

GOVERNMENT OF ANDHRA PRADESH
INDUSTRIES AND COMMERCE (PROG-1) DEPARTMENT

Memo.No.1606134/Prog-I/A2/2023

Dt:19/05/2023

Sub: Ind. & Com. Dept.,- Minutes of the 6th State Level Steering Committee Meeting of MSE-CDP, Andhra Pradesh held on 14/03/2023 at AP Secretariat, Velagapudi-Minutes Communicated - Reg.

Ref: 1. E-file received from the Commissioner of Industries vide e-file No. INC02-20032/9/2021-OM II-DOI (Computer No. 1606134).
2. E-mail received from the Asst., Director Incharge, MSME-DFO, Visakhapatnam, Dt. 10.04.2023.
3. Copy of Minutes of the 6th State Level Steering Committee Meeting of MSE-CDP, Andhra Pradesh held on 14/03/2023 at AP Secretariat, Velagapudi.

A copy of the Minutes of the 6th State Level Steering Committee Meeting of MSE-CDP, Andhra Pradesh held on 14/03/2023 under the chairmanship of Special Chief Secretary to Government, at AP Secretariat, Velagapudi is sent herewith to the Commissioner of Industries, Mangalagiri and Asst. Director (Incharge), MSME-DFO, Visakhapatnam for taking further necessary action in the matter.

I .MOHAN RAO
ADDITIONAL SECRETARY TO GOVERNMENT

To

The Commissioner of Industries , Mangalagiri.(we)
The Assistant Director (In-charge), MSME-DFO, Visakhapatnam.(we)
Sf/Sc

// FORWARDED:: BY ORDER//

B. Radhwan
SECTION OFFICER

Minutes of the 6th State Level Steering Committee Meeting of MSE-CDP, Andhra Pradesh held on 14/03/2023 at AP Secretariat, Velagapudi:

The 6th SLSC Meeting of MSE-CDP was held on 14/03/2023 at 03.00PM at AP Secretariat, Velagapudi under the Chairmanship of Sh. Karikal Valaven, IAS, Special Chief Secretary to Govt., Industries & Commerce Deptt., AP in Hybrid Mode.

Sh. D.Chandra Sekhar IEDS, Additional Development Commissioner, MSME-DFO, Hyderabad & Visakhapatnam & Member Secretary/ Convener welcomed the Chairman, Director of Industries and Members of the SLSC, SPV Members, GMDICs, Implementing Agencies, representatives from SIDBI and other participants to the Meeting. He informed that MSME-DFO received 20 ID Proposals out of which 15 were scrutinized and other 5 ID Proposals received are yet to be scrutinized.

Similarly, MSME DFO, Visakhapatnam received total 25 CFC proposals out of which the 12 proposals were scrutinized to ascertain project suitability as per MSE-CDP New Guidelines.

The Convener initiated discussions as per the Agenda Points.

Sl. No.	Agenda Points – Name of CFC/ ID Project
6.1.0	Progress on approved CFC (Auto Engineering cluster Kakinada):
	The proposal was recommended by SLSC and in principle approval was accorded by NLSC. Land issue to be resolved still. In the 5 th SLSC, the Chairman, given directions for allotment of land on nominal lease basis. Director of Industries assured to resolve the issue before 31 st March, 2023.
6.1.1	Progress on approved CFC (Gold cluster Nellore):
	The proposal was recommended by SLSC and in principle approval was accorded by NLSC. Land issue to be resolved still. GM, DIC, Nellore informed that there is a legal problem and the Land issue is pending with AP High Court and SPV is requesting for time. Director of Industries assured that the issue should be resolved within a maximum of 3 months time and if it is not resolved they should go for alternate land and instructed GM, DIC, Nellore to search alternate land also within 3 months. If within three months the land issue is not resolved then the CFC proposal will be recommended to NLSC for cancellation
6.1.2	Printing Cluster, Tirupathi:
	The proposal was recommended vide 1 st SLSC in 2018 and in principle approval was accorded by O/o DC (MSME) vide 46 th NLSC dated 09-02-2018. The SPV would like to submit a new proposal under new guidelines and hence the committee may cancel the old proposal.
6.1.3	Review of status of ongoing ID Projects under MSE-CDP in the state of Andhra Pradesh:

