



Detailed Project Report

Panipat Home Furnishing Cluster

**Submitted to,
Department of Industries and Commerce
Government of Haryana
(for assistance under State Mini Cluster Development Scheme)**

Report No. 2019-Chandigarh-0007

April 2019

*Prepared by,
Ernst & Young LLP
**Under the project: MSME Ecosystem
Transformation in Haryana***

8th May 2019

Director General
Department of Industries & Commerce, Government of Haryana
1st Floor, 30 Bays Building,
Sector 17, Chandigarh

Dear Sir/Madam,

As part of our engagement for providing consulting services for 'MSME Ecosystem Transformation in the State of Haryana', we hereby submit the Detailed Project Report (DPR) for setting up of Centre for digital printing- as common facility centre for Home Furnishing cluster, Panipat for your kind perusal. The deliverable has been prepared in accordance with our engagement agreement with Directorate of Industries, Govt. of Haryana dated 03 January 2017, and our procedures were limited to those described in that agreement.

This Detailed Project Report is based on studies of and discussions with:

- ▶ Directorate of Industries, Govt. of Haryana
- ▶ DIC Panipat
- ▶ Home Furnishing Products Manufacturing units located in Panipat
- ▶ Industry experts
- ▶ Secondary research

Our work has been limited in scope and time and we stress that more detailed procedures may reveal other issues not captured here. The procedures summarized in our Draft Detailed Project Report (DPR) do not constitute an audit, a review or other form of assurance in accordance with any generally accepted auditing, review or other assurance standards, and accordingly we do not express any form of assurance. This Draft Detailed Project Report (DPR) is intended solely for the information and use of the Office of Director General Industries & Commerce-Haryana and is not intended to be used by anyone other than specified party.

We appreciate the cooperation and assistance provided to us during the preparation of this report. If you have any questions, please contact the undersigned.

Sincerely,



Amar Shankar, Partner - Advisory Services

Disclaimer

This Draft Detailed Project Report for development of Centre for digital printing as common facility centre for Home Furnishing cluster, Panipat has been prepared by Ernst & Young LLP (hereinafter referred to as 'EY' or 'Ernst & Young' or 'Us') and delivered to the 'Office of Director General of Industries & Commerce - Government of Haryana (O/o of DI-HR)' (hereinafter referred to as 'the Client').

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Acknowledgement

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Also, we must extend our sincere thanks to home furnishing products manufacturing MSME entrepreneurs and other key stakeholders who gave us their valuable time and insights with respect to various dimensions of the industry and its support requirements. Without their help, capturing the industry insights would not have been possible.

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Abbreviations

AoA	Articles of Associations
BEP	Break Even Point
CFC	Common Facility Centre
CAGR	Compounded Annual Growth rate
CDE	Cluster Development Executive
DPR	Draft Detailed Project Report
DIC	District Industries Centre
DSR	Diagnostic Study Report
DLP	Digital Light Processing
DTF	Direct To Fabric
DTG	Direct To Garment
EPP	Enterprise promotion Policy
SPV	Special Purpose Vehicle
MSME	Medium Small and Micro Enterprises
UAM	Udyog Aadhar Memorandum
PMC	Project Management Committee
GSDP	Gross State Domestic Product
TUFS	Technology Upgradation Fund Scheme
HCMA	Haryana Carpet Manufacturers Associations
HEMA	Haryana Exports Manufacturers Panipat
PHEA	The Panipat Handloom Exporters Association
HSIIDC	Haryana State Infrastructure & Industries Development Corporation
HSVP	Haryana Shehri Vikas Pradhikaran
NSIC	National Small industries Corporation
HFC	Haryana Financial Corporation
SIDBI	Small Industries Development Bank Of India
SWOT	Strengths Weakness Opportunity Threat Analysis
KW	Kilo Watt
WDV	Written Down Value Method
IRR	Internal Rate Of Return
ROCE	Return On Capital Employed
NPV	Net Present Value
PPP	Public Private Partnership

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Executive Summary



Executive summary

The Government of Haryana through the Department of Industries and Commerce intends to transform the MSME sector of the state and put it on a growth trajectory. Several incentives have been offered under the State's ambitious 'Enterprise Promotion Policy (EPP) 2015' to provide an impetus to growth of the MSME sector. Towards this, the state aims to strengthen the technology infrastructure as well as enhance productivity and competitiveness of various MSME clusters across the state by leveraging funding under the State Mini Cluster Development Scheme providing grant under Haryana EPP 2015.

In this context, this Detailed Project Report (DPR) has been prepared to seek grant-in-aid assistance under the State Mini Cluster Development Scheme to set up **Common Facility Centre** for Panipat Home Furnishing Cluster through an SPV under the name and style of **The Panipat Home Furnishing Cluster**.

About the Panipat Home Furnishing Cluster

There are almost 7000 units in the cluster out of which more than 5000 units are micro. These units are engaged in the manufacturing of Home Furnishing Products like Bed Sheets, Carpets, Cushions, Cushions Covers, Daris, Curtains, Floor coverings, Throll etc.

Most of the units are exporting their products to Canada, Poland, Hong Kong, America as well as cater the local market also. At present the total export value of the cluster is INR 10000 crore and domestic market value is INR 25000 Crore. The average turnover range of the cluster units is INR 50 lakhs to INR 25.00 crore, average employment is 10-20 workers & average salary around INR 9400 to 25000 pm.

Several micro and small level entrepreneurs face challenges in getting the fabrics (and garments) digitally printed due to lack of in-house digital printing facilities within MSEs which manifests into high costs, production delays and possible loss of market share.

Diagnostic Study and Interventions

A diagnostic study was undertaken by the cluster members in March 2019 to map the existing business processes in the cluster, identify the gaps, and understand the requirements of the cluster. It was observed that most units require digital printing facilities, as they were currently availing these services from external service providers at high prices or with production delays. This resulted in an adverse impact on cost competitiveness as well as production delays. In this context, the units decided to establish a CFC.

A DSR validation meeting was conducted with SPV and cluster members on 20th March, 2019. The DSR was approved by the Director General Industries & Commerce on 24th April 2019 and the SPV was granted permission to go ahead with preparation of Detailed Project Report (DPR) for the cluster. EY subsequently prepared the DPR. The letter has been added as annexure1.

Proposed Common Facility Centre

The proposed CFC will facilitate:

- ▶ **Reactive Digital Printing Facility**
- ▶ **Sublimation Printing Facility**

A common digital printing facility will both supplement and complement the activities of firms in the cluster, and there is no similar facility available in the district for use by MSEs at competitive prices. The proposed common facilities will be utilized by the SPV members and will also be available to non-members units within and outside the cluster. The facility will provide a much needed technology and infrastructure push to the cluster units and enable them to become more competitive.

Special Purpose Vehicle for Project Implementation

After the diagnostic study, the cluster units came together to form a **Special Purpose Vehicle (SPV) by the name and style of The Panipat Home Furnishing Cluster Private Limited**. The SPV has been set up as a private limited company under section 1 of the Companies Act, 1956. The DIC, Panipat and MSME-DI, Karnal have played an important role in SPV formation by cluster stakeholders. The SPV was incorporated in 2011, and includes 13 members who are subscribing to the necessary equity base of the company. The proposed CFC will be implemented on public-private partnership basis through the SPV by availing support from Government of Haryana (under Haryana EPP 2015).

The SPV members have a track record of cooperative initiatives. SPV members are also members of prominent cluster associations and have been autonomously undertaking several soft interventions to enhance knowledge and exposure of the cluster units on new trends in the garment industry and enhancing productivity of their units. This includes exposure visits to fairs and sharing of best practices, registration under UAM, awareness programs on new trends in garment manufacturing, entrepreneurship development, IPR, energy efficiency, GST, barcoding, equity schemes, sustainability, etc. These programs were conducted in collaboration with DIC, State Government, etc.

Project Parameters, Viability and Sustainability

The Panipat Home Furnishing Cluster under support from State Government is planning to set up a common facility centre under the SPV name- **The Panipat Home Furnishing Cluster Private Limited** having state-of-the-art digital printing facilities to undertake job work of cluster units with a total project cost of about **Rs. 528.91 lakhs**. The total contribution of SPV members will amount to Rs. 348.91lakhs. Support from State Government is envisaged for Rs. 180 lakhs (90% of project cost up to Rs. 200 lakhs).

