



सॉफ्टवेयर टेक्नोलॉजी पार्क्स ऑफ इंडिया
(इलेक्ट्रॉनिकी और सूचना प्रौद्योगिकी मंत्रालय, भारत सरकार के
अन्तर्गत स्वायत्त सोसाइटी)
Software Technology Parks of India
(An Autonomous Society under Ministry of Electronics
& Information Technology, Govt. of India)

eFile No. STPI/HQ/TECH/EMC/SCH/2022-2023/3/1370

Dated: 29th August 2024

To

Dr. E. Vishnu Vardhan Reddy, IFS

Vice Chairman & Managing Director,

M/s Telangana Industrial Infrastructure Corporation Limited (TGIIC),

Hyderabad-500004, Telangana State

Subject: Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme-Approval for setting up of Electronics Manufacturing Cluster (EMC) project at Divitipally Village, Mahabubnagar District, Telangana State-regarding.

References:

1. EMC 2.0 Scheme Gazette Notification no. 86 [CG-DL-E-01042020-218991] dated 1st April 2020
2. Guidelines for implementing EMC 2.0 scheme dated 1st June 2020 [F. No. W-45/3/2020-IPHW-MeitY]
3. TGIIC (erstwhile TSIIC) EMC 2.0 online application submitted on 3rd August 2021, along with the revised application, Detailed Project Report (DPR) and subsequent related correspondence.
4. Project Review Committee (PRC) meeting dated 3rd March 2023

Sir,

Reference is invited to the application submitted by M/s Telangana Industrial Infrastructure Corporation Limited-TGIIC (erstwhile M/s Telangana State Industrial Infrastructure Corporation Limited-TSIIC), as Project Implementing Agency (PIA) cited under reference (3) above and subsequent communications for seeking financial assistance under the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme from the Ministry of Electronics and Information Technology (MeitY), Government of India for setting up of Electronics Manufacturing Cluster (EMC) project at Divitipally Village, Mahabubnagar District, Telangana.

The said EMC application along with requisite documents submitted by M/s TGIIC has been considered in accordance with EMC 2.0 scheme & guidelines and based on the assurances & commitments made therein. I am directed to convey the approval of Ministry of Electronics and Information Technology (MeitY), Government of India for setting up of Electronics Manufacturing Cluster (EMC) project over an area of **377.65 Acres** with a project cost of **Rs. 569,66,20,000/-** (Rupees Five Hundred Sixty-Nine Crores Sixty-Six Lakhs and Twenty Thousand Only) [excluding land cost] including **Central Financial Assistance of Rs. 258,10,10,000/-** (Rupees Two Hundred Fifty-Eight Crores Ten Lakhs and Ten Thousand Only) from Ministry of Electronics and Information Technology (MeitY).



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Parameters of the project are mentioned hereunder:

SNo	Project Parameter(s)	Details
i.	Project Implementing Agency (PIA)	M/s Telangana Industrial Infrastructure Corporation Limited-TGIIC (erstwhile M/s Telangana State Industrial Infrastructure Corporation Limited-TSIIC)
ii.	Location of EMC	Divitipally Village, Mahabubnagar District, Telangana (Latitude: 16° 44'10.7" N, Longitude: 78° 04'03.0" E) (Site Coordinates: 16.7363 78.0675)
iii.	Area of EMC	377.65 Acres (Layout attached at Annexure-I)
iv.	Processing and Non-Processing Areas	<ul style="list-style-type: none"> Processing Area: 327.96 acres (86.85%) Non-Processing Area: 40.76 acres (10.79%) Water body: 8.93 Acres (2.36%)
v.	Saleable Area with Ready Built Factory (RBF) Sheds for allotment to unit(s)	Saleable Area: 230.60 Acres <ul style="list-style-type: none"> Industrial Plottable Area: 205.60 Acres Area earmarked for RBFs: 25.00 Acres
vi.	Targeted ESDM verticals in EMC	E-mobility products / components, Energy Storage System (ESS), EMS, Power Electronics etc.
vii.	Anchor Unit(s)	M/s ChargeXO Lithium Technology Pvt. Ltd. <ul style="list-style-type: none"> Committed area for land allotment – 50 Acres Unit Investment Commitment: Rs. 5,000 crore Identified Product: Li-ion Cells and Battery
viii.	Implementation Timelines	36 months from date of approval

Terms & Conditions:

- 1 The approval and financial assistance for this project are subject to compliance by M/s Telangana Industrial Infrastructure Corporation (TGIIC) 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.
- 2 The financial assistance has been approved on basis of the eligible activities, break-up of project cost, and funding pattern submitted by M/s TGIIC, appraised by Project Management Agency i.e. and approved by MeitY under the EMC 2.0 Scheme which is tabulated hereunder. M/s TGIIC undertakes to comply with the eligible activities, the break-up of project cost, and the funding pattern as provided herein.



