

Ref. No. STPI/HQ/PDC/07/2020-21/182

Date: 18/3/2021

To,

**Shri R Karikal Valaven, IAS**

Vice Chairman and Managing Director,  
M/s. Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC),  
APIIC Towers, Plot No. 1, IT Park,  
Mangalagiri, District Guntur -522503  
Andhra Pradesh

**Subject: Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme —Approval for setting up  
of YSR Electronics Manufacturing Cluster at Kopparthy Village, Kadapa, Y.S.R District,  
Andhra Pradesh**

**References:**

- i. Application submission dated 29th Oct 2020, Detailed Project Report and subsequent correspondences/documents submitted by APIIC.
- ii. EMC 2.0 Scheme Gazette Notification no. 86 [CG-DL-E-01042020-218991] dated 1<sup>st</sup> April, 2020
- iii. Guidelines for implementation of Modified Electronics Manufacturing Clusters (EMC 2.0) scheme dated 1st June 2020 [F. No. W-45/3/2020-IPHW-MeitY]

Sir,

Reference is invited to application submitted by M/s. Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) on 29th October 2020 cited under reference (i) above and subsequent communications for seeking financial assistance under Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme from Ministry of Electronics and Information Technology (MeitY) for setting up of Electronics Manufacturing Cluster project at Kopparthy Village, Kadapa, Y.S.R District, Andhra Pradesh. The said application and documents submitted by M/s. APIIC have been considered and based on the assurances and commitments made therein, I am directed to convey the approval of the Ministry of Electronics and Information Technology (MeitY) for setting up of Electronics Manufacturing Cluster project over an area of 540 acres with an approved project cost of Rs.748.76 crore (Rupees Seven Hundred Forty Eight Crore and Seventy Six Lakh Only) [excluding land cost] for providing financial assistance of Rs. 350.00 crore (Rupees Three Hundred and Fifty crore Only).

2. The parameters of the project are mentioned hereunder:

#	Project Parameter(s)	Details												
1.	<b>Project Implementing Agency (PIA)</b>	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)												
2.	<b>Location of EMC</b>	Kopparthy Village, Kadapa, Y.S.R District, Andhra Pradesh <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Village</th> <th>Mandal</th> <th>Area (in acres)</th> </tr> </thead> <tbody> <tr> <td>Ambavaram</td> <td>Vallur</td> <td>32.17</td> </tr> <tr> <td>Kopparthy</td> <td>C. K. Dinne</td> <td>503.43</td> </tr> <tr> <td>Rampathadu</td> <td>Pendlimarry</td> <td>4.40</td> </tr> </tbody> </table>	Village	Mandal	Area (in acres)	Ambavaram	Vallur	32.17	Kopparthy	C. K. Dinne	503.43	Rampathadu	Pendlimarry	4.40
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Kopparthy	C. K. Dinne	503.43												
Rampathadu	Pendlimarry	4.40												
3.	<b>Proposed Area of EMC</b>	540 acres <ul style="list-style-type: none"> <li>• Proposed Processing Area: 475.2 acres (88%)</li> <li>• Proposed Non-Processing Area: 64.8 acres (12%)</li> </ul>												
4	<b>Targeted ESDM verticals in EMC</b>	Mobile Handsets, Mobile components and accessories, PV Cells & Modules, Medical Electronics, Semiconductor Designing and R&D, EMS etc.												
5.	<b>Saleable Area and Ready Built Factory Sheds</b>	<ul style="list-style-type: none"> <li>• Saleable Area: 347.40 Acres</li> <li>• Area earmarked for Ready Built Factory Sheds : 92 Acres</li> </ul>												
6.	<b>Anchor Unit(s)</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Name of Anchor Unit(s)</td> <td>Dixon Technologies (India) Ltd.</td> </tr> <tr> <td>Area</td> <td>70 Acres</td> </tr> <tr> <td>Investment Commitment</td> <td>Rs. 300 crore</td> </tr> <tr> <td>Products</td> <td>Washing Machines, Lighting and Mobiles products etc.</td> </tr> </tbody> </table>	Name of Anchor Unit(s)	Dixon Technologies (India) Ltd.	Area	70 Acres	Investment Commitment	Rs. 300 crore	Products	Washing Machines, Lighting and Mobiles products etc.				
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7.	<b>Implementation Timelines</b>	32 months from date of approval												