The cost of the project and proposed means of finance is tabulated below:

(Rs. in Lakh)

PROJECT COST (Rs. in Lakh)				
S. No.	Particulars	Total Project Cost	Amount as per Guidelines	Remarks
1	Land & Building a. Land Value b. Land Development c. Building & Other Civil Works d. Building Value Sub Total (A)	246.00 0.00 42.00 0.00 288.00	0.00 0.00	Eligible (Max 25% of project cost)
2	Plant & Machinery a. Indigenous b. Imports c. Secondary Machines Sub Total (B)	177.00 0.00 30.49 207.49	200.00 200.00	
3	Miscellaneous fixed assets (C)	2.80	0.00	Not eligible for grant
4	Preliminary & Preoperative Expenses (D)	7.60	0.00	
5	Contingency a. Building @ 2% b. Plant & Machinery @ 5% Sub Total (E)	0.84 10.43 11.27	0.00 0.00 0.00	
6	Margin money for working capital (Working capital required @ 75% C.U.) Sub Total (F)	11.75 11.75	0.00 0.00	
	Grand Total (A+B+C+D+E+F)	528.91	200.00	

DETAILED MEANS OF FINANCE						
S. No.	Source of finance	Project cost up to Rs. 200 lakh		Project cost over Rs. 200 lakh		
		% Contribution	Amount (Rs. in lakh)	% Contribution	Amount (Rs. in lakh)	Total Amount (Rs. in lakh)
1	Grant-in-aid under State Mini Cluster Development Scheme (max 90% (including soft intervention))	90%	180.00	0%	0.00	180.00
2	Contribution of SPV	10%	20.00	100%	328.91	348.91
	Total	100%	200.00	100%	328.91	528.91

The viability and sustainability of the project is evident from the project economics as well as the cooperative spirit and profile of the SPV. Some indicators of the viability are as follows:

Project's financial indicators

FEASIBILITY		
S. No.	Particulars	Estimates
1	BEP (cash BEP at initial operating capacity of 75%)	32.93%
2	Av. ROCE (PAT/CE)	33.27%
3	Internal Rate of Return (IRR)	23.19%
4	Net Present Value (at a discount rate of 10 per cent) - incorporating viability gap funding (grant) by GoH	NPV is positive and high (Rs.356.86 lacs) at a conservative project life of 10 years
5	Payback period	5 years & 1 months with Grant-in-aid assistance from GoH

As evident from the financials above, with viability gap funding under State Mini Cluster Development Scheme of GoH, the project is highly viable and sustainable. Risk and sensitivity analysis considering a decline in user charge/ capacity utilization also validates the project sustainability.

Project Implementation

Project implementation is envisaged to involve in a time-frame of about 7 months upon receipt of final approval of grant-in-aid assistance from the Government of Haryana under State Mini Cluster Development Scheme. The project will be implemented by the SPV and Project Management Committee in close association with DIC, Panipat and the State Government.

This cluster has the ability to increase its output and market share by manufacturing price competitive products. The proposed facility will be open to all cluster firms to enable them to get printing related job work done in order to cater to the digital printing requirements of the market. The facility will also provide an opportunity to MSE units to increase their capacity utilization and profitability. The facility will provide a major technological push to the units reeling under high competition. The CFC will also enhance the co-operation and joint action among cluster stakeholders to improve their competitiveness to meet the demands of the domestic as well as international markets.

Introduction



1. Introduction

1.1 Overview of the Cluster

There are about 7000 home furnishing products manufacturing based units in Panipat district, Haryana, involved in end to end home furnishing product manufacturing, fabric manufacturing, dyeing, printing, embroidery and finishing across the knitwear and woven category; catering to both domestic and international markets. Out of the total 7000 units, more than 5000 units are in the micro and small category. The annual turnover of the MSE units in the cluster is about INR 2500 crores. The cluster generates employment for approx. 40,000 people. Around 60% of total home furnishing products manufactured are being exported internationally to USA, Canada, Europe, Poland, Japan, Germany & Australia catering to major global brands such as Walmart etc.

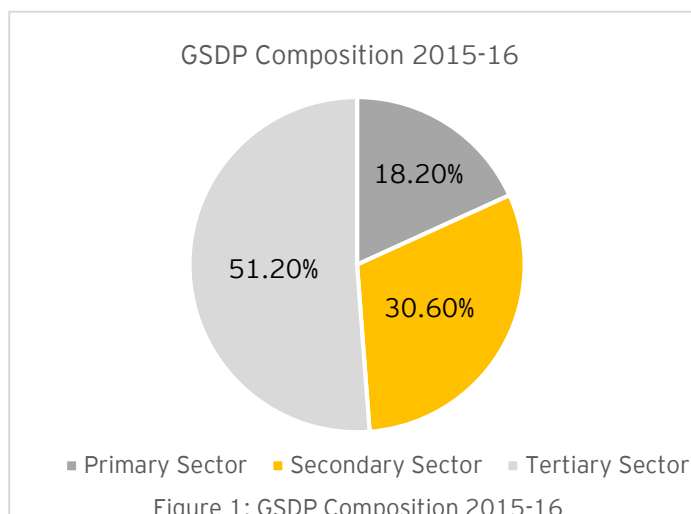
With changing trends and consumer preferences, home furnishing products manufacturing is driven towards high design orientation to enhance the product's attractiveness with higher number of units shifting towards products requiring digital printing. The micro and small units in the cluster lack required technology for digital printing, which is in demand as few micro and small home furnishing product manufacturing units have a traditional printing set-up within their factory premise. As a result of this, they have to outsource the digital printing services to private players situated in Delhi, Faridabad & Gurugram, and they are charging significantly high costs from cluster MSEs, which impacts MSEs by increasing costs. This reduces the competitiveness vis-a vis the medium and large enterprises within the region. It also often increases the production time resulting in supply delay. Since most of the units are export oriented, in few occasions, the units have also faced a loss of orders due to their inability to price their products competitively vis-à-vis suppliers from other countries. In addressing this challenge and creating state of the art digital printing facility within the cluster, a group of 13 units have consented to join hands to form a special purpose vehicle (SPV) to set up a centre for digital printing as common facility centre for Panipat home furnishing products manufacturing cluster. This proposed intervention under the Mini Cluster Scheme of Government of Haryana is expected to address the common infrastructure related problems of the cluster.

1.2 Geographic and Economic Traits

The state of Haryana was formed on 01 November 1966. It is situated in the northwest of India with the capital of Chandigarh as a Union Territory. The state is surrounded by Delhi, Rajasthan, & Uttar Pradesh with around 30% of the total area of the state falling under National Capital Region (NCR). The state stands 21st in terms of its area. According to the Census of India 2011, the state is 18th largest by the population. Over the last 5 decades since its formation in 1966, Haryana has transformed and matured into a diversified economy with a thriving secondary and tertiary sector. Although Haryana has an area covering just 1.3 per cent of the country, Haryana contributes nearly 3.63 per cent to India's GSDP. During 2004-16, the state's GSDP grew at a compound annual growth rate (CAGR) of 12.12 per cent.

1.3 Economic Scenario of the State

Haryana is 11th state in the country in terms of GSDP, with growth rate of around 6.5%. With just 1.3% of the total area of the country, Haryana contributes to nearly 3.4% of India's GDP. Haryana, with just 1.37% of the country's geographical area and 1.97% of country's total population, is counted among the first few states with the highest per capita income. The state economy is predominantly agricultural.



The industry sector contributes about 18% of the total GSDP of the state. Haryana is fast emerging as one of the most favoured investment destinations in India. The globalization of markets and a resilient economy have given an incredible drive to the industrial sector in Haryana, which already has a competitive advantage in terms of strategic location, basic infrastructure as well as large skilled, educated and young workforce. Besides, the State has investor-friendly policies and regulatory environment as outlined in its recent EPP 2015. It is one of the leading states in terms of industrial production, especially passenger cars, mobile cranes, two-wheelers & tractors. It is the 2nd largest contributor of food grains to India's central pool, accounts for more than 60% of the export of basmati rice in the country and is 3rd largest exporter of software.

The state is in transition from agrarian to manufacturing sector. The state is gradually transforming from an agrarian economy to an industrial economy. To boost the growth rate further and make Haryana a favourable investment destination, the State has developed the Enterprise Promotion Policy in 2015. With the Enterprise Promotion Policy-2015, the state has envisaged a sustainable industrial spectrum in the state with a special focus on MSMEs in its endeavour for effecting a balanced regional and sustainable development. In order to accelerate the industrial growth in the state, the focus of the government is on holistic development, i.e., by encompassing initiatives for resource efficiency improvement, smarter technology, and environment friendly methods which reduce resource consumption.

1.4 Demographic Trends of Panipat

Panipat is a city and municipal corporation in the district of the Indian state of Haryana. Panipat district first came into existence on November 1, 1989. This city has strategic location at National Highway No. 1, just 89 Km. from the national capital. The district lies on the Longitude: 76° 58' East and Latitude: 29° 23' North. The city has one of the best rail and road connectivity to the state capital Chandigarh and other important commercial hubs of the adjoining states. The Panipat district is surrounded by Karnal in North, Jind in West and Sonapat district in South and Muzaffarnagar district of Uttar Pradesh in the East. It has a total geographical area of 130437.2 hectare.

