



**OFFICE OF THE TEXTILE COMMISSIONER
MINISTRY OF TEXTILES, GOVERNMENT OF INDIA
NISHTHA BHAVAN, 48 -NEW MARINE LINES,
MUMBAI-20**

EXPRESSION OF INTEREST (EOI)

For selection of Cluster Management & Technical Agency (CMTA) for development of M/s. Karanj Enviro Powerloom Mega cluster, Karanj, Surat (Gujarat) under 'Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS).

March, 2024

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1. Invitation to EOI



OFFICE OF THE TEXTILE COMMISSIONER
MINISTRY OF TEXTILES, GOVERNMENT OF INDIA
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F. No.30 (8)/CPCDS/Surat/2024/PDC/Vol-III /81

Dated: 15.03.2024

Invitation for Expression of Interest (EOI)

For selection of agency as Cluster Management & Technical Agency (CMTA) for undertaking evaluation and development of Karanj, Surat (Gujarat) as Powerloom Mega Cluster under 'Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS).

The Office of the Textile Commissioner, Ministry of Textiles, Govt. of India invites EOI & RFP from organizations/agencies, interested in rendering their services as **Cluster Management & Technical Agency (CMTA) for undertaking evaluation and development of Karanj, Surat (Gujarat) as Powerloom Mega Cluster under 'Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS)**. The details of the EOI may be obtained from the web-site www.txcindia.gov.in. Interested parties may submit their proposal to Textile Commissioner, on or before **08.04.2024 at 18.00 hrs** through www.eprocure.gov.in

(Pranav Parashar)
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2. **BACKGROUND NOTE**

i. **Background**

In order to provide impetus to the Powerloom Sector by creating state of the art infrastructure, Project approval & monitoring committee (PAMC) placed the project proposal of M/s. Karanj Enviro care, Surat, where in-principle approval has been given by the Ministry for setting up of 20 MLD CETP in Karanj, Surat. Therefore, it has been decided to develop **Karanj, Surat (Gujarat)** as Powerloom Mega Cluster. The scheme of Powerloom Mega Cluster has been commissioned to scale up the infrastructural facilities and production chain at traditional textiles clusters, which have remained unorganized and have not kept pace with the modernization and development that have been taking place so far. The prospects of the textile sector in this segment i.e. in infrastructure upgradation, modernization of the machinery, products diversification, innovative manufacturing as well as designing know-how, skill upgradation etc.

ii. The guiding principles underlying the design of cluster would be to create world-class infrastructure and to integrate the production chain in a manner that caters to the business needs of the local Micro, Small and Medium Enterprises (MSMEs). In brief, the main objective of setting up these clusters is to assist the entrepreneurs to set up world-class units with modern infrastructure, latest technology, and adequate training and Human Resource Development (HRD) inputs along with appropriate market linkages.

iii. The Scheme is to be implemented on Public Private Partnership (PPP) mode through project specific Special Purpose Vehicle (SPV) of the user industry. The cluster will be developed with Government of India's share of **Rs.50 crore per cluster** in a time frame of **4 years**.

A copy of the Revised guidelines of the Scheme (RCPCDS) for Mega Cluster Project at Karanj, Surat (Gujarat) is enclosed as Attachment- II for reference.

3. **SCOPE OF WORK**

CMTA to assist the Textile Commissioner in identification, funding and execution of the mega cluster and shall, *inter alia*, provide the following services:

- a) Preparation of Project Report
- b) Financial Closure
- c) Project Appraisal
- d) Statutory Approvals
- e) Liaison with the State Government agencies
- f) Financial Advisory Services
- g) Timely Completion of the Project regarding establishing Common Effluent Treatment Plant at Karanj.
- h) Quality Control and measurement
- i) Detailed engineering/procurement process for establishing Common Effluent Treatment Plant at Karanj.

4. INSTRUCTIONS TO AGENCY

- Pre-bid Processing Fee is to be paid for an amount of **Rs. 10,000/- (Rupees Ten Thousand only)** in the form of Bank Draft in favour of Textile Commissioner payable at Mumbai.
- The closing time for submission of EOI is **08.04.2024 upto 18.00 Hrs.** In case of last day being a holiday, the closing time will be **15.00 Hrs** of the next working day. The said bids will be opened on **15.04.2024 at 15.00 Hrs**
- Based on the EOIs received from the interested applicants/agencies, the application/agency meeting the eligible requirements will be short listed. Thereafter, the shortlisted agencies will be invited for submission of Request for Proposals (RFPs) to seek their technical and financial bids.
- Right to accept / reject any applications - Office of the Textile Commissioner reserves the right to accept or reject any or all Applications and to annul the qualification process at any time without any liability or any obligation for such acceptance, rejection or annulment, without assigning any reasons.
- Amendment of Office of the Textile Commissioner document - At any time, prior to the deadline for submission of Applications, Office of the Textile Commissioner either on its own or on request of the Applicant may amend the EOI documents by issuing addendum or addenda including those issued after the pre bid conference. These addenda shall be posted at the website of the Office of the Textile Commissioner and shall be treated as a part of the EOI Documents.
- Office of the Textile Commissioner may, at its discretion, extend the deadline for the submission of Applications.
- Bidder agencies are advised to study this EOI document carefully before submitting their proposals in response to the EOI Notice. Submission of a proposal in response to this notice shall be deemed to have been done after careful study and examination of this document.
- The interested applicant may send their comments/query, if any, on the scope of work projected in para 3, of the EOI by e-mail:- pdco-otxc@nic.in within 10 days from the date of advertisement.
- The Terms of Reference (TOR) is also enclosed as **Attachment-I**
- **Pre-bid conference will be held on 04.04.2024 at 11.00 hrs**, if any query need clarification from the interested applicants.

5. PRE-QUALIFICATION CRITERIA

- i. The CMTA should be registered under Companies Act, 2013 or The Limited Liability Partnership (LLP), 2008.
- ii. Minimum Experience of the CMTA shall be 3 years in Textile field.
- iii. Minimum turnover of the CMTA shall be Rs.3.00 Crore per Annum and shall submit the Audited Balance sheet for last 03 years.

6. DOCUMENTS TO BE SUBMITTED IN SUPPORT OF PRE-QUALIFICATIONS

- i. Brief Note on the Experience and Background Note of the Organization.
- ii. Certificate of Incorporation.
- iii. Proven and demonstrable experience, expertise and resources in undertaking such Project, preferably in textile industry.
- iv. CVs of Experts to monitor the project.
- v. Copies of Income tax (PAN)
- vi. Goods and Service Tax Registration.



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Tender Document including Terms of Reference (TOR) for appointment of Cluster Management & Technical Agency (CMTA) for undertaking evaluation and development of Karanj, Surat (Gujarat) as Powerloom Mega Cluster under ‘Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS)’.

I. Background

1. In order to provide impetus to the Powerloom Sector by creating state of the art infrastructure, Project approval & monitoring committee (PAMC) place the project proposal of M/s. Karanj Enviro care, Surat, where in principle approval has been given by the Ministry for setting up of 20 MLD CETP in Karanj, Surat. Therefore, it has been decided to develop **Karanj, Surat (Gujarat)** as Powerloom Mega Cluster. The scheme of Powerloom Mega Cluster has been commissioned to scale up the infrastructural facilities and production chain at traditional textiles clusters, which have remained unorganized and have not kept pace with the modernization and development that have been taking place so far. The prospects of the textile sector in this segment lie in infrastructure upgradation, modernization of the machinery, products diversification, innovative manufacturing as well as designing know-how, skill upgradation etc.
2. The guiding principles underlying the design of cluster would be to create world-class infrastructure and to integrate the production chain in a manner that caters to the business needs of the local Micro, Small and Medium Enterprises (MSMEs). In brief, the main objective of setting up these clusters is to assist the entrepreneurs to set up world-class units with modern infrastructure, latest technology, and adequate training and Human Resource Development (HRD) inputs along with appropriate market linkages.
3. The Scheme is to be implemented on Public Private Partnership (PPP) mode through project specific Special Purpose Vehicle (SPV) of the user industry (one or more Project SPV). The cluster will be developed with Government of India’s share of Rs.50 crore per cluster in a time frame of 4 years. **A copy of the Revised guidelines of the Scheme**

(RCPCDS) for Mega Cluster Project at Karanj, Surat (Gujarat) is enclosed as Attachment- II for reference. Nature and level of assistance (subject to a ceiling of Rs.50 crore) to the Karanj, Surat (Gujarat) Powerloom Mega Cluster will be more need based and suitable to the local requirements and should address the overall objectives of the Mega Cluster scheme. Accordingly, components that are necessary to meet the overall objectives of Mega Cluster Schemes are to be identified by the CMTA in the Detailed Conceptual Report (DCR)/Diagnostic Study Report and Detailed Project Report (DPR) with justification and supporting data are to be got approved by the Competent Authority.