	<ol style="list-style-type: none"> 1. Upgradation of Industrial Park (Jewellery Park) at Machilipatnam, Krishna District 2. Upgradation of Growth Centre at Hindupur, Anantapuramu District 3. Upgradation of Industrial Estate, Autonagar, Phase-IV, Guntur District 4. New Industrial Estate at Kopparthy, YSR Kadapa District 5. New Industrial Estate at Gandrajupalli, Chittoor District <p>CDO, MSME-DFO, Visakhapatnam informed that UCs for the completed /ongoing projects is pending for final closure. The new ID proposals will be approved by NLSC after submission of closure reports.</p> <p>Director of Industries instructed APIIC to compile and submit UCs for the 5 ID Projects before 31st March 2023.</p>
6.1.4	<p>Review of status of ID Projects which were accorded in-principle/TEAC Approval:</p> <ol style="list-style-type: none"> 1. Development of FFC at Atchutapuram in Non-SEZ, Area, Visakhapatnam District 2. Upgradation of Industrial Park at Nellimarla, Vizianagaram District 3. Upgradation of Industrial Park at IP Tanuku, West Godavari District <p>All the three 3 proposals have been forwarded for consideration of NLSC.</p>
6.1.5	<p>Review of Dropped components in the following ID:</p> <p>A. Upgradation of Industrial Park at Singarayakonda, Prakasam, District</p> <ol style="list-style-type: none"> 1. Road Side Greenery & Social Forestry 2. Water supply including overhead tank & pump house 3. Administration and other service complex <p>B. Development of Industrial Park at Peddapuram, East Godavari, District</p> <ol style="list-style-type: none"> 1. Road Side Greenery & Social Forestry 2. Effluent Treatment Plant <p>C. Development of Industrial Park at Grandrajupalli, Chittoor, District</p> <ol style="list-style-type: none"> 1. Land filling/Levelling including boundary wall and fencing 2. Water supply including overhead tank & pump house 3. Road Side Greenery & Social Forestry 4. Other (Sewerage System) <p>D. Development of New Industrial Estate at Kopparthy, YSR Kadapa District</p> <ol style="list-style-type: none"> 1. Land filling/Leveling including boundary wall and fencing 2. Effluent Treatment Facilities 3. Road Side Greenery & Social Forestry Other (Sewerage System)
	<p>Director of Industries informed that Proposal for dropping component ID Project i.e., Effluent Treatment Facilities at Kopparthy is resubmitting with proper justifications to drop and requested to place in the upcoming NLSC and accord approval for the same.</p>
6.2.0	<p>Request for dropping of EPT in ID Projects – New Industrial Estate, Kopparthy, YSR Kadapa:</p> <p>Director of Industries requested for dropping of Effluent Treatment Plant in ID</p>