Panipat has a special place in economy of Haryana. It has become a centre of Industry and trade. It has major Public Sector and Private sector operating companies operating their business in Panipat. There are 11172 number of MSME's generating employment for 89448 having investment 2,46,915 Lacs. The city has major Medium and Large-Scale Industries including refinery, Thermal, Fertilizers, Foundries for Agriculture and Food Processing apart from Handloom & Textile.

As per census report 2011, Panipat had population of 12,05,437 of which male and female were 6,46,857 and 5,58,580 respectively. There was change of 24.60 percent in the population compared to population as per 2001. Average literacy rate of Panipat in 2011 was 75.94% compared to 69.20% of 2001. Gender wise, male and female literacy were 83.71% and 67.00% respectively. Regarding Sex Ratio in Panipat, it stood at 864 per 1000 males compared to 2001 census figure of 829 per 1000 males. Total number of workers in Panipat district are 4,12,318 out of which 3,39,016 are main workers and 73,302 are marginal workers. 1

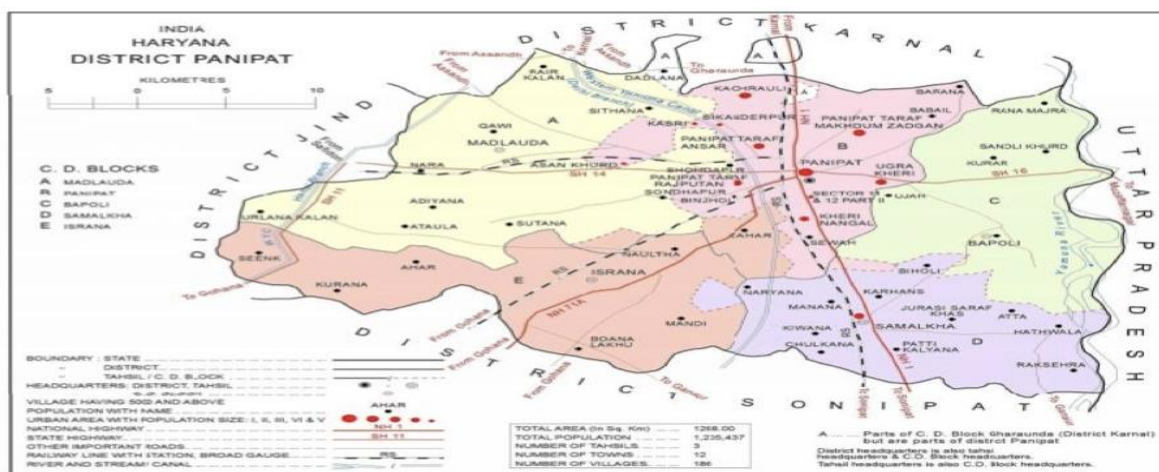


Figure 2 District Map of Panipat

2. Sector Overview

The home furnishing products manufacturing sector as a whole can be grouped into four types of establishments based on the manufacturing processes:

- (1) End-to-end product manufacturing: Units engaged in manufacture of home furnishing that first knit fabric and then cut and sew the fabric into a complete product.
- (2) Fabric manufacturing: Units engaged in knitting and dyeing of the apparel. Knitting, when done alone, is classified in the textile mills subsector, but when knitting is combined with the production of complete garments, the activity is classified in apparel manufacturing.
- (3) Cut and sew: Units engaged in purchasing fabric and then cutting and sewing to make a product, and
- (4) Units exclusively engaged in printing (sublimation, digital, screen and rotary), embroidery and finishing.

The home furnishing product manufacturing sub-sector includes a diverse range of establishments, manufacturing full lines of ready-to-use décor products: performing cutting or sewing operations on materials owned by others; jobbers performing entrepreneurial functions involved in home décor manufacture; and tailors, manufacturing custom cushions for individual clients are all included.

In the recent time, digital printing has witnessed a soaring demand and emerged as a major production process in garment and apparel manufacturing, being done in two ways: a) direct to fabric (DTF) and b) direct to garment (DTG).

2.1 Brief Global Scenario

Despite the global economic downturn, the global apparel industry continues to grow at a healthy rate and this, coupled with the absence of switching costs for consumers and great product differentiation, means that rivalry within the industry is no more than moderate. The apparel industry is of great importance to several economies in terms of trade, employment, investment and revenue. This particular industry has short product life cycles, vast product differentiation and is characterized by great pace of demand change coupled with rather long and inflexible supply processes.

The demand for Home Furnishing is increasing across both developed and developing markets with increasing urbanization and globalization trends. Globalization is now enabling easy and wide availability of such decorative items, designs and ideas to consumers. Home owners are also realizing the need of such items and are often searching for them to keep their homes more attractive and organized.

Home Furnishing is witnessing a strong growth due to rising levels of disposable incomes, recovery of the real estate industry, increase in urbanization and rising awareness levels. Rising levels of urbanization have resulted in an increasing number of new households being setup. Currently more than half of the global population live in urban areas and these levels

are expected to increase further in the coming years, creating a positive impact on the demand of home decor products. Moreover, home decor products are income elastic, we expect global disposable incomes to increase continuously over the next few years, particularly in emerging economies such as Asia, Africa, Middle East, Eastern Europe, etc.

Additionally, the recovery of the global real estate industry is also expected to drive home ownership rates creating a positive impact on this market. Another major factor driving this market is the strong performance of the online retail sector. The advent of online retail has made home decor products easily available, affordable and convenient to buy. Looking forward, the global home furnishing market is projected to exceed US\$ 741 Billion by 2023, exhibiting a CAGR of around 4% during 2018-2021.

2.2 India Scenario

India is one of the fastest growing markets for home furnishing products in Asia-Pacific. Rising demand for home decor products such as bed linen products, wall hangings, rugs & carpets, etc., along with growing demand for handcrafted products is boosting the country's home furnishing market. Rising domestic production of home furnishing products along with increasing number of government initiatives such as handicraft schemes, Technology Upgradation Fund Scheme (TUFS), integrated textile parks, etc., coupled with government campaigns such as Make in India aimed at encouraging domestic manufacturing, rising FDI inflow in textile and apparel sectors are anticipated to fuel growth in India home furnishing market through 2020. Growing usage of home furnishing products in residential as well as non-residential sectors is expected to drive demand for home furnishing products in India, during the forecast period.

Home furnishing market in India is projected to cross INR40,000 crore by 2020, on account of rising demand for 2contemporary designs, increasing number of households, growing demand for branded and custom designed furniture and increasing availability of innovative and affordable home furnishing products in the country. Over the last five years, India has emerged as one of the fastest growing markets for home furnishing products in APAC. In 2016, the home furnishing market in India is expected to witness a Y-o-Y growth of around 9.5%, with a similar trend anticipated to continue through 2020.

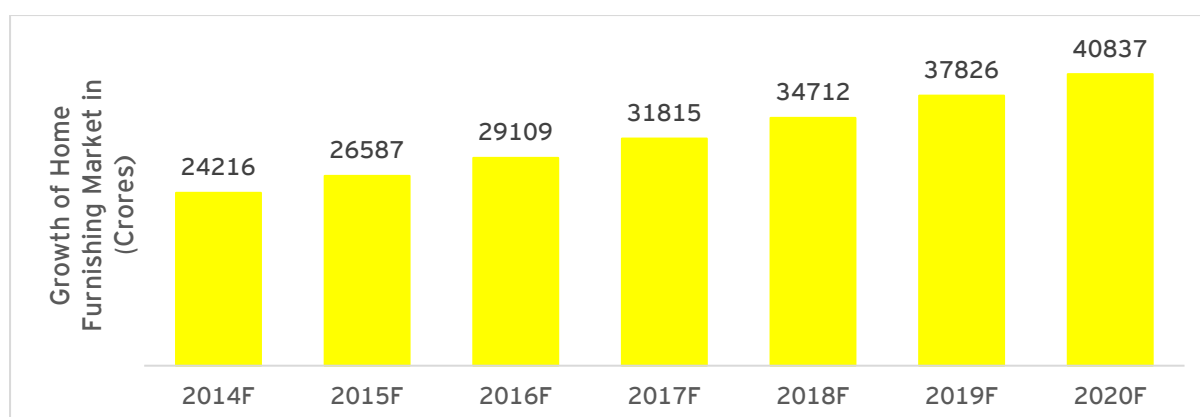


Figure 3 Growth of Home Furnishing Market

Rising demand for bath and table linen products, upholstery, etc., increasing demand for premium quality window coverings such as curtain fabric and blinds, and rising trend of using wallpapers and wall-decals over traditional paints & coatings are some of the major factors driving adoption of home furnishing products in the country.

