 129.87 Crore as per the following details:

Name of Applicant	:	Kerala Industrial Infrastructure Development Corporation (KINFRA)
Location of EMC	:	Kakhanad, Kerala
Area of EMC	:	75.00 Acres
Estimated Project Cost	:	Rs. 129.87 Crores


2. The “in-principle” approval is valid for a period of 6 months from the date of this letter, which may be extended by Steering Committee for Clusters (SCC), as found necessary in the best interest of the scheme. The final approval of the project would be subject to achievement of certain milestones as detailed below, within the prescribed period:

- (i) Formation of the SPV
- (ii) Procurement of land for the project
- (iii) Financial Closure of the project
- (iv) Collection of at least 10% of the stipulated financial contribution from industrial institutions/associations.
- (v) Preparation of detailed drawings and designs of the works and their detailed cost estimates.
- (vi) A firm implementation schedule (component/activity wise) specifying milestones and timelines

3. The eligible activities and break-up of project cost as approved, “in-principle” by the Steering Committee for Clusters are as follows:

S. No	Particulars	Cost (Rs. Crore)
A	Basic development, essential & regulatory services	77.89
B	Manufacturing support facilities	13.0
C	Other support facilities	13.30
D	Welfare facilities	13.68
E	Administrative & other expenses	12.0
	Total	129.87

- 3.1 Means of Finance: Means of Finance to be provided by the applicant by the time of final application:
4. This “in-principle” approval constitutes of an “in-principle” approval to apply for a formal approval for setting up a Greenfield EMC as per relevant Scheme Notification and guidelines. Upon receipt of application for formal approval and its due consideration by the Competent Authority that all requirements with respect to the scheme have been satisfactorily complied, a formal approval will be issued including sanction for projects approved for financial support that will be available for the said project(s). This “in-principle” approval in itself does not construe any obligation on Government to the said project(s).
5. The applicant needs to fulfill the following requirements by the time of submission of final application, as required by Steering Committee for Clusters:
- 5.1 Land Documents: The applicant should provide complete land related documents in accordance with the EMC Guidelines and ‘Handbook for Appraisal of applications for Greenfield EMCs’, along with the final application.
- 5.2 Land Distribution: The applicant should ensure that 80% of the EMC area is processing and should provide the detailed breakup at final application stage.
- 5.3 Revenue Model: The applicant should provide detailed revenue projections and the assumptions used for the Revenue Model.
- 5.4 Equipment Cost: The applicant should provide the breakup of Equipment cost under Tool Room / CAD-CAM design house Cost.
- 5.5 SPV formation: The applicant should provide a clear timeline regarding when the SPV would be formed.
- 5.6 Economic Benefits: The Applicant should provide the amount of Expected Investment by the constituent units into the EMC and the Expected Turnover of the units in the EMC.
- 5.7 Anchor Unit: The applicant should provide details of the prospective anchor unit in the EMC.
- 5.8 Allocation to MSME units: Details of the land reserved for allocation to MSME sector.


(Dr. Ajay Kumar)
Joint Secretary to Govt. of India,
Tel: 24360160