



ABSTRACT

Micro, Small and Medium Enterprises – Announcement made by the Hon'ble Minister (Fisheries, Finance and Personnel and Administrative Reforms) during the Budget speech for 2017-18 - Formulation of New Scheme for Developing Coir Clusters in Tamil Nadu - Development of 3 Coir Product Clusters at Negamam, Boodalur and Erode at a total estimated cost of Rs.22.00 crore - Draft operational Guidelines of the Scheme approved - Orders issued.

MICRO, SMALL AND MEDIUM ENTERPRISES (D1) DEPARTMENT

G.O.(Ms.) No. 75

Dated : 30.11.2017

திருவள்ளூர் ஆண்டு 2048

ஹேவிளம்பி வருடம் கார்த்திகை, 14

Read:

1. Budget Speech of Hon'ble Minister for Fisheries, Finance and Personnel and Administrative Reforms dated 16.03.2017.
2. From the Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce, Letter Rc. No.16157/ICH/2016, dated 24.05.2017.

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ORDER:

In the Budget Speech 2017-18 the Hon'ble Minister for Fisheries, Finance and Personnel and Administrative Reforms made an announcement on 16.03.2017 as follows:

“நெகமம், பூதலூர் மற்றும் ஈரோடு ஆகிய இடங்களில், மதிப்புக் கூட்டப்பட்ட தென்னை நார் மூலம் உற்பத்தி செய்யப்படும் பொருட்களாகிய, கட்டுமானப் பொருட்கள், சுற்றுச் சூழலுக்கேற்ற நிலவளை பொருட்கள் (Geo-Textiles), தென்னை நார் ஒட்டுப் பலகைகள், தென்னை நார் இழைமக் கட்டிகள் (Coir Pith Blocks) உள்ளிட்ட பொருட்கள் தயாரித்திட, 22 கோடி ரூபாய் மதிப்பீட்டில் மூன்று தென்னை நார் கயிறு குழுமங்கள் ஏற்படுத்தப்படும்.”

2. In accordance with the above announcement and with a view to making the coir based Industries more productive and competitive and facilitating their sustainable development, the Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce has submitted proposal to formulate a New Scheme named as “**Scheme for developing Coir Clusters in Tamil Nadu**” along with draft operational guidelines for the scheme in the reference second read above. He has also

submitted the project summary for each of the three coir clusters at Negamam, Boodalur and Erode at a total estimated cost of Rs.22.00 crore in the prescribed format as detailed below :

Sl. No.	Name of the coir cluster	Total project cost
1.	Erode-Tiruppur Coir Cluster	Rs. 10.50 crore
2.	Negamam Coir cluster at Pollachi	Rs. 8.00 crore
3.	Boodalur Coir cluster at Thanjavur	Rs. 3.50 crore
	Total	Rs. 22.00 crore

3. The Additional Chief Secretary/ Industries Commissioner and Director of Industries and Commerce has requested the Government to approve the draft Operational Guidelines for the New Scheme named as **"Scheme for developing Coir Clusters in Tamil Nadu"** and to sanction a sum of Rs.6.00 lakh to prepare the Detailed Project Reports (DPR) for the proposed 3 coir clusters.

4. The Government after careful consideration of the proposal of the Additional Chief Secretary/ Industries Commissioner and Director of Industries and Commerce approve the draft operational guidelines for the New Scheme named as **"Scheme for developing Coir clusters in Tamil Nadu"** as appended to this order for implementation. The Government also accord administrative sanction for the development of Coir Product Clusters at Negamam (Coimbatore District), Boodalur (Thanjavur District) and Erode at a total estimated cost of Rs.22.00 crore.

5. The Government further sanction a sum of Rs.6,00,000/- (Rupees Six lakh only) for preparation of the DPRs for the above three clusters.

6. The amount sanctioned in para 5 above shall be debited to the following head of account :

"2851-00-Village and Small Industries - 102. Small Scale Industries- State's Expenditure - MV. Assistance to Private Industrial Estate- 09. Grants-in-Aid-02. Grants for Creation of Capital Assets".