Welspun India, Trident Limited, Bombay Dyeing, Alok Industries, Himatsingka, Siyaram, D'Decor are few of the leading players operating in India home furnishing market.

India's textile and garment industry is one of the oldest industries in Indian economy dating back several decades. Even today, the sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textile and garment industry is also labour intensive and is one of the largest employers. The textile and garment industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share.

As per IBEF data, the domestic textile and garment industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles.¹ The trend of exports of textiles and garments from India is illustrated in figure 4.

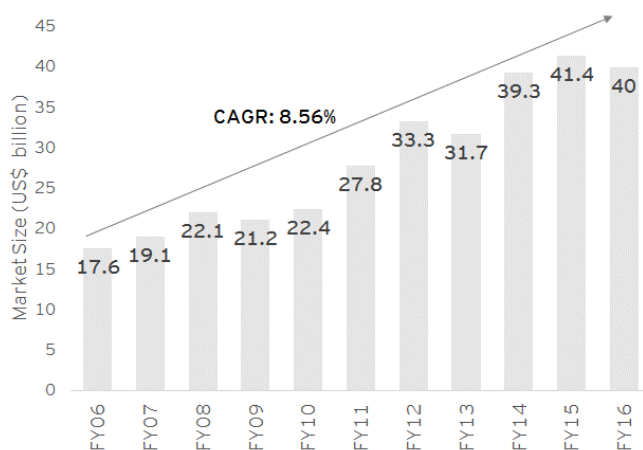


Figure 4: Textile and Garment Exports from India (US\$ billion)

India was the third largest exporter of textiles in 2015, and the 8th largest exporter of clothing (behind China, European Union, Bangladesh Vietnam, and Hong Kong)².

2.3 Textile and Garment Sector in Haryana

The textile and garment industry in Haryana exhibits strength across the entire value chain from fibre to fashion. The state is one of the leading cotton producers in the country with Sirsa, Fatehabad, Bhiwani, Hisar and Jind being the main cotton producing districts. This bounteous availability of raw materials gives Haryana a competitive advantage in the textile sector. The cluster based approach to industrial development has produced robust textile centres such as Panipat, Gurugram, Faridabad, Hisar and Sonipat. The sector today provides employment to approximately 1 million people with readymade garments worth USD 2 billion being exported from the state annually³.

¹ IBEF - Textile Industry in India

² WTO - World Trade Statistical Review 2016

³ Haryana Textile Policy 2017

Blessed with a resource advantage with Haryana as one of the largest producers of cotton in Northern India. Haryana is one of the leading producer of textiles and readymade garments.

Panipat is famous for handloom products, furnishing fabrics, terry-towels and blankets. Also, Gurugram has emerged as hub for manufacturing of Readymade Garments. Some of the largest manufacturers of Readymade Garments in Asia have their manufacturing facilities in Gurugram.

The numbers of industries under this sector stand at more than 4624 units. The sector employs more than 98518 people which is a share of more than 12% of the total mapped manpower in the state. The total textiles and apparels exports (handloom and readymade goods) stood at Rs. 88,704 million as in 2015-16. The overall exports composition of textiles and readymade garments (including handlooms) as a percent of total exports from the state has averaged close to 10% from 2013-14 to 2015-16. Clearly, textiles and readymade garments is a leading export oriented sector of the state⁴.

Figure 6 provides details of the net value added, gross fixed capital formation, and employment by the textiles and apparel sector in Haryana as well as the state contribution of the sector to national levels from 2011-12 to 2013-14⁵:

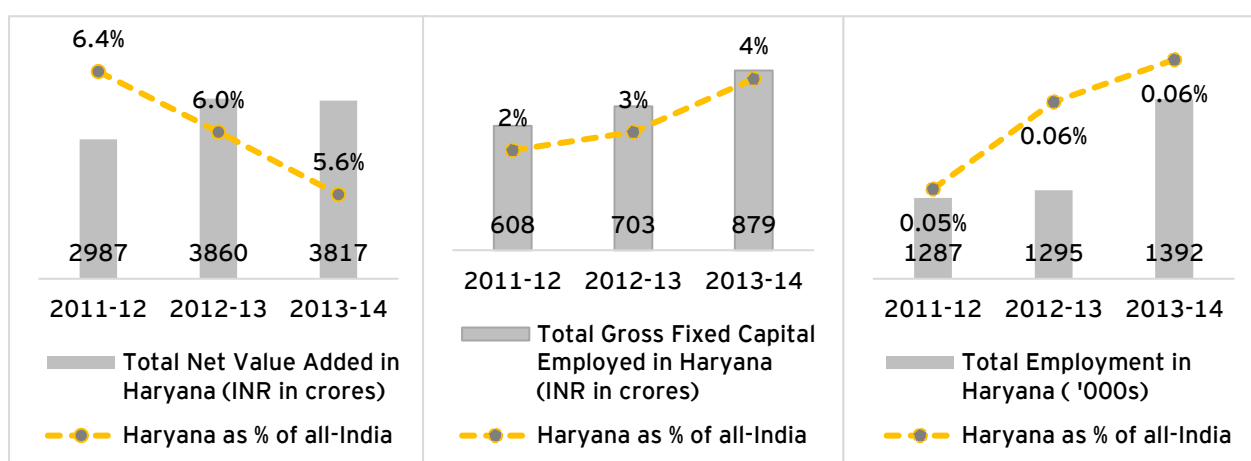


Figure 5: Haryana Textile & Garment Industry Snapshot

⁴ Department of Industry and Commerce, Haryana

⁵ Annual Survey of Industries

2.4 Cluster Scenario

The industrial activities in Panipat started in 1947 soon after the partition of India and Pakistan, when many professional weavers from Sindh and Multan were displaced from Pakistan and facilitated to settle in Panipat and started their traditional craft of weaving durries. Since then, the handloom sector of Panipat is growing steadily. As far as home furnishing industry is concerned, the business evolved because of yarn dyeing of woollens in 1970s and 1980s. Simultaneously, power looms were introduced to make curtains, bed covers and similar items. By 1990, many industries started manufacturing blankets. The business of blankets expanded exponentially, and in due course, Panipat became famous for blanket market. Panipat accounts for about three-fourth of total blankets produced in the country. It is biggest producer of Shoddy Yarn in World and top most supplier of barrack Blankets of Indian Armed Forces. It is well known for producing international quality of hand-woven rugs, carpets and other floor coverings and handloom made bed sheets and cushions curtains, table covers, kitchen and bath linen made of Handloom cloth in a large quantity in Northern India.

At present, there are more than 25000 handlooms operational in the district providing employment to about 60,000 people. Most of the weavers are migrants from U.P, Bihar and West Bengal. There are some local weavers also who have come from the neighbouring villages to work in the handloom units of Panipat.

Panipat is not lagging as far as export is concerned and it has established its name in the International Market. There are about 255 Industrial Units, which are exporting wide range of Handloom Products such as Durries, Mats, Table Covers, Bed Sheet, Curtain and Carpet etc. to various developed countries such as Canada, Japan, Germany and Australia etc counting for exports INR 10,000 Cr for FY 2017-18.

Now, Panipat city is famous in India by the name of "City of Weavers". Panipat District has a significant place in international market for "handloom production". The famous products Darri, carpet mat, table cover, bed sheet, bed cover, curtain etc. are exported to Canada, Japan, Germany & Australia.

2.5 Nature of Cluster

There are almost 7000 units in the cluster out of which more than 5000 units are micro. These units are engaged in the manufacturing of Home Furnishing Products like Bed Sheets, Carpets, Cushions, Cushions Covers, Daris, Curtains, Floor coverings, Throll etc. Most of the units are exporting their products to Canada, Poland, Hong Kong, America as well as cater the local market also. At present the total export value of the cluster is INR 10000 crore and domestic market value is INR 25000 Crore. The average turnover range of the cluster units is INR 50 lakhs to INR 25.00 crore, average employment 10-20 workers & average salary INR 9400 to 25000 pm.



2.6 Products of the Cluster

The cluster units are manufacturing several home furnishing products such as Bed Sheets, Carpets, Cushions, Cushions Covers, Daris, Curtains, Floor coverings etc.