4. In order to ensure targeted, speedy and efficient implementation of the Scheme, the services of a competent professional agency is proposed to be engaged by Ministry of Textiles, as Cluster Management and Technical Agency (CMTA). It will be mandatory for the CMTA to open an office/establishment at Karanj, Surat (Gujarat).

II. Scope of work

The scope of services to be rendered by the CMTA has been detailed in **Annexure-A** and as aligned/ limited to point III that follows. These services are indicative in nature and Govt. may assign any other task as deemed fit to CMTA. Indicative list of points to be covered in the Detailed Project Reports for the instant project are given in **Annexure-B**.

III. Role of the Cluster Management and Technical Agency (CMTA)

The nature of the proposed project warrants proactive Technical and Managerial assistance on "concept" to "commissioning" basis, and therefore the services of a professional agency (selected through competitive bidding system) will be utilized by the Ministry of Textiles as CMTA for this RCPCDS project.

Such agency shall have proven capability in terms of technical, managerial, financial infrastructure and capacity building expertise that are required to design and execute cluster oriented interventions and knowledge of the Textile Sector.

CMTA, apart from assisting the Ministry of Textiles in designing and monitoring of the project, will proactively work with the cluster stakeholders and the SPV. The **illustrative list of responsibilities of such CMTA** is given below:-

- Assisting the SPV(s) in obtaining requisite statutory approvals /clearances.
- Assisting the Ministry in releasing funds for the project to the implementing agencies.
- Assisting the SPVs in identifying appropriate grant schemes in the State or Central Government from funds can be dovetailed to the project.

- Assisting SPVs in obtaining Financial Closure.
- Assisting the SPV(s) in identification and engagement of service providers/contractors for various services required for preparation of DPR and implementation of components under such DPR.
- Providing interfacing support and linkages between the SPV(s) and various other stakeholders, particularly the Government organizations, buyers and financial institutions.
- Providing periodical progress reports to the Ministry of Textiles with respect to achievements of the stated outcomes along the projected targets and strengthening internal structure and capacities of SPV for ensuring due compliances.
- Maintaining the progress and growth of the project for a period of 3 years after completion and to provide regular feedback to the Office of Textile Commissioner on the impact of the scheme.
- SPV is already decided by the Ministry, hence, the DCR has been done. The activity should not be counted twice for payment.

IV. **Technical criteria (eligibility):**

The broad requirements to become eligible for CMTA are as follows:

- Should have proven and demonstrable experience, expertise and resources in providing consultancy / supervisory services for holistic and integrated development of clusters, this means should have given consultancy for successful implementation of at least Three (3) projects of similar nature out of such work at least one project cost should **not be less than Rs.50 crores during the last 5 years**. This should be supported by a copy of work allocation order and project completion certificate duly certified in original/attested by the concerned authorities in the said completed project.
- Should have experience of minimum 3 years in working and development of the textile sector/ cluster development approach, preferably powerloom/handloom/ handicraft segment(s). It should be supported by providing documents of experience certificate from the concerned authority where the project has been implemented. **Knowledge on factoring sustainability initiatives / energy efficiency mechanism/ ESG is preferred.**
- Should have at least one professional in each of the following professional qualifications and experience:
 - B. Tech or equivalent in Textile Technology, with working experience in textiles,

- Legal professional with either LLB with experience in corporate matters or Company Secretary,
 - Project financing professional with qualifications of MBA(Finance)/C.A./I.C.M.A.,
 - Infrastructure planning professional having qualifications of Civil Engineering Degree with at least 3 years experience in a similar field/infrastructure project,
 - Professional in capacity building in Infrastructure Projects/market development having qualifications of MBA with minimum experience of minimum 3 years.
- Should have minimum 3 years experience in areas relating to arrangement of finance, management of clusters, interaction with the Central and State Governments, etc. It should be supported by providing documents of experience certificate from the concerned authority where the project has been implemented.
 - Should have taken up consultancy work of at least Three (3) projects with a consultancy fee of at least Rs. 1.00 Crore (including levy/taxes) in each project in industry (preferably textiles sector) during the last 5 years. It should be supported by providing receipts of payments/ Bank statement and work completion certificate.
 - Should have taken up projects spread over at least in 3 States of India.
 - Should have a net worth of minimum of Rs.2.00 Crore. The annual turnover for each of the three preceding financial year should not be less than Rs.3.00 Crore in each of the years. Certificate for net worth and turnover should be submitted duly certified by practicing Chartered Accountant.

V. Selection:

The CMTA will be selected through the prevailing terms and conditions as per GFR rules in a competitive bidding process, i.e. Technical Bids and the Financial Bids.

VI. Selection Process

The bidding process shall be carried out in two stages as per **GFR Rules 2017 and Rule 173 (xx) & 194 (iv) of GFR 2017**. The first stage is Technical Bid wherein the Technical Bid submitted by the Agency will be evaluated based on the documents submitted. Those agencies, who get a score of minimum 70 and above in the Technical Bid will be treated at par and the selection, will then be based on the Financial Bid only.

Evaluation of Technical Bid –Procedure

Criteria, sub-criteria and point system for evaluation to be followed are as under:-

Details of allocation of marks in respect of above are as follows:-

Particulars	Maximum Score	Score to be awarded	
		Description	Score
<u>A. Firms Experience</u>	45		
A1. Years of Consultancy Experience after establishment of the Firm	10	i. Firms having experience of upto 3 years ii. Firms having experience of more than 3 yrs upto 6 years iii. Firms having experience more than 6 years	5 7 10
A2. Experience in providing consultancy services for successful implementation of at least 3 infrastructure projects out of which at least one of the project should be with a project cost of not less than Rs.50 crores during the last 5 years.	10	i. No. of Projects with project cost at least Rs.50 crore each is 01 Nos. ii. No. of Projects with project cost at least Rs.50 crore each is 02 to 05 iii. If No. of Projects with project cost at least Rs.50 crore is more than 05 and above	2 5 10
A3. Experience of implementation of industrial infrastructure projects such as setting up of industrial parks, factories, Effluent Treatment Plant(ETP) etc.(other than mentioned at A2 above) of Rs.50 crore or above	10	i. No. of Projects is upto 3 ii. No. of Projects is between 4 to 7 iii. No. of Projects is more than 7	4 7 10
A4. Experience of implementing projects sponsored or assisted by the State Governments and Central Government or Government agencies in development of infrastructure projects.	15	The Agencies will present the factual position and details of such projects before the Evaluation Committee and the Evaluation Committee will award the score based on records/documents submitted.	15
<u>B. Qualification and Experience of Key Personnel</u>	25	As per the requirement of eligibility at least one professional in each area would be required and accordingly a minimum score of 2 will be awarded against each item. Based on the documents submitted regarding the number of professionals in each area, the Evaluation Committee would award the score.	
B1. In the area of Textile Technology	5		5
B2. In the area of Project Finance	5		5
B3. In the area of legal and company affairs	5		5

B4. In the area of implementation of Infrastructural including Civil Engineering projects	5		5
B5. In the area of capacity building in Infrastructure and market development	5		5
C. Cluster Development methodology and approach	30	The agency will submit a report giving details about their methodology and approach regarding development of Powerloom Cluster at Karanj, Surat.	
C1. Understanding of the project with the specific requirement of Karanj, Surat Powerloom Cluster	15	Based on the report of Agency regarding their understanding of the mega cluster project with special reference to the requirement of Karanj, Surat Powerloom cluster, the Evaluation committee will award the score.	15
C2 Proposed work plan	15	Based on the report of the agency regarding work plan for the execution of the project within the stipulated time, the Evaluation Committee will award the score.	15
Total mark- A+B+C=100 points	100		100

The documents to be submitted by the Agency alongwith Request for proposal (RFP), Certificates from the competent authority of the projects implemented by the agency in respect of items mentioned above viz A (A1 to A4) and B (B1 to B5).