Amount: In Rupees

Project Component	Unit	Quantity	Per Unit Cost	Processing / Non-Processing Activity	Cost	Central Financial Assistance
A. Vital Services						
A.1 Boundary Wall	Km	6.69	1,07,55,127	Processing	7,19,52,000	3,22,68,000
A.2 Internal roads	Km	13.64	3,91,39,387	Processing	53,38,61,000	23,94,17,000
18 Meter Road	Km	2.11	3,29,41,953		6,95,08,000	3,11,72,000
24 Meter Road	Km	5.61	3,85,61,777		21,63,32,000	9,70,17,000
30 Meter Road	Km	3.37	5,13,07,699		17,29,06,000	7,75,42,000
07 Meter Road	Km	2.55	2,94,56,946		7,51,15,000	3,36,86,000
A.3 Storm Water Drains	Km	23.56	1,08,49,222	Processing	25,56,08,000	11,46,31,000
A.4 Electric Sub-station 33/11 KV (2*10 MVA transformers)	No's	2	16,13.46,878	Processing	32,26,94,000	14,47,17,000
A.5 Distribution Network-Cable Trench	Km	42.46	55,73,922	Processing	23,66,68,000	10,61,37,000
Sub-Total (A)					142,07,83,000	63,71,70,000
B. Essential Services						
B1. Solid Waste Management	Acres	2	2,50,00,000	Processing	5,00,00,000	2,24,23,000
B.2 Water Supply, Distribution & Recycling	Km	19.25	73,56,038	Processing	14,16,04,000	6,35,04,000
Portable Water Supply System	Km	19.25	27,84,623	Processing	5,36,04,000	2,40,39,000
Recycled Water Supply System (Sump-1500 KL, Centrifugal pumps etc.)	Km	19.25	45,71,429	Processing	8,80,00,000	3,94,65,000
B.3 Central Wastewater Treatment Plan (CWWTP)	MLD	1	684.00	Processing	6,84,00,000	3,06,75,000
B.4 Central Effluent Treatment Plant (CETP)	MLD	0.5	490.00	Processing	9,80,00,000	4,39,49,000
B.5 Warehousing (4 No's in forms of sheds with 4,656 Sq. Mt. each)	Sq. Ft.	2,00,394	2,235	Processing	44,78,81,000	20,08,59,000
B.6 Ready Built factory (RBF) Sheds /	Sq. Ft.	6,93,331	2,716	Processing	188,30,86,000	84,44,97,000



Project Component	Unit	Quantity	Per Unit Cost	Processing / Non-Processing Activity	Cost	Central Financial Assistance
Plug & Play Facility (No. of sheds-15 over 25 acres; 20 acres-12 units, 4 acres-2 units, 1acre-1 unit), Ground Floor & Mezzanine floor)						
B.7 Back-up Power Plant (On ground & Roof Top Solar power generation system)	MW	2	2,00,00,000	Processing	4,00,00,000	1,79,39,000
B.8 Street lighting	No's	721	54,658	Processing	3,94,09,000	1,76,74,000
B.9 Sewage Lines	Km	18	63,05,585	Processing	11,50,14,000	5,15,80,000
Sub-Total (B)					288,33,94,000	129,31,00,000
C. Desirable Services						
C.1 Welfare Services						
Employee Hostel (Five Buildings with G+3 floor each)- 1 BHK-40 Units, Share Rooms- 80 Units, Dormitories (3 Buildings)- 48 units and parking space for about 145 vehicles at Basement and Ground Floor	Sq. Ft.	1,40,504	4,194	Non - Processing	58,92,74,000	26,42,68,000
Landscaping & Plantation	Acres	37.32	4,90,032	Non - Processing	1,82,88,000	82,02,000
Sub-total (C.1)					60,75,62,000	27,24,70,000
C.2. Support Services						
Centre of Excellence (G+1 Floor) (including R&D, Incubation and Consultancy Services, Skill Development Centre/ Training Facility, Auditorium & Conference Facility, VC, IT & Telecom Infrastructure)-	Sq. Ft.	26,340	4,680	Processing	12,32,71,000	5,52,83,000
Sub-total (C.2)					12,32,71,000	5,52,83,000
C.3 Manufacturing Support Services						
Manufacturing Support Centre (Tool Room, CAD/CAM Design House, Plastic Moulding/Cabinet	Sq. Ft.	35,465	4,086	Processing	14,49,10,000	6,49,87,000