A few of the products manufactured by the cluster are presented in figure 3:

Figure 5: Products of the Units



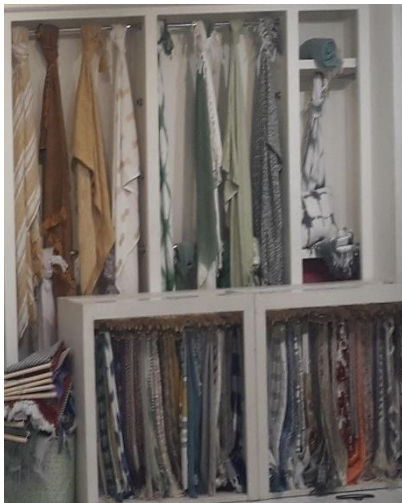
Cushions



Curtains



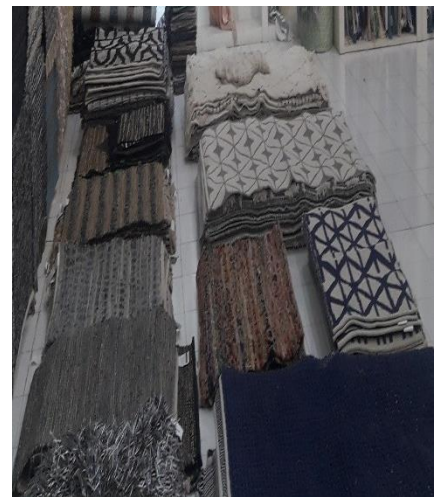
Bathroom Mat



Throll



Bed Sheets



Daries

Diagnostic Study Findings



3. Diagnostic Study Findings

A diagnostic study was undertaken in the cluster during February 2019 to map the existing business processes in the cluster, identify the gaps, and understand the requirements of the cluster. The diagnostic study report (DSR) was compiled with inputs from cluster SPV in close coordination with the DIC, Panipat, and inputs from Punjab National Bank. The awareness level of the cluster units (on new digital printing technologies, cluster development initiatives, etc.) was found to be low. Additionally, it was observed that most of the cluster units deploy obsolete technologies and are unable to meet the requirements of the market due to lack of availability of modern printing facilities. The finishing of products is ordinary due to dependence on manual techniques and conventional machines.

The DSR was approved by the Director General of Industries & Commerce on 24th April 2019 and the SPV was granted permission to go ahead with preparation of Detailed Project Report (DRP) for the cluster. The SPV was granted permission to go ahead with preparation of DPR for the cluster. The major findings of the DSR are presented in the following sections.

3.1 Cluster Actors and their role

The primary stakeholders in the cluster are the Home Furnishing units based in various parts of Panipat. The other stakeholders include the major industry associations, government agencies (mainly DIC, regulatory bodies, raw material suppliers, and academic/training institutes). These cluster actors provide various services to the cluster units. Some of the major cluster actors located in and outside the cluster and catering to the units of the region are mentioned below:

A. Industry Associations

► Haryana Carpet Manufacturers Association (HCMA)

Haryana Carpet Manufacturers Association was formed and registered in the year 2008 with an aim of representing and protecting the interest of carpet manufacturers of Haryana. The members are engaged in the manufacturing of different types of carpets and home furnishing products. The main objective of the Association is to inculcate awareness and provide platform to share knowledge and best practices home furnishing manufacturing and exporting. The Association works towards the promotion and development of industrial commerce and trade in the Panipat. The Association also acts as a forum to represent member's grievances to the Government.

► Handloom Exports Manufacturers Association, Panipat (HEMA)

The key association and the key stakeholder of home furnishing manufacturers and exporters in Panipat is Handloom Export Manufacturers Association, Panipat. The association was registered in 2003, comprising over 1200 units as members is undertaking several development activities in Panipat region. It provides assistance to Indian exporters as well as importers/international buyers who choose India as their preferred sourcing destination for home furnishing products. The association addresses issues of the home furnishing industry and takes up members'

grievances with relevant government authorities. Mr. Ramesh Verma is the President and Mr. Ram Bhudiraja is the General Secretary of the association at present.

▶ **The Panipat Handloom Exporters Association (PHEA)**

PHEA is also one of the major associations of home furnishing exporters in Panipat. The association undertakes various awareness and development activities related to handloom exports in the Panipat region. Mr. Prem Sagar Vij is the President of the association at present.

B. Government Bodies

▶ **District Industries Centre (DIC)**

DIC is the most important government stakeholder for the cluster. The office of DIC comes under the Dept. Of Industries and is headed by General Manager who is assisted functional managers and technical field officers. DIC promotes and routes subsidy to micro and small enterprises in the region. The Mini Custer Scheme under which the garment units want to set up a CFC will also be implemented through the DIC office. The Panipat DIC is actively promoting cluster development in the district and also helps the local units register under Udyog Aadhar Memorandum (UAM). It would play a key role in formulation of the home furnishing units SPV.

▶ **MSME-Development Institute, Karnal**

MSME - Development Institute, Karnal is a field office of the Development Commissioner (MSME), Ministry of MSME, New Delhi, which is an apex body for formulating, coordinating and monitoring the policies and programmes for promotion and development of MSMEs in the country. MSME -DI provides a wide range of extension / support services to the MSMEs.

▶ **Haryana State Infrastructure & Industrial Development Corporation (HSIIDC)**

HSIIDC is a major agency in the State to promote the setting up and promotion of small, medium and large scale industrial units. The Corporation also acts as a State-level financial institution and provides long term loans for industrial projects.

The important activities of the Corporation are:

- Development of industrial areas/ estates
- Helps entrepreneurs on matters such as securing registrations/ licences/ clearances from the statutory/other authorities.
- Provision of term-loans

▶ **Haryana Shehri Vikas Pradhikaran (HSVP)**

HSVP is the urban planning agency of the state of Haryana in India. It was established in 1977. It plays a key role in land development and execution of development works like roads, water supply, sewage, and drainage etc.

► **National Small Industries Corporation (NSIC)**

National Small Industries Corporation (NSIC) was established in the year 1955 with a view to promote, aid and foster growth of small industries in the country. Panipat industry is served by the NSIC branch office in Panipat. It provides diverse services to MSMEs in Panipat such as:

- Helps entrepreneurs in purchasing machinery and equipment
- Equipment leasing and working capital finance
- Information on technological up gradation
- Composite loan scheme and export assistance

► **Weaves Service Centre, Panipat**

This service centre is committed to provide all possible technical assistance to handloom industry in term of design input and advice in weaving, printing etc to weavers and all concerned to handloom sector. This centre conducts design exhibitions with a view to create awareness in the weaver cluster and to impart trainings in dyeing techniques and design development.

C. Educational Institutes

► **Institute of Apparel Management (IAM), Gurugram**

Institute of Apparel Management (IAM) provides short term courses, undergraduate, postgraduate and MBA courses in various areas related to apparels, apparel manufacturing, fashion & lifestyle design, fashion communication, fashion production management, fashion retail merchandising, apparel market merchandising, apparel manufacturing & entrepreneurship, etc. The institute also conducts workshops and value added programmes for people in the apparel industry.

► **Apparel Training & Design Centre (ATDC), Faridabad**

The Apparel Training & Design Centre (ATDC) is India's largest Quality Vocational Training Provider dedicated to the Apparel Sector. The ATDC was set-up as a society for training of shop-floor and supervisory workforce for the apparel export sector in 1991 under the aegis of AEPC, the largest Export Promotion Council in the country. The Institute through its 200 Pan-India centres renders service to the downstream Apparel export and domestic industries having trained over 200,000 candidates in short-term courses under Integrated Skill Development Scheme (ISDS) of Ministry of Textiles (MOT), and also about 80,000 candidates in longer duration Vocational courses, over the years⁶.

► **The Technological Institute of Textile & Science (TIT&S), Bhiwani**

The Technological Institute of Textile & Science (TIT&S) provides training in textile technology, textile chemistry, fashion & apparel engineering, etc. Courses cover areas including fibre specialization, yarn specialization, fabric specialization, textile manufacturing, fashion & designing, garment & accessories, computerized

⁶ <http://www.aepcindia.com/aepc-initiative>

designing, textile & garment surface designing, textile & garment quality assistance, etc. The institute also has a research & development wing which undertakes research on textiles and other streams.

► **National Institute of Fashion Technology (NIFT), Delhi**

National Institute of Fashion Technology (NIFT), set up in 1986 under the aegis of Ministry of Textiles, Government of India, is a Statutory Institute Governed by the NIFT Act 2006. The institute provides a firm foundation in fashion education in the domains of Design, Management and Technology. NIFT also has a network of NIFT Resource Centres, which serve as a Fashion Information System (FIS), catering to the needs of fashion professionals, entrepreneurs and fashion educators. The integrated collections of print, digital, audio and visual creative resources are the only systematically documented learning resources available in India for the study of international and contemporary Indian fashion. FIS is a decentralized network, computerized and coordinated by the National Resource Centre at NIFT.

► **North India Textile Research Association (NITRA), Ghaziabad**

Northern India Textile Research Association (NITRA) is one of the prime textile research institutes in the country. The textile industry and Ministry of Textiles, Govt. of India jointly established NITRA in 1974 for conducting applied scientific research and providing support services to Indian textile industry. NITRA's prime activities include R&D technical consultancy, quality evaluation of materials, manpower training and publishing technical books and papers. To meet industrial HRD needs, NITRA regularly conducts various industry-recognized job-oriented techno-management training programs across the complete textile & apparel supply chain on full-time and DLP modes. In addition to this, NITRA regularly organizes seminars, workshops and also conducts on and off-shop customized training programs.

