

सूक्ष्म, लघु एवं
माध्यम उद्यम निदेशालय
हaryana सरकार



Directorate of Micro,
Small and Medium Enterprises
Government of Haryana

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Memo No. Cluster/SLSC/Meeting/ 6471

Dated:- 19.04.2022

Subject:-

Minutes of the 15th State Level Steering Committee (SLSC) meeting held on 11.04.2022 at 12:30 PM under the Chairmanship of Sh.Vijayendra Kumar, IAS, Principal Secretary to Government of Haryana, Industries and Commerce Department to examine cases under State Mini Cluster Development Scheme of Haryana Enterprises and Employment Policy (HEEP)-2020

Please refer to the subject noted above.

In this connection, please find enclosed herewith the copy of Minutes of the State Level Steering Committee (SLSC) held on 11.04.2022 at 12:30 PM under the Chairmanship of Sh.Vijayendra Kumar, IAS, Principal Secretary to Government of Haryana, Industries and Commerce Department at knowledge Centre, 9th Floor, Haryana Civil Secretariat, Sector-1, Chandigarh for information and further necessary action.

Additional Director (MSME)
for Director General, MSME, Haryana

cc as above.

Endst. No. Cluster/SLSC/Meeting/ 6472

Dated:- 19.04.2022

A copy of the above is forwarded to the following for information:-

1. PS to Principal Secretary to Government of Haryana, Industries & Commerce Department for the kind information to W/PS (I&C) please.
2. PA to Director General, MSME, Haryana for the kind information of W/DG, MSME, Haryana please.

Encl. as above

Additional Director(MSME)
for Director General, MSME, Haryana

Endst.No. Cluster/SLSC/Meeting/ 6473

Dated:- 19.04.2022

A copy of the above is forwarded to the Centre Head, Footwear Design & Development Institute (FDDI), Ministry of Commerce & Industry, Govt. of India, National Highway-7, Chandigarh Patiala Highway, Banur, District SAS Nagar, Mohali for information. E-mail : sandeepguide@fddiindia.com, prateek@fddiindia.com

Encls.: as above

Additional Director(MSME)
for Director General, MSME, Haryana

Endst.No. Cluster/SLSC/Meeting/ 6474

Dated:- 19.04.2022

A copy of the above is forwarded to the Senior Accounts Officer at Headquarter, Directorate of MSME, Haryana for information and further necessary action.

Encls.: as above

Additional Director(MSME)
for Director General, MSME, Haryana

Endst.No. Cluster/SLSC/Meeting/ 6475

Dated:- 19.04.2022

A copy of the above is forwarded to the following for information and further necessary action :-

1. Sh.Kanav Babbar, Director, Hare Krishna Autolit Foundation, Village Gadipur, Tehsil-Palwal, District- Palwal C/o Machining Cluster, Palwal. E-mail:- kanav.babbar@gmail.com
2. Sh.Sanjay Goyal, Director, Geevee Steel Processors Association, Village Sawant khera Mandi Dabwali, Sirsa C/o General Engineering Cluster, Sirsa. E-mail: 16sanjaygoyal@gmail.com
3. Ms. Mohini Mehra, Unit No.12, 4th floor, Vartika Mind Scapes Business Park, Faridabad. E-mail: info@colossustex.com
4. Sh. Upinder Dhingra, Manager, M/s Ernst & Young LLP, Unit 613-615, 6th Floor, Elante Offices, Chandigarh E-mail:- upinder.dhingra@in.ey.com with a request to prepare the presentation for the aforesaid meeting.

Additional Director(MSME)
for Director General, MSME, Haryana

Minutes of the 15th Meeting of State Level Steering Committee (SLSC) held on 13.04.2022 at 12.30 P.M. under the Chairmanship of Sh. Vijayendra Kumar, IAS, Principal Secretary to Government of Haryana, Industries and Commerce Department at Haryana Civil Secretariat, Sector-1, Chandigarh to examine cases under the State Mini Cluster Development Scheme of Haryana Enterprises and Employment Policy (HEEP) - 2020.