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Project Component	Unit	Quantity	Per Unit Cost	Processing / Non-Processing Activity	Cost	Central Financial Assistance
Manufacturing, Sheet Metal Stamping, Packaging/ Epoxy Supplier, Testing & Certification Facility, Component Testing)						
Sub-Total (C.3)					14,49,10,000	6,49,87,000
Sub-Total (C=C1+C2+C3)					87,57,43,000	39,27,40,000
D. Administrative Expenses	Lump sum			-	13,87,00,000	12,90,00,000
E. External Development Cost						
E.1 External Road connecting to NH 48 (Four Lane Road)	Km	3.75	5,76,77,600	Processing	21,62,90,000	12,90,00,000
E.2 External Power (132 KV Transmission line with incoming double circuit)	Km	6.266	98,49,505	Processing	6,17,10,000	
E.3 External Water Supply (GLSR 450 KLD, Pipelines, 500 Rm Mild steel pipes, Gate valve, Air valve, Score Valve etc.)	Km	14.5	68,96,552	Processing	10,00,00,000	
Sub-Total (E=E1+E2+E3)					37,80,00,000	12,90,00,000
Grand Total (A+B+C+D+E)					569,66,20,000	258,10,10,000

3 The details of funding for the project approved by the competent authority under the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme are provided in the table hereunder.

S. No.	Funding Sources	Amount (In Rupees)
1	Central Financial Assistance from MeitY	258,10,10,000
2	Contribution from State Government of Telangana	311,56,10,000
	Total	569,66,20,000

4. **Implementation schedule:** The project components wise implementation schedule for the project is provided hereunder. M/s Telangana Industrial Infrastructure Corporation (TGIIC) will undertake to implement the project within the approved timelines. In the event of considerable and persistent delay in the project, action will be taken in accordance with EMC 2.0 Scheme and Guidelines

(a) Total duration of the project – 36 months from date of approval

(b) Project Component-wise implementation timeline as per **Annexure-II**.



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5. The PIA i.e., M/s Telangana Industrial Infrastructure Corporation (TGIIC) will execute an agreement with the Project Management Agency i.e., STPI, New Delhi for proper utilization of financial assistance wherein it will undertake to abide by the terms & conditions specified in the approval letter, the terms of the Scheme & guidelines or any instructions issued by the MeitY through PMA on time to time. In the event of failing to comply with any of the conditions; it will be treated as a breach of the agreement, and in such condition, PIA i.e., TGIIC will be liable to refund to the President of India, the entire amount of the financial assistance together with the penalties or interest (*as applicable*) imposed by the Governing Council on account of breach of the agreement.
6. The PIA will 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. The PIA will adhere to the requisite norms and amendments (if any) as prescribed by the Ministry of Finance from time to time.
7. TGIIC will ensure the allotment of 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.) for processing activities and remaining area for non-processing activities as included in the list of desirable activities under the Scheme and classified at para 4 above of this approval letter.
8. TGIIC shall ensure that the unit(s) who have confirmed their investment within the EMC and highlighted at Para 2 (vii) above, make investment towards setting up of their electronics manufacturing facilities in EMC.
9. The disbursement of financial assistance will be made on pari-passu basis i.e., all proportionate payments to be released after the mobilization of corresponding share/contribution by PIA i.e., M/s Telangana Industrial Infrastructure Corporation (TGIIC) along with other sources in the escrow account and other necessary conditions for the release of such payments as prescribed in EMC 2.0 Scheme Guidelines have been complied with. The same is to be applicable to 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 as per project approval.
10. 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:
 - i. Submission of Environment Clearance from the State Environmental Impact Assessment Authority (SEIAA).
 - ii. Execution of agreement(s) with PMA spelling out explicitly the project deliverables and timelines
 - iii. Opening of designated escrow account in nationalized /commercial Bank and execution of Tripartite Escrow Agreement for such escrow account among TGIIC, PMA and Bank (Escrow agent).
 - iv. Deposition of pari-passu contribution in Escrow Account or submission of sanction order issued by State Government for transfer of the pari-passu contribution in favor of M/s TGIIC towards the said project.
11. The second Installment i.e., 40% of the financial assistance will 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 for transfer of the pari-passu contribution in favor of the TGIIC towards the said project
 - iv. On recommendations of the Project Review Committee (PRC)