	Project, Kopparthi, YSR Kadapa to be placed at NLSC. Once it is accepted by NLSC, then the remaining work will be completed in all aspects for submission of UC and final project closure.			
6.3.0	Progress on ongoing CFCs:			
6.3.1	CFC in Printing Cluster, Kakinada:		Final approval accorded in 54 NLSC and Sanction order issued on 29.07.2021. Govt. of India Grant of 1 st Installment Rs. 4.13 Crores released on 10 th March, 2023 to CNA transfer of funds to SNA for further payments to sub accounts is under process.	
	Contribution	%		Amount in Rs. Lakh
	Grant in aid GoI	70		1033.20
	State Gov. Contribution	20		295.20
	SPV Contribution	10		147.60
	Total Project Cost	100		1476.00
6.3.2	CFC in Furniture Manufacturing Cluster, Rajahmundry, East Godavari District:		Final approval accorded in 54 NLSC and Sanction order issued on 29/07/2021 1) Purchase committee formed and 1 st meeting held to the specifications and tenders. 2) State Govt. marching grant released on 31/03/2022 3) The SPV is yet to raise their Share capital up to 10%. 4) IA to take further action.	
	Contribution	%		Amount in Rs. Lakh
	Grant in aid GoI	70		1044.88
	State Gov. Contribution	20		299.68
	SPV Contribution	10		149.85
	Total Project Cost	100		1498.41
APMSMEDC informed that they will send the confirmation of SPV share of 10% which was already raised.				
6.3.3	CFC in Jaggayyapeta Gold Ornaments Cluster, Krishna District:		Final approval accorded in 54 NLSC and Sanction order issued on 29/07/2021. 1) Purchase committee meeting conducted 2) State Govt. marching grant released on 31/03/2022 3) The SPV has deposited its matching contribution of 10%. 4) IA to take further action.	
	Contribution	%		Amount in Rs. Lakh
	Grant in aid GoI	76.81		614.52
	State Gov. Contribution	10		80.00
	SPV Contribution	13.19		105.48
	Total Project Cost	100		800.00
The project is under delay zone and percentage of work completed to be assessed for onward communication to DC MSME, New Delhi. The SPV is requesting for change of CFC location and size of the land. In this regard the SPV is advised to submit the land details for placing before next SLSC meeting for consideration.				

6.3.4	CFC in Pulses & Pulses Products Cluster, Machavaram, East Godavari District:			Final approval accorded in 54 NLSC and Sanction order issued on 29.07.2021. 1. The SPV has deposited 10% share in specified account. 2. State Govt. matching grant released on 31-03-2022. 3. E-tenders called for supply of machinery on 14-06-2022. 4. IA to take further action.
	Contribution	%	Amount in Rs. Lakh	
	Grant in aid GoI	70	1038.14	
	State Gov. Contribution	20	296.61	
	SPV Contribution	10	148.31	
	Total Project Cost	100	1483.06	

The cluster site was physically inspected by a team of CDO, MSME-DFO, Visakhapatnam and District Industries Officer, DIC, Dr. B. R. Ambedkar Konaseema on 02/03/2023. The joint inspection report was already sent to DC MSME, New Delhi for release of 1st Installment of GoI grant. All the necessary documents have been submitted in this regard. 1st Installment is pending.

6.3.5	CFC in Hosiery & Readymade Garments Cluster, SPSR Nellore District:			Final approval accorded in 54 NLSC and Sanction order issued on 29.07.2021. 1) Purchase committee meeting conducted on 29-03-2022 2) State Govt. marching grant released on 31-03-2022 3) The SPV is yet to raise their Share capital up to 10%. 4) IA to take further action.
	Contribution	%	Amount in Rs. Lakh	
	Grant in aid GoI	70	576.08	
	State Gov. Contribution	20	164.60	
	SPV Contribution	10	82.30	
	Total Project Cost	100	822.98	

The project is under delay zone and percentage of work completed to be assessed for onward communication to DC MSME, New Delhi.

Director Industries informed SPV raised their Share of 10% and they will share the information. CDO, DFO, Visakhapatnam informed next process to be initiated.