(DPC 2851 00 102 MV 0927)

7. The Additional Chief Secretary/Industries Commissioner and Director of Industries and Commerce is authorized to draw and disburse the amount sanctioned in para 5 above and PFMS System need to be implemented in this scheme. He is also instructed to follow the guidelines scrupulously while implementation of the scheme and to send the Utilization Certificate to the Government.

8. This order issues with the concurrence of Finance Department vide its U.O. No.60565/Ind/2017, dated.29.11.2017.

(BY ORDER OF THE GOVERNOR)

**DHARMENDRA PRATAP YADAV
SECRETARY TO GOVERNMENT**

To

The Principal Secretary / Industries Commissioner and
Director of Industries and Commerce,
Guindy, Chennai - 32.

The Managing Director,
TANSIDCO, Guindy, Chennai-32.

The Accountant General (A&E/Audit), Chennai-18.

The Pay and Accounts Officer, Chennai - 8.

Copy to:-

The Private Secretary to Secretary to Government,
Micro, Small and Medium Enterprises Department, Chennai-9.

The Planning Development and Special Initiatives Department, Chennai-9.

The Finance (Ind) Department, Chennai-9.

Micro, Small and Medium Enterprises (B/OP) Department, Chennai-9.

Stock file / Spare copy.

// FORWARDED BY ORDER //

SECTION OFFICER

Annexure to G.O. (Ms.) No. 75, Micro, Small and Medium Enterprises (D1) Department, dated 30.11.2017.

SCHEME FOR DEVELOPING COIR CLUSTERS IN TAMILNADU

1 Background

With a view to making the coir based industries more productive and competitive and facilitating their sustainable development, the Government of Tamilnadu has proposed to develop 3 coir clusters at Negamam, Boodalur and Erode at a total estimated cost of Rs 22 crore. In this connection, Government of Tamilnadu has decided to formulate a new scheme called as "Scheme for developing Coir Clusters in Tamilnadu".

The operational guidelines of the scheme is detailed below:

2 Objectives of the scheme

- a. To support the sustainability and growth of coir based industries and artisans by addressing common issues such as development of new products, improvement of technology, skills, quality, market access, access to capital, etc.
- b. To build capacity of coir based industries for common supportive action through formation of Special Purpose Vehicle.
- c. To set up common facility centres (for testing facility, design centre, training centre, R&D centre, raw material depot, sales depot, effluent treatment, complementing production process and any other need based facility).

3 Implementation Structure

- a. Department of Industries and Commerce (DIC), Government of Tamilnadu (GoTN) shall be the Nodal Agency (NA) of the scheme.
- b. The scheme will be implemented through formation of a separate Special Purpose Vehicle (SPV) which may be any one of the following entities:
 - (i) a Society registered under Societies(Registration) Act, 1860;
 - (ii) a Producer Company under section 581C of Companies Act, 1956;
 - (iii) a Section 8 Company under Companies Act, 2013 (18 of 2013);
 - (iv) a Trust;

There should be a minimum of 15 functioning units with a fair mix of small and micro enterprises (MSEs) related to coir industries serving as members of the Special Purpose Vehicle (SPV). There is no ceiling on the maximum number of members. The SPV should have a character of inclusiveness wherein provision for enrolling new members to enable prospective entrepreneurs in the cluster to utilise the facility should be provided. The share of the cluster beneficiaries should be as high as possible but not less than 20 per cent of the total cost of CFC. All the participating units should be independent in terms of their financial stakes and management. No single unit will hold more than 10 per cent in the equity capital (or equivalent capital contribution) of the SPV.

- c. NA would appoint a Project Management Agency (PMA) to assist in evaluation of the proposals regarding viability, disbursement/utilization of the funds released to the SPV and periodical monitoring of the project implementation. The PMA also shall provide other need based advisory services to the Government for effective implementation of the scheme.
- d. GoTN would constitute the Project Scrutiny Committee (PSC) headed by the Industries Commissioner and Director of Industries and Commerce and Project Approval Committee (PAC) headed by the Secretary (MSME), in order to provide approval for the proposals. Further, Commissioner of Industries and Commerce will constitute the Project Monitoring Committee to monitor the project implementation and operation of CFC. The composition of the PSC, PAC and PMC is given in Annexure-I.
- e. Role of various agencies is provided in the Para 9.