12. Third (last) Installment i.e., 30% of the financial assistance will be released on compliance of the following conditions:
- After utilization of the first and second instalment of financial assistance and the proportionate contribution of the PIA including other sources.
 - Deposition of pari-passu contribution in Escrow Account or submission of sanction order issued by State Government for transfer of the pari-passu contribution in favor of the TGIIC towards the said project
 - On completion of the project in line with Clause 9.1 of EMC 2.0 scheme Guidelines as follows:
 - Obtaining of all requisite statutory clearances for the EMC project
 - Commencement of construction activity by at least one Anchor unit
 - Allotment of at least 50% of saleable / leasable land area to the manufacturing units within the EMC
 - Commencement of construction activity by at least 50% of such land allottees
 - Any other condition as deemed necessary by PRC in the interest of the project.
13. Securing funds for any enhancement to 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.
14. In the event of reduction of cost in a project component(s), the financial assistance will automatically get reduced on pro-rata basis for that project component(s).
15. It will 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.
16. The PIA will 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/rules/procedures/ amendments (if any) as prescribed by Ministry of Finance, Government of India from time to time.
17. The PIA shall maintain separate books of accounts of the Government financial assistance and furnish audited statements of accounts from time to time. These audited statements of accounts should be furnished after utilization of each instalment/ tranche of instalment or whenever called for.
18. The PIA may seek reimbursement of the expenditure made on the approved project / project components in case the PIA intends to make upfront expenditure on the implementation of the project. However, PIA will have submitted the application under the Scheme prior to incurring any expenditure on the project. The submission of such an application does not guarantee any approval and any such approval will be subject to the issue of a formal approval letter in accordance with the scheme parameters. Expenditure made after the issuance of the acknowledgment will be eligible for reimbursement.
19. The PIA will submit Quarterly Progress Reports (QPRs) on quarterly and regular basis and will also be responsible to submit the project implementation status /reports on time to time as and when asked for. PIA will continue to submit the Quarterly Progress Report (QPRs) for at least six months after completion of the project.
20. The accounts of PIA shall be open for 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 (*if required*).
21. TGIIC will submit the Utilization Certificate (UC) along with requisite documents immediately after utilization of funds or before 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 have liberty to take necessary action and may consider blacklisting such PIA from any future grant, subsidy, or other type of



financial support from the Government of India.

22. 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.
23. 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 will be dealt with as per the Arbitration clause in Agreement to be signed/signed (*as the case be*) between STPI (PMA) and TGIIC (PIA).

Yours sincerely

(Srivenkata Laxminarasimharao Gulimi)