D. Banks / FIs

► **Haryana Financial Corporation (HFC)**

Haryana Financial Corporation, based in Chandigarh was promoted jointly by the Government of Haryana and the Industrial Development Bank of India (IDBI). HFC has been approved by SEBI as a category-I merchant banker. The corporation's activities include merchant banking, trade finance, lease finance and term lending. The corporation has diversified its range of financial services to include no-fund-based assistance in the form of guarantees, letter of credit and forex services. The DPR for the project shall be appraised by HFC.

► **Small Industries Development Bank of India (SIDBI)**

SIDBI is the apex financial institution responsible for the growth and development of the MSME sector. Almost all the government subsidy schemes and bilateral lines of credit are implemented through SIDBI. The business strategy of SIDBI is to address the financial and non-financial gaps in MSME eco-system. Financial support to MSMEs is provided by way of (a) Indirect / refinance to banks / Financial Institutions for onward lending to MSMEs and (b) direct finance in the niche areas

like risk capital, sustainable finance, receivable financing, service sector financing, etc.

► **Punjab National Bank, Panipat**

Punjab National Bank is the lead bank of the Panipat district and many local home furnishing units have a banking relationship with the Punjab National Bank.

E. Leading Manufacturers

Some of the leading home furnishing products manufacturers in Panipat includes Diamond Exports, RUG TEK, Fashion Fab, Sanjay Textiles, Gaurav International & Dhingra Exports. Key stakeholders of Panipat cluster are presented in figure 7:

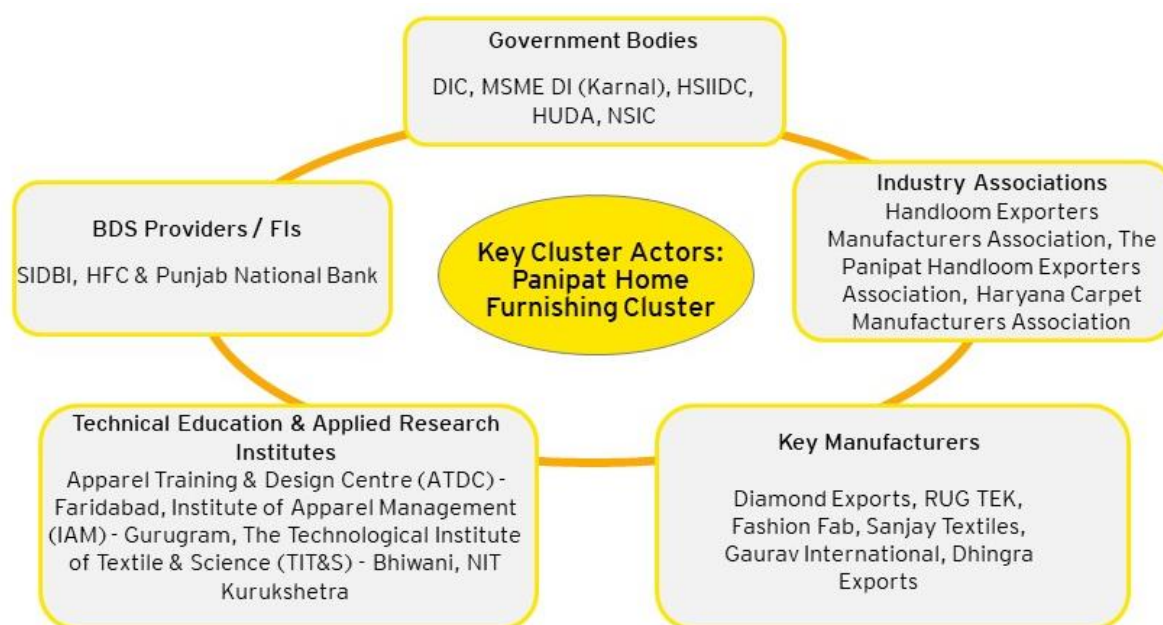


Figure 7: Key Cluster Actors

3.2 Cluster Market, Employment and Turnover

Since the production process and end-product in case of home furnishing product manufacturing is largely standardized, the raw material requirement is also the same. The major raw materials used in the manufacturing process are such as yarn, fabric, threads, accessories, labels, etc. The quantity of raw materials to be used depends upon specifications provided by the buyer, based on size, style, etc. In most cases, buyers also specify from where the raw materials are to be procured.

Raw materials used by the home furnishing manufacturers can be classified into primary and secondary. The primary raw materials provide the basis of the product, i.e. the yarn to be knitted or the fabric. The secondary ones are for enhancing the aesthetic appeal and customization. Some of the major primary and secondary raw materials are mentioned in figure 8:

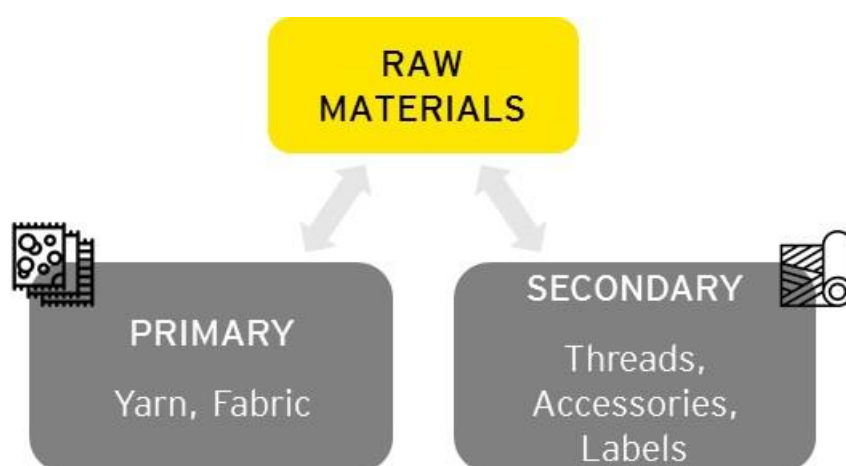


Figure 8: Raw Materials Used by Home Furnishing Products Manufacturing Units



Secondary raw materials: Buttons (left) and tapes (right)

Most of the secondary raw materials are available easily in and around the NCR area mainly Gurugram, Delhi, Faridabad & Panipat. These are sourced from the local dealers, depending on the type of raw material and buyer specifications.

Table 1: Sourcing of Raw Material by Gurugram Garment Units⁷

⁷ Source: Stakeholder Consultation Inputs

Input	Material	Supplier	
		Domestic	International
Primary Raw Material	Yarn, fabric	Domestic suppliers from Salem, Surat, Ludhiana, Delhi, Gurugram, etc.	China and Hong-Kong
Secondary Raw Material	Threads	Domestic suppliers, Imported, or provided by the buyers (labels)	-
	Accessories (buttons, trims, tapes etc.)		
	Labels		
	Dyes		

Quality checking of the primary raw materials mainly fabric is undertaken at the point of delivery. It is both manual as well as automatic. While the former involves random checks of the merchandise, the latter involves the use of specialized machinery for fabric inspection and testing.

The units in the cluster operate across the spectrum - from completely domestic manufacturing to entirely export oriented, catering to both domestic and international markets with a sizeable share of international exports to the tune of 60% of the total production. Manufacturing is predominantly done to order, and is usually based on the buyer's specifications. The MSMEs cater to relatively smaller / niche orders, while larger players in the market cater to high volume orders.

MSMEs are exporting directly to large global brands as buyers. Some of the large players to which the cluster caters include Walmart etc. Units in the cluster are exporting to countries such as USA, Canada, Europe, Japan etc.

In the domestic market, the MSMEs are catering to the demands of home furnishing products from Panipat, Mumbai, Kolkata, Gujarat, Delhi NCR, Chandigarh etc.

The Home Furnishing industry is quite labor intensive. On an average, a micro and small apparel manufacturing unit employs 20 persons which can go up-to 100 persons (micro units employ approximately 20 people and small units employ 50 people) during the peak season while larger units employ around 100 persons. This takes the total employment by the cluster to around 40,000 on an average. The units in the cluster are employed across unskilled, semi-skilled and skilled activities. On the trade front, the workforce is involved in designing, sewing, dying, washing, finishing, printing, embroidery, etc. The home furnishing industry is an appealing industry for women, and one third of the manpower comprises of women.

The home furnishing industry workforce in the garment industry is well paid, with average salaries of INR 9400 per month for workers in un-skilled and semi-skilled work operating on a 10 hours shift. Wages of skilled labour for activities such as cutting, sewing, etc. can be as high as INR 25,000 per month and for managerial work is around INR 35,000 per months.