List of Officers who attended the meeting is as under :

Name of the Officer/ Members of the SPV of the Cluster	Designation
Smt. Amneet P. Kumar, IAS	Director General, MSME, Haryana
Sh. Shashi Kant	Additional Director, MSME, Haryana
Smt. Charanjeet Kaur	Under Secretary, Finance
Sh. Sanjeev Saini	Assistant Director, MSME-DI, Karnal
Sh. K.C. Meena	Assistant Director, MSME-DI, Karnal
Sh. Deepak Narwal	Assistant Director, MSME, Haryana
Sh. Digvijay Singh	Assistant Director, DMC, Faridabad
Sh. Dinesh Kumar	Assistant Director, DMC, Sirsa
Sh. Ajay Gehlawat	Assistant Director, DMC, Palwal
Sh. S.K. Kaushik	Senior A.O, MSME, Haryana
Sh. Sanjay Goyal	Member, General Engg. Cluster, Sirsa
Sh. Lalit Bansal	Member, General Engg. Cluster, Sirsa
Sh. Kanav Babbar	Member, Machining Cluster, Palwal
Sh. Manish Malhotra	Member, Machining Cluster, Palwal
Sh. Rohit Dev	Member, Atmanirbhar Sports Shoe Cluster, Faridabad
Sh. Deepak Sethi	Member, Atmanirbhar Sports Shoe Cluster, Faridabad
Sh. Ajay Chaudhary	Member, Atmanirbhar Sports Shoe Cluster, Faridabad
Sh. Upinder Singh Dhingra	Senior Manager, EY LLP
Sh. Vinod Kumar	Senior Consultant, EY LLP

The Worthy Director General, MSME welcomed the members to the 15th State Level Steering Committee (SLSC) meeting under the State Mini Cluster Development Scheme,

HEEP 2020 of Government of Haryana. After the introduction of the members and other representatives, the agenda of the meeting was taken up as under: -

Agenda Item No. 15.1: Confirmation of the minutes of 14th State Level Steering Committee (SLSC) meeting on 14.02.2022.

The minutes of meeting were circulated to all concerned vide Directorate memo no. 12328 dated 21.02.2022. No comments/observations have been received from any member, hence the same may be confirmed.

Agenda Item No. 15.2 Highlights of achievements under Mini Cluster Development Scheme under Enterprises Promotion Policy (EPP)-2015 & Haryana Enterprises & Employment Policy-2020.

The highlights of the achievements of State Mini Cluster Development Scheme under EPP 2015 & Haryana Enterprises & Employment Policy-2020 were presented to the committee who acknowledged that the scheme has been instrumental in enabling scores of MSEs across the state to become more competitive and expand their markets.

The members observed that since the State Government is now also availing a substantial loan at reduced interest from SIDBI for MSME cluster development, more projects should be encouraged under the scheme under HEEP-2020.

Further, the Additional Director MSME informed W/PSI&C that all SPVs have shared complete background verification sheets of their members and comply to all key conditions as per the scheme guidelines.

Agenda Item No. 15.3: Cases submitted for consideration of approval of Detailed Project Reports for setting up of CFC (Common Facility Center) under State Mini Cluster Development Scheme of Haryana Enterprises and Employment Policy (HEEP) - 2020, Govt. of Haryana.

A. General Engineering Cluster, Sirsa

B. Machining Cluster, Palwal

C. Atmanirbhar Sports Shoe Cluster, Faridabad

The EY team presented a brief about the Mini Cluster Development Scheme under HEEP 2020; evaluation & approval process for projects as well as provided a brief of each project under consideration. A copy of the presentation is provided at **Annexure-II**. The field officers (Additional Directors) of MSME Directorate also provided their inputs w.r.t. projects under consideration and confirmed that all SPV units have been duly verified by local DMC office.

A. General Engineering Cluster, Dabwali, Sirsa

The highlights of the project were presented to SLSC by the SPV members. The committee was informed that there are over 150 micro & small units across the value chain of the cluster. Products include Rotavator, Door Frame, Iron Door sheet, Welding Machines, coolers parts and Electrical Accessories, Profile Sheet, Iron Gate Sheet & shutter, Air coolers (including components like grills, tubs, blade, leg sets etc.), steel furniture, agriculture machinery, junction boxes, steel handle & shutter, MCB and steel almirah, storage containers.