4 Project Interventions

The scheme would cover two types of interventions namely 'soft interventions' and 'hard interventions' as given hereunder:

a. Hard Interventions (setting up of CFCs):

Hard Interventions under the programme will consist of creation of tangible "assets" as Common Facility Centers (CFCs) like Common Production/Processing Centre (for balancing/correcting/improving production line that cannot be undertaken by individual units), Design Centres, Testing Facilities, Training Centre, R&D Centres, Effluent Treatment Plant, Marketing Display/Selling Centre, Common Logistics facilities, Common Raw Material Bank, Warehousing facility/Sales Depot, ICT facilities, packaging and any other need based facility.

b. Soft Interventions:

Soft Interventions under the programme would consist of activities which lead to creation of general awareness, counseling, motivation and trust building, skill development, exposure visits, market development including exports, participation in seminars, workshops, exhibitions and training programmes on technology upgradation, etc.

5 Submission of proposal

- a. SPV should submit the following documents to NA along with all necessary enclosures:
 - Project Summary Sheet (as per Annexure-II).
 - Detailed Project Report (as per Annexure-III).
 - Proof for Registration of SPV under relevant Act.
 - Agreement for the purchase/ long term lease of land.
 - Sanction letter from bank (if the bank loan is proposed)
 - Shareholders agreement
- b. SPV should note the following aspects while preparing DPR:
 - Building cost shall be estimated based on the PWD rates only.
 - Project Cost shall include the cost of purchase of computer and

software for transparent accounting and submission of MIS to NA.

- Viability parameters such as BEP, IRR, etc., shall be at acceptable levels.

6 Financial Assistance

- The cost of project shall include hard interventions, soft interventions and the cost of services of PMA.
- The financial assistance provided for any cluster shall be subject to a maximum of Rs.10.00 crores.
- The funding pattern under the Scheme will be as under:

S. No	Project Intervention	GoTN grant	Financial Limit		SPV Contribution	Loan from Banks/ Financial Institutions to SPV
A	Cluster Interventions					
A1	Hard Interventions	70% of project cost excluding land cost	-	Maximum Rs. 10.00 crores per project (A+B)	20%	10%*
A2	Soft Interventions	100%	Subject to maximum of Rs 25 lakh		Nil	Nil
B	Cost of PMA	100%	5 % of A (Total cost of Cluster Interventions)		Nil	Nil
C	Cost of technical manpower for 6 months#		Subject to a maximum of Rs 5 lakh			

* SPV is permitted to go to loan or make own contribution.

The cost of technical manpower for 6 months is need based to meet the operational cost.

- The financial assistance for the scheme shall also be subject to the following conditions:
 - The land shall be included in cost of project. However, land cost will be not considered for the grant.
 - Grant will be provided only to meet capital costs towards hard interventions, soft interventions and the cost of services of PMA.

- No assistance will be provided for meeting recurring or operation and Maintenance costs.
- GoTN shall not have any liability towards time and cost over runs.
- There is no provision for retrospective funding.

7 Release of Funds

- a. Upon approval of the proposal by PAC, sanction order will be issued to SPV by NA.
- b. SPV shall maintain an exclusive project specific Trust & Retention Account (TRA) with any Nationalized Bank and the Funds from the Government will be released in that account.
- c. Funds for hard interventions shall be released in three installments as given hereunder:
 - **First Installment of 40%** of the total GoTN share shall be released to the SPV subject to fulfillment of following conditions :-
 - (i) Purchase/ lease (minimum 15 years) of land in the name of SPV
 - (ii) Submission of statement of Project specific TRA reflecting 40% of SPV contribution deposited by the SPV in the TRA.
 - **Second installment** representing **40%** of the total GoTN grant shall be released to the SPV subject to fulfillment of following conditions:-
 - (i) Utilization Certificate duly certified by the Statutory Auditors of the SPV for the First installment received, 40% of SPV contribution and Term Loan.
 - (ii) Award of all contracts for all items approved by PAC. Award of contracts shall be as per the Tamil Nadu Transparency in Tenders Act, 1998 and the Tamil Nadu Transparency in Tender Rules, 2000.
 - **Third Installment** representing **20%** of the total GoTN grant shall be released to the SPV subject to fulfillment of following conditions:-
 - (i) Utilization Certificate duly certified by the Statutory Auditors of the SPV for the Second installment received, 100% of SPV contribution and Term Loan.
 - (ii) Proof of commencement of commercial operations
 - (iii) On obtaining all relevant statutory approvals.
- d. Funds for soft interventions shall be released on need based. SPV need to submit Utilization Certificate duly certified by the Statutory Auditors of the SPV for the soft interventions undertaken.
- e. Funds for PMA will be released along with the release of payment to SPV.
- f. In the event of an SPV withdrawing from executing a project before utilizing the Government assistance, then the SPV should immediately return the Government assistance together with the interest accrued thereon, if any. Payment of penal interest by the SPV shall be decided by the PAC on case to case basis.