#### TERMS AND CONDITIONS:

3. The aforesaid financial assistance for this project is subject to compliance of the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme and Guidelines including amendments, if any, issued by the Government of India from time to time and the terms and conditions stipulated hereinafter.
4. The approval and financial assistance for this project is subject to compliance by M/s. Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) to the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme and Guidelines including amendments, if any, issued by the Government of India from time to time and the terms and conditions stipulated hereinafter.
5. The financial assistance has been approved on basis of the eligible activities, break-up of project cost and funding pattern approved by the MeitY under the EMC 2.0 Scheme which is provided in the table hereunder. M/s. APIIC undertakes to comply with the eligible activities, break-up of project cost and funding pattern as provided herein.

Amount: Rs. in Lakh				
#	Component	Unit	Quantity	Cost
<b>A.</b>	<b>Vital Services</b>			
A.1	Boundary wall	Km	8.8	855.01
A.2	Internal Roads [Includes Primary Distributor roads -45m ROW; Secondary Distributor roads-30m and 24m ROW; Industrial Access Roads (RBF Roads)- 12m & 7m ]	Km	20.52	8,938.74
A.3	Storm Water Drains	Km	46.52	2,396.46
A.4	Electric Sub-Station / Distribution Network (Two 33/11kV substations each of 2 x 8 MVA)	KVA	23676	4,529.79
		<b>Sub-Total (A)</b>		<b>16,720.01</b>
<b>B.</b>	<b>Essential Services</b>			
B.1	Waste Disposal / Recycling / Water Treatment Plant (CWWTP)	MLD	2	2,001.40
B.2	Water Recycling / Water Treatment Plant	MLD	1.5	1,511.44
B.3	Sewage Lines	Km.	29.75	1,579.55
B.4	Street Lighting	Nos.	637	567.17
B.5	Warehousing	Acres	7.2	1,567.49
B.6	Ready Built factory (RBF) Sheds / Plug & Play Facility	Sq. ft.	23,97,532	42,525.27
B.7	Central Truck Parking	Acres	6.1	661.86
		<b>Sub-Total (B)</b>		<b>50414.18</b>
<b>C.</b>	<b>Desirable Services</b>			
<b>C.1</b>	<b>Welfare Services</b>			
C.1.1	Welfare Centre (Ground Floor) (Including Crèche, Health Centre, Entertainment and Common area facility)	Sq. ft.	3572	219.17
C.1.2	Landscaping	Sq. ft.	2482213.64	471.62
		<b>Sub-Total (C.1)</b>		<b>690.79</b>
<b>C.2.</b>	<b>Support Services</b>			
	Administrative Centre (G+1 Floor) (Including APIIC office, Bank, Post office, Café, Shops; COE, Training & Convention center, Guest rooms and common area facility)	Sq. ft.	31468	940.08
		<b>Sub-Total (C.2)</b>		<b>940.08</b>
<b>C.3</b>	<b>Manufacturing Support Centre</b>			
	Manufacturing & Support Centre (G+2 Floors) (Including space for Manufacturing support, Business centre/advisory, Cafeteria; Testing & certification, R&D lab, Conference hall; Auditorium, office, Supplier space, Metal stamping and common area facility)	Sq. ft.	87385	2,789.10
		<b>Sub-Total (C.3)</b>		<b>2,789.10</b>
		<b>Sub-Total (C)</b>		<b>4419.97</b>
<b>D.</b>	<b>Administrative Expenses</b>			
<b>E.</b>	<b>External Development Cost</b>			
E.1	External Roads	Km	3.64	1,377.35
E.2	External Power Line	Km	3.41	118.6
		<b>Sub-Total (E)</b>		<b>1,495.95</b>
		<b>Grand Total (A+B+C+D+E)</b>		<b>74,876.11</b>

6. The details of funding for the project approved by the competent authority under the Modified Electronics Manufacturing Clusters Scheme are as provided in the table hereunder.