Further, the committee was informed that the draft DPR for the cluster was validated under the Chairmanship of W/DG MSME on 22.03.2022. Major gaps in the cluster along with proposed recommendations and facilities proposed in the Common Facilities Centre

(CFC) were elaborated to the committee. It was informed that a SPV comprising of 16 members registered as a section-8 company in the name and style of "M/s Geevee Steel Processors Association" to set up and operationalise the project. The Assistant Director, DMC Sirsa mentioned that the cluster members have been physically verified by their office and highlighted that the project will benefit several micro and small units by providing the job work facility with modern machinery for various machining operations like cutting, bending, sheet profiling and finishing work etc. These modern machineries are not available with micro level cluster units at present and will help them upscale their productivity.

The Chairman inquired about the premises where the CFC would be set up. The SPV members informed that they have identified a building in village Swantkhera, Dabwali Block, District Sirsa which will be taken on a 10 year lease. He also inquired about the sequence of the job work to be done at CFC. The members informed that they will run this facility on first come first serve basis and on no profit no loss basis for SPV members. Further, the project financials were discussed. The total project cost is estimated at about INR 557.45 lakhs. The government of Haryana's grant restricted to 90% of max eligible project cost shall be INR 450.00 lakhs. The remaining amount (INR 107.45 lakhs) shall be contributed by the SPV, taking their overall contribution to about 19.20% of the total project cost. The project cost and means of finance are as follows:

Project Cost:

S. No.	Particulars	Total Project Cost (in INR Lakh)	Eligible Amount (in INR Lakh)
	Land & Building		(On Lease)
1	a. Land Value	0.00	0.00
	b. Land Development	0.00	
	c. Building & Other Civil Works	0.00	
	d. Building Value	0.00	
	Sub Total (A)	0.00	0.00
	Plant & Machinery		
2	a. Indigenous	406.46	406.46
	b. Imports	0.00	0.00
	c. Secondary Machines	91.34	91.34
	Sub Total (B)	497.80	497.80
	Miscellaneous fixed assets (C)	1.14	0.00
3	Preliminary & Preoperative Expenses (D)	23.21	20.00
4	Contingency		
5	a. Building @ 2%	0.00	0.00
	b. Plant & Machinery @ 5%	24.89	0.00
	Sub Total (E)	24.89	0.00
	Margin money for working capital @ 75% CU (F)	10.41	0.00
6	Grand Total (A+B+C+D+E+F)	557.45	500 [Max. of INR 500 Lakhs or total eligible cost]

Means of Finance		Project cost up to eligible cost		Project cost over eligible cost		
S. No.	Source of finance	Percentage Contribution	Amount (INR in lakh)	Percentage Contribution	Amount (INR in lakh)	Total Amount (INR in lakh)
1	Grant-in-aid under State Mini Cluster Development Scheme	90%	450	0%	0	450
2	Contribution of SPV	10%	50	100	57.45	107.45
	Total	100%	500.00	100%	57.45	557.45

After detailed deliberations, the Committee unanimously approved the DPR of the General Engineering Cluster, Sirsa and accorded approval for setting up of CFC in the cluster with GoH grant of INR 4.50 crores as per the State Mini Cluster Development Scheme for FY 2022-23.

B. Machining Cluster, Palwal

The highlights of the project were presented to the Committee (SLSC) by the SPV members. The committee was informed that there are about 500 engineering units in the cluster, out of which 90% are Micro and 10% are small units. The annual turnover of the cluster (micro and small units) is about INR 1000 Crore. The cluster units are engaged in the manufacturing of light engineering components like alternator pulley, bushing, boss rotor, calliper piston, valve piston, bracket, housing, piston rods, pins, shaft and all kind of forged & aluminum machined components for OEMs like Escorts, Tafe Tractors, Hero Moto Corp, Maruti and Diesel-Loco Modernisation Works.