- g. User charges would be fixed for various facilities and services by SPV with the approval of Project Monitoring Committee. There shall be full recovery of Operational & Maintenance (O&M) costs through user charges besides a reasonable margin.

8 Project Duration

The timeframe for the implementation of project will be 18 months from the date of issue of sanction order from NA.

9 Role of Agencies

9.1 Role of Nodal Agency (NA):

The role and responsibility of NA includes the following:

- a. Appointment of PMA.
- b. Approval of the proposals based on the appraisal of PMA.
- c. NA shall be responsible to ensure timely disbursement of funds to the SPV on recommendation of PMA to ensure time bound completion of projects.
- d. NA shall extend all support required to PMA for implementation of the scheme as may be required such as obtaining Government approvals, Environment Clearances etc for setting up of coir clusters.
- e. Overall monitoring and evaluation of the cluster projects being implemented.

9.2 Role of Project Management Agency (PMA):

The role and responsibility of PMA includes the following:

- a. Evaluation of the proposals (including appraisal of DPR) and claims (including disbursements and utilization of funds), submitted by the SPV and forward the same to PSC for appraisal and recommendation to PAC for final approval.
- b. Assisting NA in periodical monitoring of the Project implementation and submit periodical reports to NA with regard to the progress of the implementation works.
- c. Preparation of tender documents relating to construction of CFC and procurement of machineries in accordance with The Tamil Nadu Transparency in Tender Act 1998 & The Tamil Nadu Transparency in Tender Rules, 2000.
- d. Assisting SPV in conducting training programs and exposure visits.
- e. Assisting NA/ SPV in organizing and planning Business Development Strategies, buyer-seller meet and focusing on branding, e-marketing, new media marketing, innovation, research and development etc. for smooth running of coir cluster.
- f. Any other services that may be required for successful implementation and operation of CFC.
- g. Provide other need based advisory services to the NA in effective implementation of the scheme.

9.3 Role of Special Purpose Vehicle (SPV)

The role and responsibility of SPV includes the following:

- a. SPV would conceptualize, formulate, achieve financial closure, implement and manage the infrastructure.

- b. SPV would identify suitable land for the project and purchase/ lease (min.15years) the land in the name of SPV.
- c. SPV would also facilitate securing bank finance required for the project.
- d. SPV would appoint all contractors in a fair and transparent manner. In order to ensure timely completion of the project, SPV will obtain appropriate performance guarantee from contractors.
- e. Implement various interventions as outlined in the approved DPR.
- f. Periodical reporting should be done on monthly basis to Nodal Agency in the prescribed formats.
- g. SPV would be responsible for obtaining and maintaining statutory licenses and permits required for the various facilities.
- h. SPV would be responsible for maintaining the utilities and infrastructure created for the cluster by collecting user charges.
- i. In case of dissolution of SPV within 10 years from the date of sanction of assistance by the Government under the Scheme, the assets created with such assistance shall be vested with the Government. The Memorandum of Association & Articles of Association of the SPV shall incorporate this condition.

10 Administrative expenses

Project administration charges will include administrative/concurrent monitoring, and other miscellaneous expenses. The administrative expenses shall be 2% of the total outlay of this scheme.