VII. Final Selection:

The Financial Bids of technically qualified agencies will be opened in their presence and **lowest quoted agency will be recommended for selection and the work will be awarded subject to approval of the Competent Authority.**

VIII. Professional Fees:

The Agencies should quote their professional fee of the CMTA as a lump sum amount exclusive of applicable taxes. The Professional fee of the CMTA would be paid from the Govt. funding permissible under Mega Cluster scheme which is limited to **Rs.50.00 crore**. Release of Professional fee to the CMTA for service rendered to the Ministry of Textiles under the scheme will be as follows: -

- a) The fee to the CMTA shall be paid as approved by the Project Approval & Monitoring Committee (PAMC) and shall be exclusive of applicable taxes as applicable from time to time.

- b) The project cost for the purpose of professional fee payable to the CMTA would be the cost as approved by the PAMC. The CMTA would be paid the fees on the original project cost as approved by the PAMC irrespective of any revision in the project cost by the PAMC.
- c) The fee paid to the CMTA will be paid as per the following Schedule of Payment-

Fee Amount	Payment Schedule
20% of Professional fee	On approval of Detailed Project Report and release of 1 st part of 1 st instalment of Government's grant to SPV
40% of professional fee	On release of 2 nd instalment of Government's grant to SPV
20% of professional fee	On release of 3 rd instalment of Government's grant to SPV
20% of professional fee	On completion of the Project.

IX. Timeline for completion of each activity

- a) It is understood that DCR is already accepted by the Ministry, however same has to be revalidated by the Cluster Coordination Group (CCG) in consultation with Regional Office of the Textile Commissioner, Ahmedabad within 7 days from the date execution of agreement by the CMTA with Office of the Textile commissioner.
- b) As per Ministry letter No.1/09/200-PL dated 23.09.2022 SPV is already selected and subsequently in principle approval has been granted by PAC. The DPR shall be prepared by the CMTA in consultation with SPV, Concerned Regional Office and CCG within 2 months from the date of selection of CMTA.
- c) DPR should be placed before the PAMC within 1 month for approval .
- d) The work should commence within 15 days from the date of approval of DPR.
- e) The CMTA should ensure that the CCG meeting is conducted once in 3 months to monitor the progress of the project and report to be submitted to the Textile commissioner.
- f) The CMTA is responsible to complete the project within 4 years from the date of approval of DPR by PAMC.

X. Penalty for breach of timeline

- a) In case a CMTA does not perform as per the timeline for each activity and to the satisfaction of the PAMC on specific project, a penalty @ 25% of the professional fee or Rs. 25 lakh whichever is more will be applicable to the CMTA. However, the final decision on penalty will be taken by the PAMC to impose the penalties on case-to-case basis.

- b) In the event of cancellation of a project, on account of withdrawal by SPV or failure to implement the project as per the approved DPR, the entire/proportionate (as the case may be) professional fees released shall be refunded by the CMTA, with 10% penal interest.
- c) In the event of CMTA not complying with direction of the Ministry of Textiles/Office of Textile Commissioner for return of the professional fee etc., appropriate action will be taken to recover the same as arrears of land revenue, with 10% penal interest.

XI. General terms and conditions of the work

The selected Agency has to sign an Agreement with the Office of the Textile Commissioner, Mumbai for rendering satisfactory services and completion of the projects in a time bound manner as specified in the guideline. The Agreement shall include provisions for taking performance guarantee, damages and penalty for delay/cancellation of the project besides other clauses as are finalized by the Ministry of Textiles.

XII. Project Formulation:

The Detailed Project Report shall be formulated by CMTA through a Detailed Conceptual Report after conducting a diagnostic study of the requirements of common facility and infrastructure in the specific location and based on demand and potentiality. **Annexure-B (as per guidelines of the scheme)** indicates the broad aspects, which may be covered in the Detailed Project Report (DPR). These are intended to be indicative and not exhaustive.

XIII. How to submit the tender documents

This tender has been floated through e-procurement. Tenderers are requested to visit the website www.eprocure.gov.in and submit their offers only by electronically. **It may be noted that offers submitted on paper manually or the offers sent by post shall not be entertained.**

All participating agencies are requested to visit www.eprocure.gov.in and follow the guidelines mentioned therein. For creation of login ID to participate to be used in www.eprocure.gov.in, please click this link <http://eprocure.gov.in/eprocure/app?page=LoginDetails&service=page> .The said portal www.eprocure.gov.in is best viewed in IE 6 and above, with a screen resolution 1024 x 768.

Pre-bid meeting will be held on **04.04.2024** in the Office of The Textile Commissioner, Mumbai, if applicant has any query/ need any clarification. Clarification may also be obtained through pd-cotxc@gov.in.

XIV. Bid Security

Bid security of **Rs.2.00 lakh** in form of **Demand Draft/ Pay Order/ Bank Guarantee (as per format in Attachment-III)** in favour of Textile Commissioner Payable at Mumbai to be furnished alongwith Technical Bid. Bid Security in respect of unsuccessful bidders will be returned within 15 days of the selection of CMTA. If the selected agency withdraws or fails to perform as CMTA and as required in the Agreement which will be entered with them, subsequent to their selection, the Bid Security will be forfeited by Textile Commissioner.

XV. Performance Guarantee

Every release of professional fees to CMTA will be against bank guarantee of equal amount through the Central Nodal Agency (CNA) under TCDS and the said bank guarantee will be released only after successful completion of the entire project.

XVI. Closing Time for receipt of Bids

The closing time for submission of Tender documents along with Technical and Financial Bids through www.eprocure.gov.in is **15.04.2024 upto 18.00 hrs.**

XVII. Rights of Textile Commissioner

The Textile Commissioner reserves the right to accept/reject the RFP received without assigning any reasons whatsoever, or may call for any additional information / clarification if so required.

XVIII. Court jurisdiction

This shall be subject to the exclusive jurisdiction of courts at Surat/ Ahmedabad

XIX. General

The agencies blacklisted by the any Govt. Departments are not eligible for submission of RFP. An undertaking should be submitted by the agencies in this regard.

XX. ASSISTANCE TO BIDDERS

- 1) Any queries relating to the tender document and the terms and conditions contained therein should be addressed to the Tender Inviting Authority for a tender or the relevant contact person indicated in the tender.
- 2) Any queries relating to the process of online bid submission or queries relating to CPP Portal in general may be directed to the 24x7 CPP Portal Helpdesk. The contact number for the helpdesk is 1800 3070 2232.
- 3) Any queries relating to the process of online bid submission or queries relating to GEM Portal in general may be directed to help desk number 1800-419-3436.

International Bidders are requested to prefix +91 as country code. There is E-Mail Support: helpdesk-gem[at]gov[dot]in

- 4) In case any further clarification or information is required, the below mentioned officer may be contacted through email: pdc-otxc@gov.in or txc-otxc@nic.in on all working days.

