

File No: 36(19)/2013 – IPHW (Vol.II)
Government of India
Ministry of Communications and Information Technology
Department of Electronics and Information Technology
Electronics Niketan, CGO Complex
New Delhi- 110003

To

Dated: 30th January 2014

Mr. Kiron. D. Shah
Director- ELCIA ESDM Pvt Ltd
Building 1, Velankani Campus,
43, Electronics City, Hosur Road
Bangalore-560100

Subject: Electronics Manufacturing Cluster Scheme – “In principle” approval for setting up of common facility centre at Brownfield Electronics Manufacturing Cluster at Electronic city Bengaluru, Karnataka.

Sir,

I am directed to convey the “in-principle” approval of the Government of India under Electronics Manufacturing Cluster Scheme (EMC) for project for setting up of Common facility centre at Electronic City, Bengaluru, Karnataka with estimated project cost of Rs 85.15 crores as per the following details:

Name of Applicant : ELCIA Pvt Ltd (Electronics City Industries Association)
Location of EMC : Electronic City Bengaluru, Karnataka
Area of EMC : 1.167 Acres
Estimated Project Cost : Rs 85.15 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	CFC Building	10.00
B	Physical Utility	5.00
C	Plant & Machinery	66.12
D	Administrative expenses	1.21
E	Working Capital Margin	2.82
	Total	85.15

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 Policy 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 projects. This “in-principle” approval in itself does not construe any obligation on Government to the projects herein.

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: Complete documents relating to land use, subleasing (whether allowed or not), etc should be provided by SPV.

5.2 SPV Formation: Final application should be submitted by the SPV

5.3 Environmental Clearances: Detailed environment management plan detailing processes to assess environment impact from its operations and thereby measures adopted to manage these. Further, the Applicant should obtain clearance from the concerned state authorities including the State Pollution Control Board.

5.4 Applicant should assess the duplicity of equipment (whether already present at Electronic City and capacity) in the final DPR.

5.5 The applicant should assess and mention in the final DPR:

5.5.1 What additionality the proposed EMC will bring to the existing facilities and new manufacturing.

5.5.2 Tangible/Quantifiable benefits of the CFC to existing and new units in terms of increase in the production capacity/turnover of the beneficiary units.

5.6 The applicant will have to submit appropriate No Objection Certificate (NOC) with reference to the Lease cum Sale Deed between KEONICS and ELCIA from KEONICS, for setting up common facility centre on plot no 3 (p) on or before submission of the final application for seeking grant assistance under the EMC scheme.



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