11 Monitoring & Evaluation

The NA assisted by PMA will devise a suitable monitoring framework. In addition to the monthly progress reports indicating cluster-wise physical and financial progress, the NA will also track the progress through video-conferencing and other ICT tools.

12 Non operation/ Closure of CFC

It is envisaged that CFC should run for a minimum period of 10 years. If in the event of closure/ non-operation, Government has the right to take over the asset created and handover to other organizations/ companies/ association to ensure proper utilization of the facility. The Memorandum of Association & Articles of Association of the SPV shall incorporate this condition.

13 Removal of Ambiguity

Notwithstanding anything contained above, GoTN may issue such instructions as may be necessary to implement the above guidelines. If any difficulty or ambiguity arises in giving effect to these provisions, GoTN may issue appropriate directions which shall be binding on NA, PMA and SPV. In so far as interpretation of any of the provisions of these guidelines, the decision of the Project Approval Committee (PAC) shall be final.

Annexure-I

Composition of PSC, PAC, and PMC

Project Scrutiny Committee (PSC)

- (i) Industries Commissioner and Director of Industries and Commerce - Chairman
- (ii) Additional Director (DIC)
- (iii) Joint Director(Coir)
- (iv) General Manager, DIC of the concerned district.
- (v) Regional Officer of Coir Board
- (vi) Representative from Central Coir Research Institute/Central Institute of Coir Technology
- (vii) Representative from SIDCO

Project Approval Committee (PAC)

- (i) Secretary (MSME) - Chairman
- (ii) Industries Commissioner and Director of Industries and Commerce
- (iii) Representative from Finance Department
- (iv) Secretary, Coir Board
- (v) 2 Special invitees (financial institutions, programme management service provider, Representative of appraisal agency etc.)

Project Monitoring Committee (PMC)

- (i) District Collector/ General Manager of DIC
- (ii) Representative from Bank in which TRA account is held
- (iii) Representative from Project Management Agency
- (iv) President/Managing Director/Managing Trustee of Special Purpose Vehicle

ROLE OF AGENCIES

1. Role of Nodal Agency (NA):

The role and responsibility of NA includes the following:

- a. Appointment of PMA.
- b. Approval of the proposals based on the appraisal of PMA.
- c. NA shall be responsible to ensure timely disbursement of funds to the SPV on recommendation of PMA to ensure time bound completion of projects.
- d. NA shall extend all support required to PMA for implementation of the scheme as may be required such as obtaining Government approvals, Environment Clearances etc for setting up of coir clusters.
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2. Role of Project Management Agency (PMA):

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- c. Preparation of tender documents relating to construction of CFC and procurement of machineries in accordance with The Tamil Nadu Transparency in Tender Act 1998 & The Tamil Nadu Transparency in Tender Rules, 2000.
- d. Assisting SPV in conducting training programs and exposure visits.
- e. Assisting NA/ SPV in organizing and planning Business Development Strategies, buyer-seller meet and focusing on branding, e-marketing, new media marketing, innovation, research and development etc. for smooth running of coir cluster.
- f. Any other services that may be required for successful implementation and operation of CFC.
- g. Provide other need based advisory services to the NA in effective implementation of the scheme.

3. Role of Special Purpose Vehicle(SPV)

The role and responsibility of SPV includes the following:

- a. SPV would conceptualize, formulate, achieve financial closure, implement and manage the infrastructure.
- b. SPV would identify suitable land for the project and purchase/ lease (min.15years) the land in the name of SPV.
- c. SPV would also facilitate securing bank finance required for the project.
- d. SPV would appoint all contractors in a fair and transparent manner. In order to ensure timely completion of the project, SPV will obtain appropriate performance guarantee from contractors.
- e. Implement various interventions as outlined in the approved DPR.
- f. Periodical reporting should be done on monthly basis to Nodal Agency in the prescribed formats.
- g. SPV would be responsible for obtaining and maintaining statutory licenses and permits required for the various facilities.
- h. SPV would be responsible for maintaining the utilities and infrastructure created for the cluster by collecting user charges.

In case of dissolution of SPV within 10 years from the date of sanction of assistance by the Government under the Scheme, the assets created with such assistance shall be vested with the Government. The Memorandum of Association & Articles of Association of the SPV shall incorporate this condition.