Scope of Services for Cluster Management and Technical Agency (CMTA)
under the Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS)

Scope of Work by the CMTA: CMTA to assist the Ministry of Textiles (MOT) in identification, funding and execution of the mega cluster and shall, *inter alia*, provide the following services:

- a) **Preparation of Detailed Project Report:** CMTA, in consultation with SPVs will prepare *bankable* Detailed Project Report (DPR), for the identified Cluster that meets the funding requirements of MOT and the financial institutions. CMTA would apprise the DPR and submit with recommendation to Ministry of Textiles. Such DPR would consist of all essential features related to physical, technical, financial, environmental and institutional aspects of the project. Project Plan would also include standards for each component of infrastructure and detailed estimates, which shall be based on the CPWD schedule of rates and/ or market rates.

Such preparation of bankable DPR would involve the following:

- i. **Physical Planning & Engineering Aspects:** Conducting the topographic surveys of the identified land, land use planning, infrastructure lay out, location of common facilities particularly with respect to effluent treatment & disposal, design of typical units/ cross sections to arrive at the costs, etc.
- ii. **Technical Aspects:** The estimated no. of Units, the ongoing textile production and the segments thereof, the level of technology in the existing Plant and Machinery of the Cluster and bottlenecks, the common facility which are need to be created for these units based on the vision of expansion and the requirement of the cluster and such other details which may be necessary to be incorporated in order to address all other technically related issues.
- iii. **Environmental Aspects/Issues:** Environmental Impact Assessment and the Environmental Management Systems, including the proposed technologies and the systems for effluent treatment and discharge
- iv. **Financial Aspects:** Estimated cost of the project-component wise, means of financing – equity, grants and debts, financial analysis of the project to assess its viability and other related aspects
- v. **Institutional/Organizational Aspects/Issues:** The organisational structure, mode of implementation, O&M plan including user fee related and other aspects.
- vi. **Time Line:** The DPR will clearly give detailed time line for starting and completing each activity and sub-activities. While working out the timeline, the

CPM/PERT technique should be used so as to optimise on the time required to complete the project.

- vii. **Structuring of Responsibility:** The responsibility should be clearly structured and defined including those of CMTA, the SPV and the *MOT*.

- b) **Financial Closure:** CMTA would assist Project SPV to achieve financial closure for the project to enable the execution of the project. To assist Project SPV in designing the funding plan- debt, equity, grant etc – for the project so that means of finance are clearly identified.

- c) **Project Appraisal:** CMTA would appraise the projects and submit the same for consideration of Project Approval & Monitoring Committee (PAMC).

- d) **Statutory Approvals:** CMTA would assist the Project SPV in obtaining all necessary statutory approvals/clearances including environmental clearances, which are prerequisite to commencement of the project. CMTA would also liaise with the State Governments to resolve issues related to the State Government.

This would involve the following:

- i. Undertaking the Environment Impact Assessment (EIA)
 - ii. Filing the applications with the Pollution Control Boards for obtaining the Consent to Establish and Environmental Clearances
 - iii. Filing applications for obtaining approval from Town & Country Planning Organisation
 - iv. Any other approvals which may be required, such as Municipal Corporation, Airports Authority etc, based on the need.
-
- e) **Liaison with the State Government agencies:** CMTA would assist the SPVs in obtaining the connections for utilities, such as
 - i. Power
 - ii. Water
 - iii. Approach Roads

 - f) **Financial Advisory Services:** CMTA would provide need based financial advisory services to the MOT with regard to implementation of the scheme for Cluster(s), in general, and release of funds to the Project SPVs for establishment of Cluster(s), in particular. CMTA would also ensure proper utilization of funds for the purposes for which they are sanctioned. The CMTA will carry out due diligence to ensure that the costing of the project is correct and, in a manner, to ensure the viability of the project.

- g) **Monitoring & Evaluation:** CMTA would monitor the progress of sanctioned Cluster projects and submit periodical progress reports to the MOT. CMTA would also monitor and oversee the work output of the contractors' firms in compliance of the terms and conditions of the contracts with the objective of ensuring quality, completeness and compatibility of the work carried out.

- h) **Timely Completion of the Project:** CMTA would ensure that the time lines as in DPR are strictly met with as approved by the PAMC. During the various stages of implementation of the project, CMTA would record the measurements of works done.

- i) **Quality Control and measurement:** CMTA would ensure Quality control tests and soundness of construction & structural stability. CMTA would also ensure rectification of defects in the works notified during the defect liability period of one year after completion.

- j) **Detailed engineering/procurement process:** CMTA would prepare suitable formats so as to assist the SPVs in undertaking engineering/ procurement processes. This will include layout design, detailed engineering drawings, preparation of cost estimates, bid documents, selection and appointment of contractors for specific activities for smooth implementation of the project. CMTA would also advise and assist the SPV for setting up operation & maintenance mechanisms that are aimed at minimizing project costs.

Note: Above indicates the broad aspects, which may be covered in the Project Report. These are intended to be indicative and not exhaustive.

Indicative list of points to be covered in the Project Reports under the Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS).

1. Overview:
 - i) Brief objectives and compatibility of the proposal with objectives.
 - ii) Justification for the proposal and suitability of location, volume of existing activities and other schemes (State/Central/CSS) in the vicinity or at the same location.
 - iii) Present Status:
 - Availability of land & status of acquisitions.
 - Availability of requisite clearances.
 - Identification, agreement/MoU with beneficiary units.
2. Total cost of the project with break-up for major facilities.
3. Base date and basis of estimating the cost.
4. Mode of funding & Phasing of expenditure i.e. contribution of various stake holders, (GOI, State Govt. & Other Agencies). Before submission of DPR involving availing finance/loan/grant etc. from other sources i.e. From other Schemes of the Ministry of Textiles or other Departments/Ministries/Bank or Financial Institutions etc., a feasibility study with concerned department/Ministry/Bank etc. should invariably be made to ascertain that grant/loan etc. is/are likely to be available and conditions required for the same can be fulfilled.
5. Land requirement and its distribution (Facility-wise)
6. Physical facilities being planned – capacities: backward & forward linkages.
7. Name of the Implementing & Managing Agency/SPV, brief indication on responsibilities/obligation (during implementation and future).
8. Gestation period, activity chart (PERT/CPM), major milestones/targets and date of commencement of operation.
9. Quantification of benefits in terms of increase in production, employment, exports and investments.
10. Sustainability issues: Projected O&M expenditure & means of meeting the same.

11. Financial viability to the extent applicable:
 - Projected annual surplus, if any.
 - Internal Rate of Return (IRR).
 - Percentage of occupancy to achieve viability.
12. A synopsis of the discussions held with various Stake Holders.
13. Master Plan of the area, mapping the components for which the assistance is being sought and as to how the other components are to be addressed.
14. Background about the implementing agency, and their experience in handling such projects.

FORMAT OF BANK GUARANTEE FOR FURNISHING EARNEST MONEY DEPOSIT
(EMD)

Whereas M/S _____, hereinafter called the "bidder" have submitted their proposal dated _____ for providing professional service for **“Development of Karanj, Surat (Gujarat) as Powerloom Mega Cluster under “Revised Comprehensive Powerloom Cluster Development Scheme (RCPCDS)”** (hereinafter called the "bid") KNOW ALL MEN by these presents that We _____ Bank _____ branch of _____ Bank Ltd. having our registered office at _____ are bound unto (hereinafter called the “Bank”) in the sum of **Rs. 2,00,000/- (Rupees Two Lakh only)** in favour of Textile Commissioner, payable at Mumbai (hereinafter called the "Textile Commissioner") for which payment will and truly to be made to the said Textile Commissioner, the Bank binds itself, its successors and assigns by these presents. Sealed with the Common Seal of the said Bank this ____th day of _____ 20____.