6.3.6	Fire Accident in Gold Cluster Vijayawada:		
	Incident reported to DC (MSME). Some unserviceable machines have been repaired and some were replaced. The details from SPV are awaited. Insurance claim is pending. The SPV has to submit detailed report. Convener, SLSC informed that a Committee comprising SPV, CDO & GMDIC need to be constituted for physical verification to update the latest position.		
6.4.0	Proposals submitted by APIIC for New/Upgradation of Industrial Parks under MSE-CDP in the State of Andhra Pradesh		
6.4.1	New proposals – New ID Projects, Upgradation & FFC		
	1. Upgradation of Auto Nagar Gajuwaka (Block B & Block D), Visakhapatnam District		
	2. Industrial Park at Gopavaram Village & Mandal, Y.S.R Kadapa District		
	3. Industrial Park at IP Jagadurthy, Jagadurthy Village, Dhone Mandal,		

	Nandyal District	Total 20 Projects have been received by MSME-DFO, Visakhapatnam and out of which 15 proposals have been scrutinized and verified by the Committee constituted for this purpose to ascertain the suitability as per new MSE-CDP guidelines. All the 15 proposals have been appraised by SIDBI and in line with the MSE-CDP guidelines. The SLSC recommended all 15 ID Projects after due verification by MSME-DFO for placing before the next NLSC for consideration.	
	4. Industrial Park at IP Brahmanapalle, Brahmanapalle Village, Orvakal Mandal, Kurnool District		
	5. Industrial Park at Phase-III, Veerapaneni Gudem (V), Gannavaram Mandal & Krishna District		
	6. Development of Industrial Park at Kalavacharla, Rajanagaram Mandal, East Godavari District		
	7. Industrial Park Chandalur, Chandalur Village, Darsi Mandal, Prakasam District		
	8. Industrial Park at Block - II, Pagali Village, Yerpedu Mandal, Tirupati District		
	9. Development of Industrial Park at 5 Venkatapuram, Chittoor Mandal & District		
	10. Flatted Factory Complex at IP-Brahmanapalli, Orvakal Mandal, Kurnool District		
	11. Flatted Factory Complex at IP-Srikalahasti, Srikalahasti Mandal, Tirupati District		
	12. Flatted Factory Complex at IP-Gajulamandyam, Renigunta Mandal, Tirupati District		
	13. Flatted Factory Complex at udl-2 Nagamangalam (v), Palamaner (m), Chittoor District		
	14. Flatted Factory Complex at IP-Peddapuram, Kakinada District		
	15. Flatted Factory Complex at IP-Pedagantyada, Visakhapatnam District		
SLSC decided that within 10 days 15 ID projects physical inspection should be completed and remaining 7 ID proposals will be placed before the next SLSC proposed to be held shortly. APIIC has given presentation on above 15 proposals.			
6.4.2	ID Projects not scrutinized:		These 5 ID projects received at later stage and were not scrutinized due to lack sufficient time. The SLSC given direction to scrutinize these proposals and place before next SLSC Meeting.
	1. IP Thatiguntapalli, Annamayya District		
	2. IP Guttapadu, Kurnool District		
	3. IP Kappalabanda, Sri Sathya Sai District		
	4. IP Koduru, Anakapalli District		
	5. FFC at Pydibhimavaram, Srikakulam District		
6.5.0	New CFC proposals:		
6.5.1	Proposals received and evaluated and short falls communicated:		
Total 25 DPRs submitted by APMSMEDC received by MSME-DFO, Visakhapatnam and out of which 12 proposals have been scrutinized and verified by the Committee constituted for this purpose to ascertain the suitability as per new MSE-CDP guidelines. Only one DPR i.e. Veeranjaneya Printing Cluster, Tirupati has been found in line and suitable to place before NLSC.			

The Committee observed that remaining 11 DPRs are not even meeting the basic criteria of MSE-CDP guidelines like SPV Registration, Land in the name of SPV, Geo tagging, land or lease details , Board Members, Cluster Member details etc. and hence all 11 DPRs have been **Rejected**.