The annual turnover of the MSE units (5000) in the cluster is about INR 2500 crores. However, there is an enormous potential of increasing the production from cluster units by reducing the outsourcing of activities by units to private players. This would also result in enhanced turnover. Currently, units are charged high prices for services such as digital printing, which affects their competitiveness. Recommendations around these have been provided in the DSR.

3.3 Production Process

The units in the cluster are engaged in various activities across the value chain of home furnishing processes. From selection of raw materials, to the finished products; various activities involved in this process are outlined below.

The flow chart of the production process followed by furnishing units is shown in figure 5.

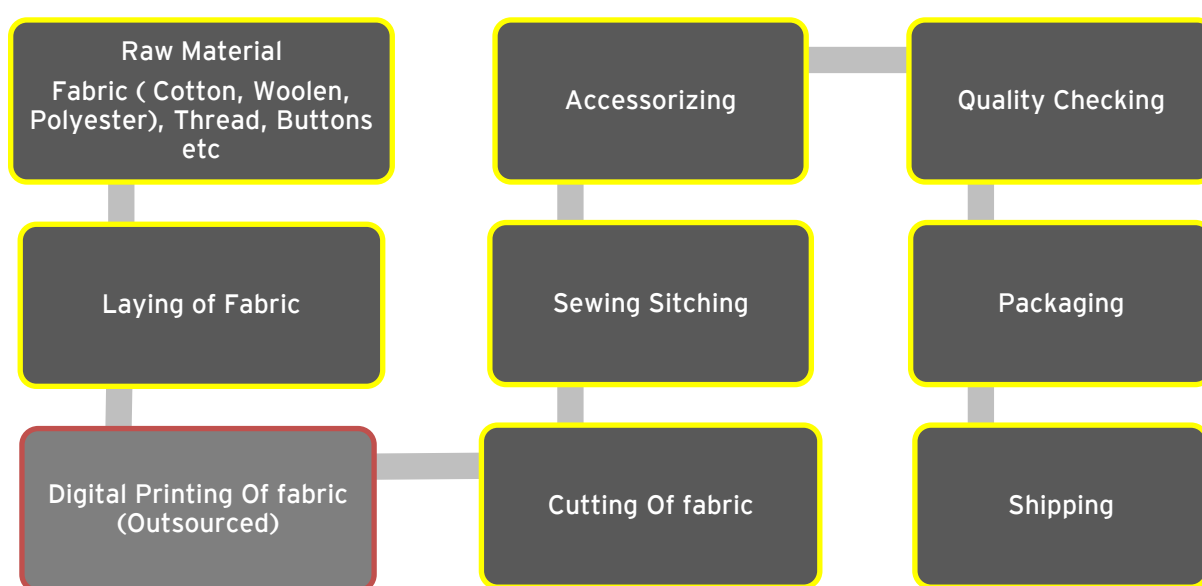


Figure 6: Process Flow Chart for Curtain

As detailed in figure 5, manufacturing process for Printed curtain involves the following steps:

1. **Raw Material:** On the very first step the purchase of raw material, raw material like Cotton Fabric, Polyester, accessories & packing material required. Raw material is readily available in Panipat itself or in some specific orders it is purchased for Delhi NCR or Ludhiana.
2. **Laying of Fabric:** Fabric is laid on the table and the top layer is marked. This step is in preparation for the cutting stage. Fabric laying can also be done after the cutting process.
3. **Digital Printing of Fabric:** Printing is done on the entire layered fabric roll. This is primarily an outsourced activity and therefore a major cost area in the production process.
4. **Cutting of Fabric:** As per the pattern and size of the curtains to be made, fabric is cut into pieces and tied in bundles to make sure that there is no variation in sizes to be manufactured.

5. **Sewing/Stitching:** Sewing is done in an assembly line fashion, with groups of people sewing different parts of the curtain and then passing it to the next. A few units in the cluster have 50-60 sewing machines and some of the units are making products on pit looms.
6. **Accessorizing:** Once sewing is done, the curtains are then accessorized with specific requirements of the buyer.
7. **Quality Checking:** This involves cutting of extra threads, inspection of each unit for defects, and ironing of the curtains.
8. **Packaging:** If the manufactured item is found in ok condition, then it is packed accordingly.
9. **Shipping:** Curtains are then shipped to local or international buyers.

3.4 Equipment Used In the Home Furnishing Products Manufacturing Process

The major machines and equipment used in the Panipat Home Furnishing cluster for manufacturing of garments and apparels are mentioned in table 2⁸:

Table 2: Equipment Used in Home Furnishing Products Manufacturing

S.N.	Name of the Machine	Application
1.	Sewing machine	Sewing machine is used to sew pieces of fabric together mechanically with thread. Sewing machine does the same job as hand sewing but neater, stringer and faster. In home furnishing industry, mostly flatbed sewing machines are used. Workers use this machine for sewing flat pieces of fabric together.
2.	Pit looms	Pit loom in the home furnishing industry is mainly used to produce flat weave rugs and shaggy pile rugs. As the name suggests, pit loom is a machine in which there is a pit under the loom where the artisan makes the rug with the use of pedals.
3.	Tufting Machine	Tufting machine is used in the manufacturing of tufted bath mats.
4.	Braided machine	This machine is used to make carpets.

3.5 Value Chain Analysis

Value chain analysis of the most commonly produced cluster products (printed curtain) has been conducted to ascertain the major cost areas and identify suitable interventions. The value chain analysis of a digital printed curtain is provided in table 3:

⁸ Interaction with cluster units

Table 3: Value Chain Analysis of Printed Curtain⁹

Particulars	Value Added	Total Value (INR)	% of cost of production
Fabric (approx. 3 metres @ INR 62 per metre)	186	186	18%
Dyeing (INR 18 @ per meter)	54	240	5%
Printing Cost @ INR 200/ m)	600	840	59%
Cutting, Trims, Labelling & Accessories	40	880	4%
Finishing & Packaging	10	890	1%
Overheads	133	1023	13%
Total Production Cost		1023	100%
Profit Margin (12%)		127	
Selling price		1150	

The value chain analysis has been prepared based on the stakeholder consultation. It can be observed that the raw materials amount to over **18%** of total cost of production including fabric and other components. The industry is labour intensive, with labour costs accounting for approximately **4%** of total production cost of a printed curtain. As opined by multiple MSEs during the on-site visits during the preparation of the DSR, the cost of outsourced digital printing can range from INR 150/mtr. to INR 200/mtr. The printing is outsourced which costs around **59%** of the total production cost. The competitiveness of the cluster units can be increased by targeting the major cost area of machinery (particularly digital printing) and providing common facilities to the units to undertake process at a lower cost. At present the cluster units are getting the **12%** profit margin. The competitiveness of the cluster units can be increased by targeting the major cost area of printing, and providing common facilities to the units in order to undertake printing at a lower cost.

⁹ Source: Stakeholder Consultation inputs

3.6 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the MSME home furnishing products manufacturing units in the cluster has been carried out keeping in mind the technology, marketing, product quality, skills, inputs, innovation, business environment and energy/environment compliance of the units. The SWOT analysis is provided in table 4:

Table 4: SWOT Analysis of the Cluster

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
Market	<ul style="list-style-type: none"> ▶ Steady local and international demand for cluster products. ▶ Cluster located within the Panipat Industrial area, which is well connected with all major national and international industrial hubs. ▶ Cluster located in the proximity of NCR which is a major supply hub. ▶ Strong natural business ecosystem in the region with presence of a large number of buying houses. 	<ul style="list-style-type: none"> ▶ Presence of other large players to whom bulk orders are made. These units have a well-established clientele. This makes market penetration, a challenge. ▶ Units are unable to price their products competitively due to high cost of digital printing on cotton. The mark-up is to the tune of 50% on an average. ▶ Loss of orders occasionally due to inordinate delay in processing of orders. 	<ul style="list-style-type: none"> ▶ Rising income levels and increasing urbanisation driving the growth of domestic market ▶ Potential to price products competitively with acquisition of technology, in order to compete effectively with countries such as Vietnam, Bangladesh & China ▶ Potential for assistance under upcoming State Textile Policy 	<ul style="list-style-type: none"> ▶ Intense competition from global markets. ▶ Competition from other major players like Walmart.
Technology/ Product Quality	<ul style="list-style-type: none"> ▶ High focus on product quality as raw material can be inspected upon delivery both manually and by using specialized machinery 	<ul style="list-style-type: none"> ▶ Lack of technology access of digital printing on fabrics such as cotton. ▶ Heavy reliance on traditional screen based 	<ul style="list-style-type: none"> ▶ Setting up of CFC for digital printing equipment, resulting in units being able to obtain these services both 	<ul style="list-style-type: none"> ▶ Increase in cost of production ▶ Increase in awareness of people on quality certifications shall lead to