THE CONDITIONS OF THIS OBLIGATION ARE:

- (1) If the bidder withdraws or amends, impairs or derogates from the bid in any respect within the period of validity of this bid.
- (2) If the bidder having been notified of the acceptance of his bid by the Textile Commissioner during the period of its validity.
 - a. If the bidder fails to furnish the Performance Security for the due performance of the contract.
 - b. Fails or refuses to execute the contract. WE undertake to pay the Textile Commissioner up to the above amount upon receipt of its first written demand; without the Textile Commissioner having to substantiate its demand, provided that in its demand the Textile Commissioner will note that the amount claimed by it is due to it owing to the occurrence of one or both the two conditions, specifying the occurred condition or conditions. This guarantee will remain in force up to and including **90 days** after the period of bid validity and any demand in respect thereof should reach the Bank not later than the above date or any other extended date, if any.

NOTWITHSTANDING ANYTHING CONTAINED HEREINABOVE, OUR LIABILITY UNDER THIS GUARANTEE IS LIMITED TO Rs.2,00,000/- (Rupees Two Lakh Only) and our liability shall expire on _____ 20____ and any claims brought against us must be received in writing by the Textile Commissioner, Mumbai. If no such claim has been received by us in writing, this guarantee will be automatically cancelled after _____20____.

Revised guidelines for Comprehensive Powerloom Cluster Development Scheme (RCPDCS) beyond 12th Five Year Plan i.e. from 01.04.2017 to 31.03.2020 (Development of Powerloom/Silk Mega Cluster)

1.1 The guidelines for Comprehensive Powerloom Cluster Development Scheme (CPCDS) were brought out in November, 2008 in pursuant to the Budget 2008-09 Announcement for developing Erode (Tamil Nadu) and Bhiwandi (Maharashtra) as Powerloom Mega Clusters to create world-class infrastructure to integrate the production chain, to fulfil the business needs of the local Small and Medium Enterprises (SMEs) and to boost production and export etc. Based on the approved guidelines, Detailed Project Reports for Erode and Bhiwandi were approved by the Government on 5.3.2009 and 28.8.2009 respectively for developing the said 2 clusters as Powerloom Mega Clusters during 11th Plan.

1.2 An independent evaluation of the Scheme on completion of 11th Plan by a professional consultant has revealed that projects at Erode and Bhiwandi were not progressing as envisaged in the guidelines and the constraints faced in implementing the project under CPCDS were identified. Government of India in its Budget 2009-10, 2012-13 and 2014-15 further announced development of Bhilwara (Rajasthan), Ichalkaranji (Maharashtra) and Surat (Gujarat) as Powerloom Mega Clusters and Mysore as Silk Mega Cluster respectively. Due to non-availability of land at Bhiwandi and Bhilwara, these projects have been shifted to Solapur (Maharashtra) and Karanpura in Bhilwara District (Rajasthan) respectively. Based on decision taken by the Government in the review meeting of Powerloom Sector Schemes held on 07.10.2016, the CPCDS scheme is hereby modified so that projects under the modified scheme can be implemented effectively and speedily beyond 12th Five Year Plan i.e. 2017-18 to 2019-20 to attain objectives set up under the schemes.

Accordingly, this note lays down guidelines for beyond 12th Plan i.e.2017-18 to 2019-20 for setting up/development of Powerloom Mega Clusters at Ichalakaranji, Surat, Karanpura, Solapur, cancelled project at Erode, Silk Mega Cluster at Mysore and any future projects as Powerloom/Silk Mega

Clusters which will be announced during the period i.e. 2017-18 to 2019-20.
This guidelines will come into effect from the Financial Year 2017-18.

2. Background

- 2.1 There are approximately 3.86 lakh* Powerloom Units with 24.86 lakh* Powerlooms. Around 57% of the textiles production in India is done on Powerlooms, most of them being in SSI units. More than 60% of fabric meant for export is also sourced from Powerloom sector. It provides employment (direct/ indirect) to 44.18 lakh* (approx.) persons in the country. There are approx. 1.03 lakh shuttleless looms (around 4.2% of the total loomage) in this sector. Off-take of powerloom sector under TUFS has been negligible (less than 2%). The existing looms are obsolete and high on energy consumption, most of the units are small (4-8 looms). The dependence of units on the master weaver or trader is high, for provision of orders with raw-material, design and an advance on labour given by them. In this Master Weaver Pattern of trade, the majority of units are not better than job workers themselves, weaving cloth to order on a pick-rate basis and employing labour on daily wage basis to run their units. In order to have cohesive development of the cluster, Government wants entrepreneurs from within the cluster to step forward and be partners with Government in development of the cluster with wide participation for increased cluster profit.

Note*: Figures are taken from the report of All India survey of Powerloom Industry, done by M/s. Nielson during 2013.

3. Objectives

- 3.1 Development of clusters that have a concentration of about 5000 decentralized Powerlooms or more by assistance for infrastructure, common facilities, other need based innovations, technology upgradation and skill development.
- 3.2 The scheme basically aims at improving the existing brownfield clusters for which a gap filling exercise for each cluster would identify the need based infrastructure that is to be funded.
- 3.3 It is expected that the project would ordinarily be implemented within a period of 4 years from the date of formal approval conveyed by the Ministry of Textiles.

4. Deliverables

- 4.1 Economic advantage - Substantial increase in Production and Export, Increase in the business of small entrepreneurs, Savings in cost by manufacturers in the cluster due to better infrastructure and Government induced benefits, Revenue generation to local bodies, State & Central Governments and Growth of industry in an organized form.
- 4.2 Social advantage – Better living standards for the existing weavers/ artisans and higher per capita income.
- 4.3 Environmental advantage – Availability of Effluent Treatment Plant & Solid Waste Management system etc. in the cluster.

5. Funding Parameters:

- 5.1 Keeping in view the plan outlay of Rs.99.99 crores (Rs.75 crore for Powerloom Mega Cluster and Rs.24.99 for Silk Mega Cluster) provided for beyond 12th Plan i.e.2017-18 to 2019-20, the CPCDS assistance of government of India for each approved Powerloom/Silk Mega Cluster project would be limited to Rs.50 crore inclusive of administrative expenditure, M&E and professional fee beyond the 12th Five Year Plan i.e.2017-18 to 2019-20. Also overflow, if any, to go to the next plan.
- 5.2 The scheme is not meant for greenfield projects. The scheme basically aims at improving the existing brownfield clusters for meeting the objective. A gap filling exercise for each cluster would identify the need based infrastructure that is to be funded.
- 5.3 Convergence with other existing schemes should be attempted so that only that common infrastructure/facilities are funded which are not possible in other scheme.
- 5.4 Additional funds for development of the cluster will be mobilized by dovetailing the funds available under various Schemes of state and central governments.
- 5.5 The land for the projects has to be arranged by the SPVs. However, the land cost would not be built into the total project cost. Also the Government grant would not be allowed to be utilized for purchase/procurement of land.
- 5.6 Upto 1% (one percent) of the Government's grant shall be made for administrative expenditure, evaluation, studies, research & seminars,

information dissemination, publicity, and for establishing an IT enabled monitoring mechanism.

- 5.7 Government funds will be provided as grant ordinarily, but may be considered as part of equity in CFCs or where it assists in financial closure.
- 5.8 Interventions will be provided directly to existing weaving units or to an SPV with private equity participation depending on needs of the cluster. Government grant/equity would be provided with the expectation of matching investment by the industry in the ratio of 60:40 :: Government : Private. That is Rs.60 crore by government grant would be required to mobilise a matching investment of Rs.40 crore in the project, however, based on need/financial closure, the ratio may be varied with approval of the PAMC for individual components by exercise of flexibility within this overall ratio of investment.