Sl. No	Name of the Cluster	District	Remarks
1.	Printing Cluster, Tirupati	Tirupati	The proposal found to be as per MSE-CDP guidelines, except land conversion issue. The SPV has applied for land conversion through single window with DIC.
2.	Shri Shradda Agro Oils Association, Garividi	Vizianagara m	Land allotment is not yet done and geo tagging details are not available. As per MSE-CDP Guidelines the land details should be the part of DPR. The members of SPV are having UAM registrations as per DPR and UAM validity ceases to exist from 01-07-2022. The contribution of individual SPV members is missing in terms of amount in rupees although it is mentioned in percentage. Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.
3.	Printing Cluster, Chittoor	Chittor	<ol style="list-style-type: none"> 1. Details of Project Promoters /Sponsors are not available. 2. Land details are not available. 3. SPV registration is not available. 4. The contribution of individual SPV members is missing in terms of amount in rupees and percentage. Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.
4.	Anantha Agrifarm Association	Ananthapur	<ol style="list-style-type: none"> 1. Commercial viability data not available 2. Land details not available 3. Measurement indicators of CFC for MSEs benefit: Pre and post interventions details not available 4. Brief bio-data of Promoters not available. 5. Main facilities being proposed not clearly defined. 6. Sensitivity analysis is missing. Hence, Rejected with an advice to resubmit the DPR with clear land titles

				in name of SPV.
	5.	Gold Jewellery Making Cluster	YSR Kadapa	<ol style="list-style-type: none"> 1. Land details not available 2. Commercial viability data shows it's not feasible 3. Main facilities being proposed not clearly defined. 4. The SPV has 11 members and their contribution is 28.36 Lakhs. However, contribution of individual members in terms amount and percentage is not mentioned. <p>Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.</p>
	6.	Hindupur Environ tech Pvt. Ltd	Sri Satya Sai	<ol style="list-style-type: none"> 1. Land details not available 2. Cluster members details not available 3. No of MSEs data not available 4. SPV Directors details not available 5. Commercial viability data not available 6. Measurement indicators of CFC for MSEs benefit. Pre and post interventions details not available. 7. There are 232 SPV members are mentioned in the DPR. However, contribution of individual members in terms amount and percentage is not mentioned. 8. User charges are not mentioned in the DPR. <p>Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.</p>
	7.	Kalamkari Handicraft Cluster	Tirupati	<ol style="list-style-type: none"> 1. Land allotment order dated 28-12.2022 by APIIC received by email as an answer to one of the queries. 2. The details of the Cluster member MSEs and its composition as per guidelines not submitted. 3. Although there are 1767 artisans exist in the area and only fraction 10 persons are SPV members of cluster. And it was mentioned that 110 units are there before intervention. 4. The contribution of individual SPV members is missing in terms of amount in rupees and in terms of percentage. <p>Hence, Rejected with an advice to resubmit the DPR with all the</p>

				necessary details.
8.	Thogata Textile Association	Sri Satya Sai		<ol style="list-style-type: none"> 1. SPV is not registered. 2. Land details are not available. 3. Commercial viability details are not available. 4. The details of the Cluster member MSEs and its composition not available. <p>Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.</p>
9.	Mattress Manufacturing Cluster	Dr. B. R. Ambedkar Konaseema		<ol style="list-style-type: none"> 1. The details of the Cluster member MSEs and its composition not available. 2. List of Member Directors of SPV not available. 3. Land details not available. 4. Details of Project Promoters /Sponsors not available. 5. DPR is not in line with annexure 3 of MSE-CDP guidelines. <p>Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.</p>
10.	Kurnool Diagnostic Centre's Association	Kurnool		<ol style="list-style-type: none"> 1. Details of The details of the Cluster member MSEs and its composition not available with DPR. 2. Sensitivity analysis not available. 3. Leased document just submitted. 4. It appears from DPR that CFC is directly providing services to the customers of MSEs and general public. <p>Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.</p>
11.	Wooden Toys Clusters (Raja Rani Dolls)	Annamayya		<ol style="list-style-type: none"> 1. Land details not available. 2. Commercial Viability not available and sensitivity analysis is missing. 3. No directors list is available. 4. The details of the Cluster member MSEs and its composition. 5. The contribution of individual SPV members is missing in terms of amount in rupees and in terms of percentage. 6. Though there are 700 artisans exist in the area and only 10 members are SPV members. It was mentioned in the DPR that 140 units will be benefited before intervention. <p>Hence, Rejected with an advice to</p>