(Rs. in crore)		
#	Funding Sources	Amount
1	Financial Assistance from MeitY	Rs. 350.00
2	Contribution from PIA i.e. APIIC	Rs. 18.26
3	Contribution from State Government of Andhra Pradesh	Rs. 380.50
	<b>Total</b>	<b>Rs. 748.76</b>

7. **Implementation schedule:** The project components wise implementation schedule for the Project is provided hereunder. M/s. APIIC will undertake to implement the project within the approved timelines. In the event of considerable and persistent delay of the project, action will be taken in accordance to EMC 2.0 Scheme and Guidelines

- (a) Total duration of the project – 32 months from date of approval
- (b) Project Component-wise timeline:

YSR Electronic Manufacturing Cluster, Koppatty, YSR District, Andhra Pradesh											
#	Tasks	2020-21 Q4	2021-22 Q1	2021-22 Q2	2021-22 Q3	2021-22 Q4	2022-23 Q1	2022-23 Q2	2022-23 Q3	2022-23 Q4	2023-24 Q1
<b>A Stage I - Pre-Development Activities</b>											
1 Approval from MeitY, GoI						◆ Approval from MeitY					
2 Preparation of documents											
3 Issue of Tender notifications, submission, evaluation, etc											
4 Selection of contractor											
<b>B Stage II - Development Activities</b>											
1 Vital Services											
a External Connectivity											
Road											
Water											
Power											
b Securing boundary works											
c Internal roads, drains & street lights											
d Power sub-station & distribution											
2 Essential Services											
a Water Supply											
b Wastewater collection and treatment plant											
c Waste management center											
d Truck Terminal and Rest area											
e Ready Built Factory (RBF) units											
f Custom Freight Station (CFS)											
3 Welfare Services											
a Administrative Center											
b Welfare Center											
c Landscaping											
4 Manufacturing & Support Services											
a Manufacturing & Support Center											
b Manufacturing Support RBFs											
<b>C Stage III - Post Development Activities</b>											
1 Project Marketing											
2 Leasing/Sale of land											
D Commissioning of YSR EMC, Koppatty											◆ Commission

8. The PIA i.e. APIIC shall execute an agreement with the Project Management Agency i.e. Software Technology Parks of India (STPI New Delhi) for proper utilization of financial assistance wherein it shall undertake to abide by the terms and conditions specified in the approval letter, the terms of the Scheme and guidelines or any instructions issued by the MeitY/STPI from time to time. In the event of failing to comply with any of the conditions will be treated as breach of the agreement, and in such condition, PIA i.e. APIIC shall be liable to refund to the President of India through PMA the entire amount of the financial assistance together with the penalties or interest (if any) imposed by the Governing Council on account of breach of agreement.

9. The PIA shall create an Escrow Account with a Bank (Nationalized or Commercial) and provide the details thereof to the PMA. The PMA shall enter into a Tripartite Escrow Agreement with the PIA, and the Bank, where the escrow account of the PIA is maintained, for proper utilization of the financial assistance.

10. In EMC projects, a minimum 70% of the utilizable land area (excluding internal development for roads, carriageways, green spaces, drainage, sewage etc. and common infrastructure for utilities such as Power, Lighting, Waste Management, Effluent Treatment, Fire Fighting and Safety etc.) has to be allotted for processing activities and remaining area may be allotted for non-processing activities as included in list of desirable activities under the Scheme.

11. The disbursement of financial assistance shall be made on pari passu basis i.e. all proportionate payments to be released after the corresponding share to be mobilized by APIIC along with other sources and is deposited in the escrow account and other necessary conditions for release of such payments as prescribed in EMC 2.0 Scheme Guidelines have been complied. The same is to be applicable on all the installments with effect from the first installment to be released to the PIA. The deposits in the escrow account shall be utilized only for authorized expenditure for the approved project.