6. Project Components:

- 6.1 The following components of the project will be eligible for funding under the scheme, within the overall limit of the grant in the cluster:

- i) **Common Facility Centres (CFCs) for pre and post loom weaving processing:**

Common Facility Centres (CFCs) would comprise of state of the art technology which would service users, including enterprises, who would normally not be able to access those facilities individually. Apart from the pre and post loom weaving process such as warping, sizing, dyeing, CFCs may also include Product Design & Development Support Centres, Testing Laboratories, Quality Benchmark Centre (following TQM Technique), Common Marketing Centre/Mart and Exhibition Centres, Common Warehouses, Workers hostels/dormitories, Common Captive Power Plant, Common Effluent Treatment Plants, etc.

In order to reduce cost and enable speedy implementation, instead of constructing new building, the provision for rented buildings shall be included for kick starting the activities. Henceforth, all new Mega Cluster Projects, the CFC component should start functioning within six months from sanction.

Standard building design for Common Facility Centres (CFCs) may be worked out along with cost involved, so that there will be uniformity in costing and easy to adopt this model.

CFCs will be run on user charge basis (to be clearly outlined in DPRs) and the facilities set up will be available to all weavers in and around the cluster.

CFCs are to be implemented through SPV only. Fund would be released directly to SPVs.

ii) **Mini-Industrial Parks with Worksheds supported by Core Infrastructure:**

The objective is to set up self-sufficient industrial estates that will provide work space for the units within the cluster there by enabling them to expand their capacities, apart from meeting the compliances. Each such park, not necessarily on a contiguous piece of land, will provide need based, customized and 'ready to use' work sheds, factory buildings, along with need based CFCs and support infrastructure including required roads within and outside the parks (where no road connective available), compound walls, street lights, water supply and power generation. However, aggregate investment, including land and plant and machinery, by the entrepreneurs in the park shall be at least 60% of the cost of common infrastructure proposed for the park.

In all such Mini-Industrial Park, TUFs compatible machinery (looms etc.) would be the minimum bench mark. Mechanism to maintain the Parks would be brought out clearly in DPRs.

Implementation mode would be through SPV only. However, grant for worksheds may be released to SPV or to individuals/ units, depending on the funding pattern adopted by the SPV and approved by PAMC.

iii) **Innovative Ideas and other need-based Interventions**

Up to 10% of the budget allocated for the scheme may be utilized towards Innovative Ideas and other need based interventions designed to suit the specific requirement of the cluster. If such interventions cannot be anticipated and incorporated while preparing DPR, up to 10% of the budget allocated for the scheme can be kept aside towards Innovative ideas and

other need based interventions which may emerge during the course of implementation of the project. Fund would be released based on approval by PAMC.

To be dovetailed with TUFs and ISDS of Ministry of Textiles

iv) **Technology Upgradation:**

Proposals for technology Upgradation should be prepared in a manner that proposals can qualify for dovetailing of fund from the TUFs and fund would be released as approved thereunder. Such grant from TUFs will be treated as dove tailing and not to be included in the CPCDS grant. Otherwise, grant for Technology Upgradation would be considered within overall CPCDS grant with approval by PAMC. For Technology Upgradation, TUFs compatible machinery (looms etc.) would be the minimum bench mark.

v) **Skill Development:**

Proposals for skill development should be prepared in a manner that proposals can qualify for dovetailing of fund from the ISDS and fund would be released as approved thereunder. Such grant from ISDS will be treated as dove tailing and not to be included in the CPCDS grant. Otherwise, grant for Skill Development would be considered within overall CPCDS grant with approval by PAMC.

7. **Implementation Process**

7.1 The following shall be the cycle of project identification, approval, execution and monitoring process:-

- i) Identification of the Mega Powerloom/Silk Cluster by the Ministry which would be funded under the Scheme.
- ii) Appointment of Cluster Management and Technical Agency (CMTA) by the Ministry through a competitive selection process.
- iii) Preparation of Detailed Conceptual Report (DCR) by CMTA in consultation with Powerloom/silk stakeholders, which would consist of a diagnostic study of the needs of the cluster, identification of interventions, tentative requirement of land, if any, approximate cost of interventions, approximate total cost, and formulation of implementation strategy. CMTA should emphasis on gap filling exercise for each cluster to identify the need based infrastructure that is to be funded.

- iv) Discussion with the Cluster Co-ordination Group (CCG) and on its endorsement, approval of the Detailed Conceptual Report (DCR) by Ministry.
- v) Selection of SPV for the Identified interventions as per the DCR. The process will be undertaken by CMTA through a widely published process.
- vi) Preparation and submission of Detailed Project Reports (DPRs) for the identified interventions, by the CMTA in consultation with SPVs. Such DPRs shall cover technical, financial, institutional and implementation aspects, in line with the Detailed Conceptual Report (DCR) prepared by the CMTA.
- vii) Endorsement of the DPRs by CCG and recommendations to EFC/ PAMC.
- viii) Approval of the projects by PAMC.
- ix) Creation of separate account by SPV for the funds for the project. First release on evidence of readiness for execution of the projects by the SPV as per the approved DPRs.
- x) Monitoring of the execution process of SPV by the CMTA.
- xi) Release of funds to the SPV by the Ministry as per the guidelines and on certification by the CMTA.
- xii) Quarterly progress reports to the Ministry by SPV/CMTA.
- xiii) Submission of utilization certificates and closure of the projects.
- xiv) Mid-term and end of the term monitoring and impact assessment studies by the Ministry through qualified independent institutions.

7.2 The constitution/role/ services of CMTA, SPV, State Governments, CCG and PAMC are given at Annexure I to V.

8. Release of Funds:

8.1 The following shall be the process/conditions for release of grant by the Ministry:

- I. The release of funds would be specific to different interventions of the cluster. All releases to be made to an escrow account for the project opened by the SPVs.
- II. The grant by the Ministry will be released in the following manner to the SPVs :
 - (1) First instalment of 30% of the total Government of India (GOI) share shall be released in two parts:-

(a) First part of First instalment representing 10% of total GoI share will be paid to the SPVs subject to fulfilment of following criteria:

- (i) Establishment of SPV.
- (ii) Inclusion of one representative of Government of India and one representative of the CMTA on the Board of Directors.
- (iii) Where land is required for the project, land has to be in the possession of SPV. That is land should have either been purchased by the SPV and consequently registered in the name of the SPV or the SPV should have entered into a registered long term lease.
- (iv) Execution of share holders' agreement showing agreement for issuance of shares by SPV to members in proportion of area allocable to them in equity contribution.
- (v) Establishment of escrow account in a nationalized bank.
- (vi) DPRs duly validated by CMTA, and approved by EFC/PAMC.
- (vii) Availability of all statutory clearance necessary for commencement of the project as certified by the CMTA, including environment, water and electricity.

(b) Second part of First instalment representing 20% of the total GOI share will be paid to the SPV subject to fulfilment of following criteria:

- (i) On submission of Utilisation Certificate for 70 % of the first part of first Instalment released and on producing evidence of deposit of 1/3rd of investor's share in the escrow account. Utilization Certificate in GFR 19(A) and Audited Statement of Accounts by the Chartered Accountant are required to be furnished.
- (ii) Details of equity contribution by SPV.
- (iii) Sanction Letter for loan component showing satisfactory financial closure, in case SPV is taking term loans.
- (iv) Award of contracts worth equivalent at least 50% of the total project cost excluding the land cost.