DIRECTOR

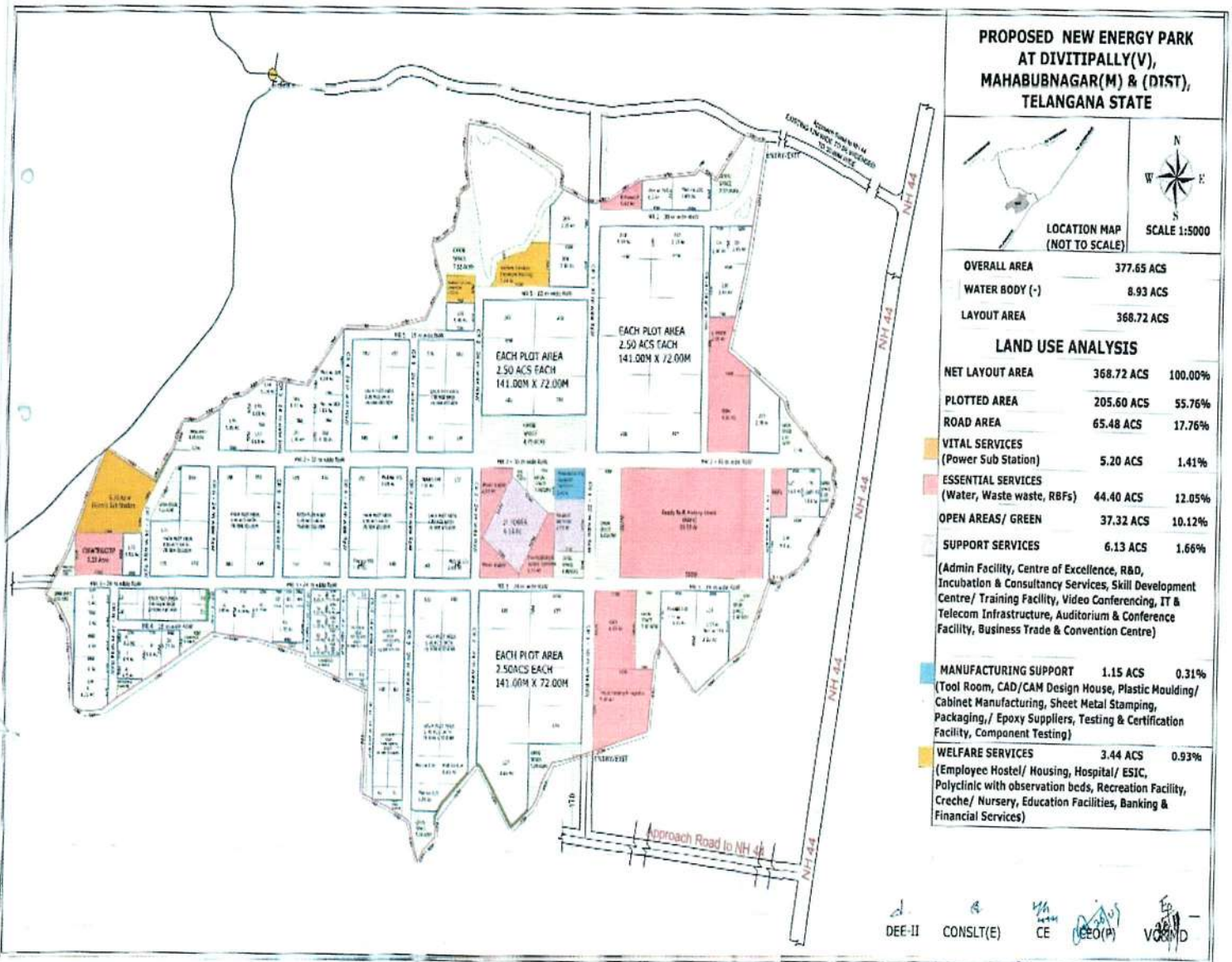


Copy to:

1. Secretary, MeitY
2. AS (BK), MeitY
3. JS & FA, MeitY
4. JS(Electronics) / GC(AN)
5. Additional Chief Secretary (IT, Electronics & Communication), Government of Telangana

Annexure-I

Approved layout of EMC project at Divitipally Village, Mahabubnagar District, Telangana



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Annexure-II

Implementation schedule for EMC project at Divitipally Village, Mahabubnagar District, Telangana

DEVELOPMENT OF ELECTRONICS MANUFACTURING CLUSTER AT DIVITIPALLY, MAHABUBNAGAR DISTRICT, TELANGANA STATE	
IMPLEMENTATION SCHEDULE	
Activities/Time in Months	TIME IN MONTHS/WEEKS
SI No	Activities
PREDEVELOPMENT ACTIVITIES	
1	Approval from Govt
2	Opening of Bank Account, Documentation & deposit of State Govt Share towards 1st installment
3	Release of Govt Share - 1st Installment
4	Plan approvals from concerned authorities
5	Selection of contractor
4 Implementation Works	
4A Phase I - VITAL, ESSENTIAL & DESIRABLE SERVICES	
i	Vital Services- External Connectivity, internal roads 30m Pav, & partial 24m wide drains along the roads, boundary wall.
ii	Essential Services: Water supply and power sub-station; laying of utility lines along the roads constructed
iii	Water Treatment Plant & Common Effluent Treatment Plant
iv	Desirable services: Admin center and green belt
v	Ready Build factories
4B Phase II - Vital, Essential, Support services	
i	Vital Services: Balance 24m and 18m Road made, drains along the roads,
ii	Essential Services: Further laying of utility lines along the roads constructed, more modules of Ready Built Factory (RBF) sheds.
iii	Desirable services: Further modules of Manufacturing Support Center and support services
iv	Water Treatment Plant & Common Effluent Treatment Plant
v	Ready Built factories
4C Phase III - Essential, Support, manufacturing & welfare services	
i	Balance works of essential services
ii	Balance works of support & manufacturing support services
iii	Welfare services (employee hostel & recreation facilities)
8	Allotment of Plots to Units
9	Commencement of Operations - Phase I

Ramesh Reddy