12. The first installment i.e. 30% of the financial assistance will be released after compliance of terms & conditions as mentioned in this approval letter and fulfilling of the below mentioned criteria's:

- i. Submission of Environmental Clearance and Layout Approval from concerned authorities;
- ii. Deposition of pari-passu contribution in Escrow Account or submission of sanction order issued by State Government / Central Government for transfer of the pari-passu contribution in favour of the PIA;
- iii. Execution of agreement with the PMA, spelling out explicitly the project deliverables and timelines; and
- iv. Execution of Tripartite Agreement for operations of the Escrow account between APIIC, STPI, and the Bank (Escrow Agent) wherein the Escrow account for the project is opened

13. The second Installment i.e. 40% of the financial assistance to be released on compliance of the following conditions:

- i. After utilization of 80% of first installment and proportionate contribution of the PIA including other sources ;
- ii. Allotment of land to the Anchor Unit(s);
- iii. Deposition of pari-passu contribution in Escrow Account or submission of sanction order issued by State Government / Central Government for transfer of the pari-passu contribution in favour of the PIA; and
- iv. On recommendations of the Project Review Committee (PRC)

14. The Third and last Installment i.e. 30% of the financial assistance to be released on compliance of the following conditions:

- i. After utilization of the first and second instalment of financial assistance and the proportionate contribution of the PIA including other sources;
- ii. Deposition of pari-passu contribution in Escrow Account or submission of sanction order issued by State Government / Central Government for transfer of the pari-passu contribution in favour of the PIA;
- iii. On compliance of the conditions mentioned at Clause 9 of Guidelines related to completion of the project which are as follows:

- a) All requisite statutory clearances for the EMC project have been obtained;
  - b) Atleast one Anchor unit has started construction activities;
  - c) Atleast 50% of saleable / leasable land area within the EMC has been allotted to the manufacturing units;
  - d) Atleast 50% of such land allottees have started construction activities; and
  - e) Such other condition as deemed necessary by PRC in the interest of the project.
15. Securing funds for any enhancement in the overall cost of the project will be the responsibility of the PIA. The financial assistance for the project from Government of India shall be limited to the approved amount as per this approval letter.
16. In event of reduction of cost in a project component, the financial assistance shall automatically get reduced on pro-rata basis for the said project component.
17. It shall be the responsibility of the PIA to obtain necessary approvals and clearances required for the project (as applicable) before or during (as the case may be) the implementation of the project but not later than the release of last instalment of financial assistance.
18. The PIA shall submit the "Utilization Certificate" on the basis of audit done by Chartered Accountant in accordance with General Financial Rules (GFR), 2017 and other terms and conditions as prescribed by Ministry of Finance, Government of India from time to time.
19. The PIA shall maintain separate books of accounts of the Government financial assistance and furnish audited statement of accounts to the PMA. These audited statements of accounts should be furnished after utilization of each instalments/ tranche of instalment or whenever called for.
20. The PIA may seek reimbursement of the expenditure made on the approved project / project components in case PIA intends to make upfront expenditure on implementation of the project. However, PIA shall have submitted the application under the Scheme prior to incurring any expenditure on the project. The submission of such application does not guarantee any approval and any such approval will be subject to issue of a formal approval letter in accordance with the scheme parameters. Expenditure made after the issuance of the acknowledgment by PMA shall be eligible for reimbursement.
21. The PIA shall submit Quarterly Progress Reports (QPRs) on Quarterly and regular basis. PIA shall continue to submit the Quarterly Progress Report (QPRs) to PMA for atleast six months after completion of the project.
22. The accounts of PIA shall be open to inspection by the Ministry of Electronics and Information Technology and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry of Electronics and Information Technology as and when deemed necessary. Ministry of Electronics and Information Technology shall also have the right to appoint an agency for undertaking such audit.
23. The Utilization Certificate should be submitted by the PIA after utilization of funds or the closure of the financial year. Receipt of such certificate shall be scrutinized by PMA. Where such certificate is not received from the PIA within the prescribed time, the MeitY will be at liberty to blacklist such PIA from any future grant, subsidy, or other type of financial support from the Government of India.
24. In case of winding up, dissolution, etc. of the PIA, at any point in time, all assets and any unutilized grant shall automatically vest with the Government of India.

25. In case of any conflict or dispute between PIA and PMA, conflict should be resolved mutually. In case of failure of mutual resolution, the matter may be referred to Secretary, MeitY for arbitration. The decision of Secretary, MeitY on such matters will be final and binding on both the parties.

Yours faithfully,



(Pavitra Aggarwal)

Addl. Director

**Copy to:**

1. O/o Secretary, MeitY
2. O/o SS&FA, MeitY
3. PS to JS(Electronics), MeitY
4. Secretary, Department of IT, Electronics & Communication , Government of Andhra Pradesh