(2) Second Instalment of 30% of the total GOI share will be released:

- (i) On utilization of remaining 30% of grant amount of first part of first instalment and on utilization of at-least 70 % of the grant amount of second part of first instalment by the SPV and on utilization of

- investor's share deposited at the time of release of 2nd part of first instalment ; and
- (ii) On production of evidence of deposit of another 1/3rd of the investor's share in escrow account.
 - (iii) Utilization Certificates in GFR 19(A) and Audited Statement of Accounts by the Chartered Accountant as above shall be submitted by the SPV at the time of making claim for the 2nd Instalment.
- (3) Third Instalment of 30% of the total GoI share after:
- (i) On utilization of remaining 30% of grant amount of second part of first instalment and on utilization of at-least 70 % of the grant amount of second Instalment by the SPV and on utilization of investor's share deposited at the time of release of second instalment ; and
 - (ii) Evidence of deposit of the remaining one third of the investor's share in the escrow account.
 - (iii) Award of contracts worth equivalent to remaining 50% of the total project cost excluding the land cost.
 - (iv) Utilization Certificates in GFR 19(A) and Audited Statement of Accounts by the Chartered Accountant as above shall be submitted by the SPV at the time of making claim for the 3rd Instalment.
 - (v) As against 90% release of Government of India funds, the SPV should have contributed their 100%.
- (4) Fourth Instalment of 10% of the total GoI share will be released after operationalization of the project and on utilization of remaining 30% of grant amount of second instalment and full utilization of the third instalment of grant and on utilization of 100% of the investor's share. Utilization Certificates in GFR 19(A) and Audited Statement of Accounts by the Chartered Accountant as above shall be submitted by the SPV at the time of making claim for the 4th Instalment.

{Note: SPV's share means own contribution/investment by SPVs and terms loan/bank loan etc. (other than MOT's grant under CPCDS).}

9. Performance guarantee

9.1 Any revision in the period of implementation must have the approval of the PAMC, preferably in advance. In case of delay in implementation of the project beyond the agreed time schedule as approved by the PAMC, the Ministry of Textiles shall have the right to impose penalties as follows:

- (i) Delay of upto 3 months in the completion of the project would reduce the grant amount by 1%.
- (ii) Further delay in the implementation of the project would reduce the grant amount by an additional 1% for every 3 months of delay.
- (iii) In event of the grant amount being reduced as above, the SPV should meet the consequent gap through its own sources.
- (iv) If the SPV fails to honour commitments made in the approved DPR or it is found that the Grant has been utilized by the SPV for non eligible components of the project, MOT shall impose penalties on the SPV as per rules and as may be decided by the PAMC .
- (v) In the event the project is cancelled by the PAMC, the SPV shall refund the Grant amount with interest at Bank rate from the date of receipt.
- (vi) In the event of SPV not complying with direction of the Ministry of Textiles for return of the grant, appropriate action will be taken to recover the grant etc. as arrears of land revenue, with penal interest.
- (vii) However, clause for penal interest would not be applicable in case of delay in executing the project due to unavoidable or beyond control situation. All issues of imposing penal interest will be considered and decided by PAMC based on merit of each case and after giving opportunity to SPVs to present their case/explanation for delay. The decision of the PAMC in all above cases would be final and binding on the SPV under the scheme.

10. Professional Fee to be paid to CMTA:

10.1 Release of Professional fee to the CMTA for service rendered to the Ministry of Textiles under the scheme will be as follows:-

- (a) The fee to the CMTA shall be paid as approved by the PAMC and shall be exclusive of service tax and other levies as applicable from time to time. The fee will however be inclusive of all travel, accommodation and other incidental expenses incurred by the CMTA.

- (b) The project cost for the purpose of professional fee payable to the CMTA would be the cost as approved by the PAMC. The CMTA would be paid the fees on the original project cost as approved by the PAMC irrespective of any revision in the project cost by the PAMC.
- (c) The fee paid to the CMTA will be paid as per the following Schedule of Payment-

Fee Amount	Payment Milestone
20% of Profession fee	On approval of Detailed Project Report and release of 1 st part of 1 st Instalment of Government's grant (SPV-wise)
40% of professional fee	On release of 2 nd instalment of Government's grant (SPV-wise)
20% of professional fee	On release of 3 rd Instalment of Government's grant (SPV-wise)
20% of professional fee	On completion of the Project (SPV-wise).

- (d) In case a CMTA does not perform as per the time schedule or as per approved projects, the PAMC may impose penalties as decided by the PAMC on a case to case basis.
- (e) In the event of cancellation of a project, on account of withdrawal by SPV or failure to implement the project as per the approved DPR, the entire/proportionate (as the case may be) professional fees released shall be refunded by the CMTA, with interest equivalent to PLR.
- (f) In the event of CMTA not complying with direction of the Ministry of Textiles for return of the professional fee etc., appropriate action will be taken to recover the same as arrears of land revenue, with penal interest.
- (g) Clause for recovery and penal interest would not be applicable in case of delay in executing the project due to unavoidable or beyond control situation. All issues of imposing penal interest will be considered and decided by PAMC based on merit of each case and after giving opportunity to CMTAs to present their case/explanation for delay. The decision of the PAMC in all above cases would be final and binding on the CMTAs under the scheme.

11. **Misc.**

- 11.1 CMTA and SPVs shall enter into appropriate Agreements with the Ministry of Textiles for implementation/execution of the project.
- 11.2 CMTAs/SPVs are required to comply with all requirement under Central or State laws for obtaining land for the projects, permission to set up the projects, permission from appropriate authorities for use of water, electricity etc., as well obtaining all statutory clearances e.g. environmental clearance etc. and required to furnish the details (alongwith copies) before any grant is released by the Ministry. Exhaustive list of such requirement would be brought out by the CMTAs/SPVs in their respective DPRs to be placed before PAMC for approval of the projects.
- 11.3 Projects would be implemented on PPP basis. The assets created under the project cannot be dismantled or disposed off or transferred to other entity without approval of the Government of India. Moreover, there would be a lock in period of 10 years to maintain the status quo after completion of the project. The Implementing Agency/SPVs would be responsible for upkeep and maintenance of the assets etc. from its own resource and also be imposing reasonable user charges. Upkeep and proper maintenance and related issues would also be monitored time to time by the Office of the Textile Commissioner, Mumbai/CCG/PAMC as the case may be.
- 11.4 SPVs shall be open to inspection by the Ministry of Textiles/Internal audit party of the Chief Controller of Accounts, Ministry of Commerce & Textile, New Delhi whenever the grantee called upon to do so. The SPVS accounts would subject to be audited by the Internal Auditor of the grantee and finally by the Comptroller and Auditor General of India.
- 11.5 In so far as Interpretation of any of the provisions of these guidelines, the decision of the Project Approval and Monitoring Committee shall be final. The PAMC is also empowered to put in place detailed operating procedure and supplementary rules and guidelines for implementation of the scheme.

**CONSTITUTION/ROLE/SERVICES OF CLUSTER MANAGEMENT TECHNICAL
AGENCY (CMTA)**

- i) The nature of the proposed project warrants proactive technical and managerial assistance on "concept" to "commissioning" basis, and therefore the services of a professional agency (selected through competitive bidding system) will be utilized by the Ministry of Textiles as CMTA for each of the CPCDS projects.
- ii) Such agency shall have proven capability in terms of technical, managerial, financial infrastructure and capacity building expertise that are required to design and execute cluster oriented interventions, and knowledge of the Textile Sector.
- iii) CMTA, apart from assisting the Ministry of Textiles in designing and monitoring of the project, will proactively work with the cluster stakeholders and the SPV. The illustrative list of responsibilities of such CMTA are given below:
 - Preparation of Detailed Conceptual Report(DCR) covering diagnostic study of the cluster, identification of interventions and preparation of implementation strategy in dialogue and with due consultation of cluster and sector stakeholders.
 - Sensitizing and mobilizing the stakeholders to be part of the proposed interventions and Identifying from amongst the stakeholders persons or units for establishment of SPV(s).
 - Establishment and structuring of the SPV through a widely published process.
 - On approval of DCR by the Ministry after consultation with CCG, CMTA will prepare the DPR in consultation with SPV.
 - Assisting the SPV in identifying suitable land, where required.
 - Assisting the SPV(s) in obtaining requisite statutory approvals /clearances.
 - Assisting the Ministry in releasing funds for the project to the implementing agencies.
 - Assisting the SPVs in identifying appropriate grant schemes in the State or

Central Government from funds can be dovetailed to the project.