Further, the committee was informed that the draft DPR for the cluster was validated under the Chairmanship of W/DG MSME on 22.03.2022. Major gaps in the cluster along with proposed recommendations and facilities proposed in the CFC were elaborated to the committee. It was informed that a SPV comprising of 15 members has been registered as a not-for-profit under section-8 company in the name and style of "**M/s Hare Krishna Autolit Foundation**" to set up and operationalise the project. The Assistant Director, DMC Palwal mentioned that the cluster members have been physically verified by their office and highlighted that the project will benefit several micro units in the region who currently lack access to advanced machining centre & accredited co-ordinate measuring facility.

The Chairman inquired about the CFC premises and the proposed facilities. The SPV members informed that they will be setting up an Advanced Machining Centre and testing facilities to help cluster units become competitive. The members also informed that they have identified a suitable building having proximity to all SPV members in village Gadpuri, Tehsil & District Palwal having adequate space for the CFC and the building shall be taken on a 10-year irrevocable lease. On being inquired about the functioning of the CFC, the members informed that the facilities in the CFC will run on the slot-wise basis and a Cluster Development Executive (CDE) would be engaged to manage the facility. Further, the project financials were discussed. The total project cost for setting up the CFC is estimated at about INR 562.36 lakhs. The government of Haryana's grant restricted to 90% of max eligible project cost shall be INR 450.00 lakhs. The remaining amount (INR

112.36 lakhs) shall be contributed by the SPV, taking their overall contribution to about 19.98% of the total project cost. The project cost and means of finance are as follows.

Project Cost:

S. No.	Particulars	Total Project Cost (in INR Lakh)	Eligible Amount (in INR Lakh)
	Land & Building		On lease
1	a. Land Value	0.00	
	b. Land Development	0.00	0.00
	c. Building & Other Civil Works	0.00	
	d. Building Value	0.00	
	Sub Total (A)	0.00	0.00
	Plant & Machinery		
2	a. Indigenous	465.78	465.78
	b. Imports	0.00	0.00
	c. Secondary Machines	37.02	37.02
	Sub Total (B)	502.80	502.80
	Miscellaneous fixed assets (C)	2.22	0.00
3	Preliminary & Preoperative Expenses (D)	22.61	0.00
4	Contingency		
5	a. Building @ 2%	0.00	0.00
	b. Plant & Machinery @ 5%	25.14	0.00
	Sub Total (E)	25.14	0.00
	Margin money for working capital @ 75% CU (F)	9.60	0.00
6	Grand Total (A+B+C+D+E+F)	562.36	500 [Max. of INR 500 Lakhs or total eligible cost]

Means of Finance:

S. No.	Source of finance	Project cost up-to INR 500.00 lakhs (max eligible as per scheme)		Project cost over INR 500.00 lakhs		Total Amount (INR in lakhs)
		Percentage Contribution	Amount (INR in lakhs)	Percentage Contribution	Amount (INR in lakhs)	
1	Grant-in-aid under Mini Cluster Scheme	90	450	0	0	450.00
2	Contribution of SPV	10	50	100	62.36	112.36
	Total	100	500	100	62.36	562.36

After detailed deliberations, the Committee unanimously approved the DPR of the Machining Cluster, Palwal and accorded approval for setting up of CFC in the cluster with GoH grant of INR 4.50 crores as per the State Mini Cluster Development Scheme for FY 2022-23.

C. Atmanirbhar Sports Shoes Cluster, Faridabad

The highlights of the project were presented to the Committee (SLSC) by the SPV members. There are about 150 micro & small units across the sports shoe value chain in the cluster. The cluster units are scattered across Faridabad district within a geographical spread of 15-40 Kms. Most of these units are micro (over 90%) and the cluster has an annual turnover of over INR 120 crores. This being a labour-intensive cluster, employs over 2500 persons as currently most of the operations are manual. The cluster units are engaged in the manufacturing of sports shoes and other related items like shoes mould, shoes sole, shoes upper, shoes laces, pasting of shoes, shoes stitching, shoes printing & shoes pasting, etc.