				resubmit the DPR with clear land titles in name of SPV.
	12.	Gold Jewellery Cluster	Ananthapur	<ol style="list-style-type: none"> 1. Land details not available. 2. List of members not available. 3. Details of cluster member MSEs not available. 4. Commercial Viability not available and sensitivity analysis is missing. 5. The contribution of individual SPV members is missing in terms of amount in rupees and in terms of percentage. <p>Hence, Rejected with an advice to resubmit the DPR with clear land titles in name of SPV.</p>

The committee advised all SPV members to correct the shortfalls as pointed out by MSME-DFO and re-submit the same after SIDBI's appraisal.

In order to have uniformity in all appraisals, it is proposed that all DPRs must be appraised by SIDBI.

The convener further informed the committee that the SIDBI is the only agency having expertise in appraisal of DPRs as per new MSE-CDP guidelines and hence all cluster proposals should be appraised by SIDBI.

It is observed that the local commercial banks do not have the necessary expertise and appraisal is not as per new MSE-CDP guidelines.

The Additional Development Commissioner pointed out that all commercial banks not done due diligence of SPV members and other enterprises in the cluster and appraise DPRs which are not as per the guidelines.

The Director of Industries pointed out undue delay in SIDBI appraisals and in some of the cases, SIDBI is taking almost few months, therefore, they have opted for local commercial banks for speedy appraisal of DPRs.

The Additional Development Commissioner assured to take up this issue at higher level in SIDBI H.Qtrs and request for speedy and timely disposal of all DPRs received from the State.

PPT given by Tirupati Printing Cluster

6.5.2		Proposals received but not evaluated		
	1.	Sri Rama Jewel Craft Cluster's Association	Parvathipuram Manyam Dist.	DPRs received recently and yet to be scrutinized as per MSE-CDP guidelines - 2022.
	2.	Betamcherla Innovative Eco Stone Crushers Association	Nandyal Dist.	
	3.	Shree Venkat Chalapathi Shroff Jewellery Cluster Works Association	Kurnool Dist.	The State Level Steering Committee given direction to submit these 13 SIDBI appraisal Reports as per the MSE-CDP guidelines in the next SLSC Meeting.
	4.	Allagadda Hastakala	Allagadda,	

		Association	Nandyal Dist.	
	5.	Anakapalle Rice Mills Cluster Association	Anakapalle	
	6.	Fortified Rice Kernels Cluster	Parvathipuram Manyam Dist.	
	7.	Furniture Cluster	Palnadu	
	8.	Vijayawada Dynamic Prints Association	NTR District	
	9.	Elite Printing Packaging Cluster Association	Krishna District	
	10	Spices Manufacturing Cluster	Prakasam	
	11	Coir Products Cluster	Dr.B.R.Ambedkar Konaseema	
	12	Srikakulam Healthcare Cluster	Srikakulam	
	13	Rice Mills Cluster	Kakinada	
6.6.0	New MSE-CDP guidelines : State Govt. to formulate State Cluster Policy			The Chairman assured to take appropriate action in the matter
6.7.0	Mapping of CNA and SNA			Director of Industries given assurance to resolve the issue
6.8.0	Any other point with the permission of the chair			The Chairman advised to get the Scrutiny and evaluation of DPR little faster, since, the State Govt. trying to promote the Clusters and they are getting more no. of proposals for Clusters from AP State.
6.9.0	Vote of Thanks by Shri G.V.R. Naidu IEDS, Assistant Director I/C, MSME-DFO, Visakhapatnam.			The Meeting ended with a formal Vote of thanks by CDO, MSME-DFO, Visakhapatnam

R. KARIKAL VALAVEN
SPL. CHIEF SECRETARY TO GOVERNMENT & CIP