Annexure-III

Project Summary Sheet

1.	Name of Cluster																							
2.	Location	State: District: Block: Villages:																						
3.	Current Product Portfolio																							
4.	Name of SPV																							
5.	Legal Status																							
6.	Project Objective																							
7.	Key Gaps Identified																							
8.	Proposed Interventions																							
9.	Hard Interventions	<table border="1" style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="width: 30%;">Infrastructure Facility</th> <th style="width: 20%;">Constructed Area</th> <th style="width: 30%;">Machinery/ Equipments</th> <th style="width: 20%;">Cost</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>			Infrastructure Facility	Constructed Area	Machinery/ Equipments	Cost																
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	Soft Interventions	<table border="1" style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="width: 30%;">Intervention</th> <th style="width: 20%;">Proposed Activities</th> <th style="width: 30%;">No of Beneficiaries</th> <th style="width: 20%;">Cost</th> </tr> </thead> <tbody> <tr> <td>a) Skill Training</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>b) Capacity Building</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>c) Market Promotion</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>d) Any other</td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>			Intervention	Proposed Activities	No of Beneficiaries	Cost	a) Skill Training				b) Capacity Building				c) Market Promotion				d) Any other			
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10.	Project Cost																							
11.	Means of Finance																							
12.	Phasing of the Project																							
13.	Project Implementation Framework / Proposed SPV Structure																							
14.	Key Impacts																							

Annexure-IV

Coverage of DPR

The indicative list of key sections/ chapters in the DPR is as below:

Chapter	Title	Contents of the chapter
1	Cluster Profile	<p>This Chapter will provide the key facts including the regional setting of the Cluster, the significance and evolution of the Cluster. It will also provide the key demographic, socioeconomic as well as human development indicators for the district/ Cluster. Also, this chapter will detail the key economic activities in the region, along with the current physical, social and production infrastructure available.</p> <p>Indicative List of Sections:</p> <ol style="list-style-type: none">(1) Background(2) Regional Setting of the Cluster(3) Location(4) Evolution of the Cluster(5) Demography and Growth trends(6) Socio-economic Aspects(7) Human Development Aspects(8) Key Economic Activities in the Region(9) Infrastructure – social, physical, financial and production- related
2	Cluster Value Chain Mapping	<p>This Chapter will provide the key production related facts about the Cluster. It will provide details on the product profile and the production process for the Cluster. Also, a value chain analysis will be conducted for the key product categories. A mapping of the Cluster will be done wherein the major backward and forward linkages will be highlighted, along with identification of the major stakeholders along the value chain..</p> <p>Indicative List of Sections:</p> <ol style="list-style-type: none">(1) Product Profile(2) Production Process(3) Value Chain Analysis(4) Cluster Map – highlighting backward and forward linkages(5) Principal Stakeholders
3	Market Assessment and Demand Analysis	<p>This Chapter will provide the key trends in the market and the demand potential for the industry/ product(s) of the Cluster in the domestic as well global markets. Marketability of products is most critical for sustainability of the Cluster activities and thus it will be important to understand the trend in market demand and the potential for the products. Information on the current market trends and</p>

Chapter	Title	Contents of the chapter
		demand patterns will be collected from various secondary data sources as well as feedback from the buyers/ industry players so as to forecast future trends and identify focus product categories as well as key market segments. The analysis will help to determine the potential size of the market which will be important for maximizing the potential and minimizing the risk for the project. This assessment will enable appropriate positioning of the products of the Cluster and synchronization of the Cluster products with the market requirements.
4	SWOT and Need Gap Analysis	This Chapter will provide a SWOT analysis and a needs gap assessment for the Cluster and its products. As part of the diagnostic study a gap analysis will be done to identify key gaps and challenges faced by the Cluster and its stakeholders that impede the attainment of optimized production and quality potential. This will highlight the key areas that need improvement in order to move from the current state to the desired level of scale, productivity and efficiency.
5	Project Concept and Strategy Framework	<p>This Chapter will provide a conceptual framework for the project implementation. This section will list the project objective that is envisaged for the successful implementation of the project. The overall approach for the project will be based on the findings of the need gap analysis as well as the market demand analysis. The project will have to be structured in such a manner that it addresses the key gaps in the Cluster for attainment of the project objectives. The overall guiding principle should be to make the Cluster and its products more productive and competitive by way of enhancing the marketability of the products, addressing the current production and supply bottlenecks, improving the skill levels of the artisans, introduction of improved techniques/ tools and strengthening Cluster linkages.</p> <p>Indicative List of Sections:</p> <ul style="list-style-type: none"> (1)Project Rationale (2)Project Objective (3)Focus Products/Services (4)Conceptual Framework / Project Strategy
6	Project Interventions	This Chapter will provide the key interventions that will be undertaken as part of the project implementation. In accordance with the needs of the Cluster as well as the market requirements, the key areas of intervention will have to be identified