- Assisting SPVs in obtaining Financial Closure.
- Assisting the SPV(s) in identification and engagement of service providers/contractors for various services required for preparation of DPR and implementation of components under such DPR.
- Providing interfacing support and linkages between the SPV(s) and various other stakeholders, particularly the Government organizations, buyers and financial institutions.
- Providing periodical progress reports to the Ministry of Textiles with respect to achievements of the stated outcomes.
- Maintaining the progress and growth of the SPV and the project for the Ministry for a period of 3 years after completion and submission of diagnostic reports that would provide a feedback to the Ministry on the impact of the scheme as well as possible correction to the guidelines.

- iv) In case a CMTA does not perform as per the satisfaction of the PAMC on specific project, the PAMC may impose penalties as decided by the PAMC on a case to case basis.
- v) In the event of cancellation of a project, on account of withdrawal by SPV or failure to implement the project as per the approved DPR, the entire/proportionate (as the case may be) professional fees released shall be refunded by the CMTA, with penal interest equivalent to PLR.
- vi) In the event of CMTA not complying with direction of the Ministry of Textiles for return of the professional fee etc., appropriate action will be taken to recover the same as arrears of land revenue, with penal interest.
- vii) Clause for recovery and penal interest would not be applicable in case of delay in executing the project due to unavoidable or beyond control situation. All issues of imposing penal interest will be considered and decided by PAMC based on merit of each case and after giving opportunity to CMTAs to present their case/explanation for delay. The decision of the PAMC in all above cases would be final and binding on the CMTAs under the scheme.

CONSTITUTION/ROLE/RESPONSIBILITIES OF SPECIAL PURPOSE VEHICLES (SPVS)

- i) The Scheme would be executed through one or more Special Purpose Vehicles (SPVs) that comprises the cluster stakeholders. Such a SPV would need to be a legal entity, which can either be constituted for the purpose of the project (Special Purpose Vehicle - SPV), in the form of a Company/Producer Company or Society under the relevant laws or an already existing registered entity. Any different structure for the SPV requires the approval of PAMC. The SPVs shall have operational autonomy so that they do not become surrogate Public Sector Enterprises or be controlled by Central /State Governments. However, where the State Government so desire, state agencies such as Powerloom Development Corporations, Industrial Development Corporations etc. could act as the SPV or be a part of the SPV.
- ii) The CMTA would select SPVs through a selection process/criterion to be got approved by the Ministry.
- iii) The majority of the equity of such SPV shall be with the weavers of the cluster and/ or their associations/cooperatives /federations/MSME units. The remaining stake may be held by strategic investors. The stake of any individual enterprise in its subsidiaries shall not be more than 26%.
- iv) The roles and responsibilities of such SPV(s) shall be as follows:
 - Identification and designing of interventions in consultation with the cluster stakeholders.
 - Assist CMTA for preparation and submission of DPR each of the relevant components.
 - Procurement of land, wherever needed.
 - Obtaining the equity shares as per SPV Agreement and allocating shares accordingly.
 - Securing financial closure to ensure availability of investable funds for the project.
 - Opening and maintaining separate accounts for the investments for the project, for government grant and share holders equity and investment.

- Appointment of service providers and contractors through competitive and transparent selection process.
- If benefits other schemes are dovetailed with the project, taking necessary action to obtain the funds and dovetail the benefits.
- Execution of the components as per the approved DPR.
- Ownership and maintenance of facilities created.
- Providing periodical progress reports, utilization certificates and compliance to all related provisions and requirements of the Scheme and relevant statutory provisions.
- Receiving Government grant and matching investment share as per guidelines, submitting all relevant document alongwith their claim to Ministry through CMTA with their certification and recommendation for release.
- Operationalization of the project as per DPR.
- Submitting compulsory periodical progress/status report to Ministry for a minimum period of 5 years after completion of the project. SPVs would be bound to furnish information as desired for as and when required during pre-post completion period.
- In the event of cancellation of a project by PAMC due to failure on part of SPV to implement the project as per the approved DPR after government grant is released or on account of withdrawal by SPV after Government grant is released, the entire grant released shall be refunded by the SPV, interest equivalent to PLR or as to be decided by the PAMC/Ministry.
- In the event of SPV not complying with direction of the Ministry of Textiles for return of the grant etc., appropriate action will be taken to recover the grant etc. as arrears of land revenue with penal interest.
- Clause for penal interest would not be applicable in case of delay in executing the project due to unavoidable or beyond control situation. All issues of imposing penal interest will be considered and decided by PAMC based on merit of each case and after giving opportunity to SPVs to present their case/explanation for delay. The decision of the PAMC in all above cases would be final and binding on the SPV under the scheme.

ROLE OF STATE GOVERNMENT

The State Government is expected to play very important facilitating role for successful execution of the project as envisaged below:

- i) Facilitating in formation of Cluster Co-ordination Group (CCG) under concerned District Collector and play the role as envisaged in the guidelines.
- ii) Creation of Single Window System for facilitating all clearances etc.
- iii) Facilitating in obtaining all the requisite clearances related to land, environment, etc.
- iv) Providing necessary external infrastructure like Power, Water, etc.
- v) Facilitating in identification and provision of suitable land.
- vi) Financial assistance as grant, in addition to the Central Government grant, and/or participation in equity through State Government Agencies
- vii) Providing incentives as per the Industrial policy of the state or provide appropriate special incentives for effective implementation of the project.
- viii) Dovetailing of other related Schemes for overall effectiveness and efficiency of the Interventions.

ROLE OF CLUSTER COORDINATION GROUP(CCG)

- i) In order to ensure an effective coordination amongst various stakeholders and the SPV(s) at cluster level, a Cluster Coordination Group (CCG) would be set up under the Chairmanship of the respective District Collector. This CCG would be responsible to examine the DCR/DPRs submitted by CMTA and will make its recommendations to Ministry. CCG will also responsible for local coordination and regular review of implementation of the Scheme at cluster level. The CCG would meet at least once in 6 months.
- ii) The members of the CCG would represent the following:
- GM-DIC.
 - The Chairperson(s) of SPV(s)
 - The Chairpersons of the Industry Associations related to the cluster
 - Representatives of the State Government Departments such as Industries, Textiles, Power, Water Supply, etc.
 - Representatives of the related Central Government Organisation like Powerloom Export Development Council, Textile Research Associations, etc.
 - Representative of CMTA.
 - An Officer nominated by the Textile Commissioner, Government of India, Ministry of Textiles shall be the convener of CCG.

CONSTITUTION, ROLE AND FUNCTIONS OF PROJECT APPROVAL AND MONITORING COMMITTEE (PAMC)

In order to approve and monitor the projects sanctioned under the Scheme, a high level committee in the name of Project Approval and Monitoring Committee (PAMC) would be constituted with the following composition:

- i) Secretary (Textiles) – Chairman
- ii) Additional Secretary & FA, Ministry of Textiles. – Member
- iii) Advisor (Industry), Planning Commission – Member
- iv) Joint Secretary (PF-II), D/o Expenditure – Member
- v) Representatives of other Ministries/Departments-Member
- vi) Textile Commissioner, Ministry of Textiles-Member
- vii) Representative of the concerned State Government-Member
- viii) Joint Secretary (Mega Cluster), M/o Textiles – Member Secretary

The PAMC shall consider the proposal along with DPR (or project plan) received through CMTA on various components of the projects to be implemented through SPVs/Implementing Agencies proposed. The detailed project report (DPR) shall be considered and sanctioned by the PAMC. The implementation of the various projects should also be reviewed periodically by the PAMC. Any other role as envisaged under the guidelines.