Further, the committee was informed that the draft DPR for the cluster was validated under the Chairmanship of W/DG MSME on 22.03.2022. Major gaps in the cluster along with proposed recommendations and facilities proposed in the CFC were elaborated to the committee. It was informed that a SPV comprising of 15 members has been registered as a not-for-profit under section-8 company in the name and style of "**M/s Mukluk Shoe Association**" to set up and operationalise the project. The Assistant Director, DMC, Faridabad mentioned that the cluster members have been physically verified by their office and highlighted that this will be a first of its kind CFC intervention in the district and will help over 150 micro units transform their product quality and wider acceptance of their product globally. Further, SPV members informed the committee that the printed TPU material (a key sports shoe raw material) is procured from China. However, after establishment of this kind of printing facility in the CFC, the sports shoes manufacturing units will become Atmanirbhar, and would be able to reduce their manufacturing costs by 15% as well as diversify their markets.

The Chairman inquired about the CFC premises and the proposed facilities. The SPV members informed that they have identified a building in village Gadipur, Tehsil Hodal, District Palwal which will be taken on lease for the period of 10 years and will be setting up an advanced sewing, stitching, printing & finishing facilities which will be a first of its kind facility in the district.

W/DG, MSME, Haryana directed the cluster members to tie up with Footwear Design & Development Institute, Rohtak for improving their product designs. Further, the project financials were discussed. The total project cost is estimated at about INR 600.47 lakhs. The Government of Haryana's grant is restricted to 90% of max eligible project cost shall be INR 450.00 lakhs. The remaining amount (INR 150.47 lakhs) shall be contributed by the SPV, taking their overall contribution to about 25.05% of the total project cost. The project cost and means of finance are as follows:

Project Cost:

S. No.	Particulars	Total Project Cost(INR in Lakh)	Eligible Amount as per Guidelines(INR in Lakh)
1	Land & Building		

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S. No.	Particulars	Total Project Cost(INR in Lakh)	Eligible Amount as per Guidelines(INR in Lakh)
	a. Land Value	00.00	On lease
	b. Land Development	0.00	
	c. Building & Other Civil Works	00.00	
	d. Building Value	0.00	
	Sub Total (A)	00.00	00.00
2	Plant & Machinery		517.50
	a. Indigenous	517.50	0.00
	b. Imports	0.00	0.00
	c. Secondary Machines	0.00	
	Sub Total (B)	517.50	517.50
3	Miscellaneous fixed assets (C)	2.05	0.00
4	Preliminary & Pre-operative Expenses (DSR & DPR Preparation and Implementation Charges) (D)	23.21	20.00
5	Contingency		
	a. Building @ 2%	0.00	0.00
	b. Plant & Machinery @ 5%	25.87	0.00
	Sub Total (E)	25.87	0.00
6	Margin money for working capital @ 75% CU (F)	31.84	0.00
	Grand Total (A+B+C+D+E+F)	600.47	500.00 [Max. of INR 500 Lakhs or total eligible cost]

Means of Finance

S. No.	Source of finance	Project cost up-to INR 500.00 lakhs (max eligible as per scheme)		Project cost over INR 500.00 lakhs		Total Amount (INR in lakhs)
		Percentage Contribution	Amount (INR in lakhs)	Percentage Contribution	Amount (INR in lakhs)	
1	Grant-in-aid under Mini Cluster Scheme	90	450	0	0	450.00
2	Contribution of SPV	10	50	100	100.47	150.47
	Total	100	500	100	100.47	600.47

After detailed deliberations, the Committee unanimously approved the DPR of Atmanirbhar Sports Shoes Cluster, Faridabad and accorded approval for setting up of CFC in the cluster with GoH grant of INR 4.50 crores as per the State Mini Cluster Development Scheme for FY 2022-23.

Agenda Item No. 15.4: General Discussion Points:

- W/PSI&C directed the Directorate to prepare online application process under the Mini Cluster Development Scheme for the benefit of beneficiaries.
- W/PSI&C desired that the Directorate should prepare success stories of interventions under the State Mini Cluster Development Scheme and the same should be uploaded on the Directorate's website. Additionally, small infographics may be prepared and uploaded on social media platforms for encouraging more micro and small units of the state to come forward and avail benefit under the scheme.
- It was discussed that in order to expedite on grounding of projects, the Directorate on recommendation of the purchase committee may consider releasing grants in two tranches instead of three under the Mini Cluster Scheme subject to the condition that SPV members are able to mobilize their required contribution upfront and the tendering process is completed.

The meeting ended with a vote of thanks to the Chair and all present.