Chapter	Title	Contents of the chapter
		<p>under the project. The interventions will be classified under two broad heads – hard (infrastructure related) and soft interventions.</p>
7	Hard Interventions	<p>This Chapter will provide the hard interventions to be implemented under the project. For each hard intervention, the below details are to be provided:</p> <ul style="list-style-type: none"> - Proposed Intervention, - Land Details, - Proposed Capacities, - Proposed Equipment/ Machines etc, - Master Plan/ Detailed Engineering Drawings - Project Cost, - Operation and Maintenance Model, - Business Plan, - Implementation Schedule - Any other information pertaining to the project
8	Soft Interventions	<p>This chapter will provide the soft interventions that will be undertaken as part of the project. This will include details on the proposed activity, plan of implementation, coverage of the activity, mode of delivery/ implementation, schedule of activities, cost of activities and timelines for implementation. A detailed plan for implementation of the activity along with the way of implementation of the activities in the Cluster will be provided here.</p> <p>For instance, in case of a skill training program, following information will have to be provided – proposed training programs, course outline, duration, batch size, trainers, training delivery method, details of infrastructure required, availability of infrastructure, method for trainee identification, cost of training programs etc.</p> <p>In addition, any tie-ups or professional linkages for the effective implementation of the programs will have to be indicated here.</p>

9	Project Cost and Means of Finance	<p>This Chapter will provide the project cost. The total project cost based on the interventions mentioned in the previous sections will be computed including the Cost of PMA. The proposed means of funding for the project shall include the following:</p> <ul style="list-style-type: none"> ➤ GoTN Grant ➤ Contribution from the SPV in two forms: <ul style="list-style-type: none"> ○ Own Contribution ○ Debt / Loan from Financial Institution <p>The project will be implemented over a period of 18 months and the quarter-wise phasing of the project cost will be provided.</p> <p>(1) Estimated Project Cost</p> <table border="1" data-bbox="651 768 1406 1167"> <thead> <tr> <th></th> <th>Project Intervention</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Cluster Interventions</td> <td></td> </tr> <tr> <td>A1</td> <td>Hard Interventions</td> <td></td> </tr> <tr> <td></td> <td>i)</td> <td></td> </tr> <tr> <td></td> <td>ii)</td> <td></td> </tr> <tr> <td>A2</td> <td>Soft Interventions</td> <td></td> </tr> <tr> <td></td> <td>i)</td> <td></td> </tr> <tr> <td></td> <td>ii)</td> <td></td> </tr> <tr> <td>B</td> <td>Cost of PMA</td> <td></td> </tr> <tr> <td></td> <td>TOTAL (A+B)</td> <td></td> </tr> </tbody> </table> <p>(2) Means of Finance</p> <p>(3) Project Phasing</p>		Project Intervention	Cost	A	Cluster Interventions		A1	Hard Interventions			i)			ii)		A2	Soft Interventions			i)			ii)		B	Cost of PMA			TOTAL (A+B)													
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10	Project Timeline	<p>This Chapter will provide the project implementation schedule with details of the activities to be undertaken and the expected time-frame for each activity. The schedule will typically provide quarter-wise scheduling of the specific activities. The progress of the project will be monitored against this implementation schedule provided by the SPV to ensure timely completion of the project activities.</p> <p>Illustrative Project Implementation Schedule</p> <table border="1" data-bbox="651 1727 1386 1975"> <thead> <tr> <th>Project Activity</th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> <th>Q5</th> <th>Q6</th> </tr> </thead> <tbody> <tr> <td>Activity 1</td> <td style="background-color: #92d050;"></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Activity 2</td> <td style="background-color: #d9534f;"></td> <td style="background-color: #d9534f;"></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Activity 3</td> <td></td> <td style="background-color: #6699cc;"></td> <td style="background-color: #6699cc;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Activity 4</td> <td></td> <td style="background-color: #f4a460;"></td> <td style="background-color: #f4a460;"></td> <td style="background-color: #f4a460;"></td> <td style="background-color: #f4a460;"></td> <td></td> </tr> <tr> <td>Activity 5</td> <td></td> <td></td> <td></td> <td style="background-color: #cccccc;"></td> <td style="background-color: #cccccc;"></td> <td></td> </tr> </tbody> </table>	Project Activity	Q1	Q2	Q3	Q4	Q5	Q6	Activity 1							Activity 2							Activity 3							Activity 4							Activity 5						
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11	Detailed Business Plan	<p>This section will present tentative business plan to establish the commercial viability and sustainability of the project. It shall present the project revenue potential over a 5 year period, starting from commencement of business operations. It will also detail the costs including input, manpower, capital costs, etc and will present the profitability of the project including the break-even period and IRR.</p> <p>Indicative List of Sections</p> <ol style="list-style-type: none"> (1) Project Phasing (2) Production Capacity (3) Product Mix (4) Manpower Cost (5) Utility and Other Overheads (6) Depreciation (7) Working Capital (8) Financial Projections : Profitability Estimates <table border="1" data-bbox="651 992 1433 1816"> <thead> <tr> <th>Profit and Loss</th> <th>Y1</th> <th>Y2</th> <th>Y3</th> <th>Y4</th> <th>Y5</th> </tr> </thead> <tbody> <tr> <td colspan="6">Revenues</td> </tr> <tr> <td>Source 1</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Source 2</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Revenues</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6">Expenses</td> </tr> <tr> <td>Labour Cost</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Manpower</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Raw Material</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Marketing Costs</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Power Cost</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Packaging Cost</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Utility Costs</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Maintenance</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Admin</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Expenses</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>WC Borrowings</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PBT</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Tax</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PAT</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <ol style="list-style-type: none"> (9) Break-even Analysis (10) IRR Calculation 	Profit and Loss	Y1	Y2	Y3	Y4	Y5	Revenues						Source 1						Source 2						Total Revenues						Expenses						Labour Cost						Manpower						Raw Material						Marketing Costs						Power Cost						Packaging Cost						Utility Costs						Maintenance						Admin						Total Expenses						WC Borrowings						PBT						Tax						PAT					
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12	Proposed Implementation Framework	<p>This Chapter will provide the proposed implementation framework that will be adopted for the implementation of the project. The SPV will provide details on their role and whether they themselves will reconstitute the institution as per the guidelines to be the SPV (along with proof of eligibility) or whether they will register a separate SPV for the implementation of this specific project. The structure and composition of the SPV should be indicated here. Also, the SPV should provide details of the other strategic partners and institutions that will be associated with the project to strengthen their operations. A road map on the proposed methodology and implementation plan for the project should also be provided</p> <p>Indicative List of Sections:</p> <p>(1) Role of the SPV (2) Details of Strategic Partners and other project stakeholders (3) Structure of the SPV (4) Composition of the SPV with details of roles and responsibilities of each partner / shareholder</p>
13	Expected Impact	<p>This Chapter will provide the key impacts that are expected to be achieved as a result of this project. The key development parameters for the Cluster and the stakeholders (artisans, entrepreneurs, etc) will be mapped at the beginning of the project. This section will outline the expected improvement in these key development parameters that are expected at the end of the project period. These parameters will include – cluster turnover, employment, artisans incomes, profit/ margin for local entrepreneurs/ exporters, quality levels, productivity levels, market access etc.</p>

**DHARMENDRA PRATAP YADAV
SECRETARY TO GOVERNMENT**

// TRUE COPY //

SECTION OFFICER