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> ▶ Each unit undertakes inspection of pieces at each stage in their manufacturing process ▶ Some buyers specify testing labs from which products need to be certified 	<p>printing methods with some units having a sublimation printing facility. However, the sublimation machinery is largely confined to polyester and poly-blend printing.</p> <ul style="list-style-type: none"> ▶ Lack of relevant digital printing facility, in-situ, results in units having to obtain these from private service providers at higher costs. ▶ Since products are manufactured in batches, errors in steps such as cutting result in that entire batch being rejected. ▶ For exports, there is growing importance on various ecological parameters, which makes for more stringent requirements for the units. 	<p>timely and at lower costs and price their products competitively.</p>	<p>losing out to business / requirement for more stringent testing procedures.</p> <ul style="list-style-type: none"> ▶ Competition from vendors manufacturing products at lower costs with state-of the art digital printing machines. ▶ Rapid technology obsolescence.
Skill/ Manpower	<ul style="list-style-type: none"> ▶ Skills acquired on-the-job ▶ Presence of technical institutes such as Apparel 	<ul style="list-style-type: none"> ▶ High labour costs ▶ Lack of interaction between SMEs and technical institutes for 	<ul style="list-style-type: none"> ▶ Customized training programs on required skills (operations, soft skills etc.) 	<ul style="list-style-type: none"> ▶ Youth interested to work in other lucrative sectors ▶ Big companies such as Walmart

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
	Training & Design Centre at Gurugram.	<ul style="list-style-type: none"> providing technical training ▶ No mechanism to mobilize regional youth for training in the sector 	<ul style="list-style-type: none"> ▶ Engage technical institutes for skill development programs ▶ Increased cost of labour in China provides opportunity for Indian industry 	
Inputs	<ul style="list-style-type: none"> ▶ Availability of raw materials from local dealers ▶ Buyers sometimes specify dealers from whom they want materials 	<ul style="list-style-type: none"> ▶ No web portal displaying prices and sources of raw materials ▶ Challenge in getting quality dyed fabrics at affordable prices with some of the units doing traditional dyeing in-house. 	<ul style="list-style-type: none"> ▶ Potential to develop a portal displaying information (price, suppliers) of raw materials 	<ul style="list-style-type: none"> ▶ Cost of power in India is, on average, higher than key competing countries like China, Bangladesh, Vietnam
Innovation	<ul style="list-style-type: none"> ▶ Ability to manufacture home furnishing products as per the manufacturers specifications ▶ Some units create their own designs and sell these 	<ul style="list-style-type: none"> ▶ Lack of a standardised ERP solution for home furnishing industry ▶ Low investment in development of designs ▶ Lack of process automation ▶ Lack of adoption of lean manufacturing clusters such as Six Sigma, Kaizen 	<ul style="list-style-type: none"> ▶ Development of a standard IT based ERP solution ▶ Structured processes for information sharing among SMEs in the cluster 	<ul style="list-style-type: none"> ▶ Could lose business to other more price competitive manufacturers from countries such as Sri Lanka, Bangladesh, China if units do not innovate
Business Environment	<ul style="list-style-type: none"> ▶ Panipat well known as a leading industrial hub of India for handloom 	<ul style="list-style-type: none"> ▶ Lack of knowledge of regulatory frameworks and government schemes 	<ul style="list-style-type: none"> ▶ Establish CFC with latest technologies for digital printing 	<ul style="list-style-type: none"> ▶ Change in policies and regulatory environment ▶ Increase in land rates

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> ▶ Steady growth in domestic demand ▶ Cluster well known as a textile hub across North India ▶ Conducive policy and regulatory initiatives ▶ Active State Govt. and schemes for development of the sector ▶ Proactive industries associations in Panipat 	<ul style="list-style-type: none"> ▶ among micro level home furnishing units ▶ High cost of industrial land in the cluster ▶ Lack of common infrastructure/CFC facilities ▶ No long-term vision of industrialists 	<ul style="list-style-type: none"> ▶ Create better awareness of government schemes and regulations 	<ul style="list-style-type: none"> ▶ Environmental policies result in shutting down of dying houses (traditional dyeing methods) which is impacting home furnishing industries.
Energy/ Environment	<ul style="list-style-type: none"> ▶ Increased focus on environment due to requirement from buyers 	<ul style="list-style-type: none"> ▶ Lack of knowledge of energy efficiency resulting in higher energy consumption ▶ High energy cost structure because of lack of efficient processes 	<ul style="list-style-type: none"> ▶ Regular checks on maintaining quality and safety standards ▶ Potential to reduce energy costs by energy auditing 	<ul style="list-style-type: none"> ▶ Increase in power tariff ▶ Increased focus on environment standards ▶ Dyeing and washing require environment compliances, and if units diversify into these services then these compliances and certifications would have to be met.

3.7 Major Issues / Problem Areas of the Cluster

As can be deciphered from the analysis in the preceding sections, cost competitiveness of micro and small units engaged in home furnishing products manufacturing in the cluster, is affected by absence of in-house digital printing facility as most of the MSEs are unable to individually afford digital printing facility. Because of which, the printing requirements of MSE's is being outsourced to the private players which end up charging exorbitant prices, sometimes double the prevailing market prices.

Only few MSEs have an in-house traditional screen and polyester based sublimation printing facilities but each of these has a drawback and cannot substitute the need for an all-fabric digital printing machinery.

✖ Traditional Screen Printing:

The traditional screen based printing involves ink/dyes to be dropped down on home furnishing products where the design is, lending itself to large run orders as well as to simple logo work. But with major colour complexity, specificity and smaller orders, the use of traditional screen printing becomes difficult. In addition, the process requires separation of graphic (a process that breaks the down graphic into the different colours needed to print it), a screen must be burned for each colour and it requires a screen printing press to be setup. This can become a **time consuming, expensive and polluting process**.



✖ Sublimation Printing:

Sublimation printing involves thermal transfers of dye from the carrier paper to the garment. When heated, sublimation pigments pass from a solid state to a gas state (never becoming liquid) and imbed themselves in the fibres of the garment. Sublimation produces a print that has virtually no feel (little or no hand) on the fabric. Unlike thermal transfers, screen-printing and direct to garment printing sublimation needs a synthetic substrate to effectively transfer to simply put it is **not cotton friendly** but is preferred when decorating fabrics such polyester and poly-blends.



The existing home furnishing printing facilities within the micro and small enterprises situated in the cluster are confined to screen based and sublimation printing and their demerits have been highlighted above. A vast majority of MSEs are outsourcing their digital printing requirement for versatile fabrics such as cotton to private players, situated in Delhi-NCR region including Gurugram and the neighbouring states such as Rajasthan (Jodhpur) and Gujarat (Surat) and Punjab (Ludhiana). Due to lack of these facilities, the units face higher costs, thereby reducing their competitiveness, especially compared to other countries domestically as well as for export. This results in loss of market share. On an average, the cost of digital printing per metre of fabric/garment when outsourced cost anywhere between INR 150 to INR 400 depending upon the specifications and complexity as against the normal cost ranging from INR 80 to INR 150. This indicates a mark-up of close to 50% by the private players for every metre that is printed.

Printing facilities, if provided through a CFC in the cluster with government support will help the units become more competitive.

he other gaps which are identified are mentioned in table 5:

Table 5: Major Gaps Identified

S. No	Area	Problem
1.	Finance	<ul style="list-style-type: none"> ▶ Lack of finance for modernization and technology upgradation by smaller units as their working capital is inadequate for financing any expansion. ▶ High rates of interest restrict the ability of small firms to obtain loans as they operate on low margins. ▶ Machinery suppliers are also not willing to offer line of credit to small scale enterprises.
2.	Market	<ul style="list-style-type: none"> ▶ Challenge in competing with international players due to higher manufacturing cost and lower quality raw materials. ▶ Job work is costly due to lower volume of small scale enterprises.
3.	Productivity	<ul style="list-style-type: none"> ▶ Lack of adoption of lean manufacturing practices such as Six Sigma, Kaizen. This results in substantial production wastages.
5.	Product development	<ul style="list-style-type: none"> ▶ Lack of R&D capabilities of the units for new designs / product development for independent sales, which could increase their revenue. Few units currently create their own designs and sell these.

3.8 Key technologies missing

The key technologies that are required in the cluster along with the proposed intervention to be set up under the CFC are mentioned in table 5:

Table 4: Technology Gaps Identified and Interventions

Sr. No	Facility/ Equipment Proposed	Technology Gap Identified	Technology Interventions
1.	Digital Printer	<ul style="list-style-type: none"> ▶ High speed reactive digital cotton printing machine Absence of equipment for digital fabric printing for cotton and other fabrics. ▶ This is currently outsourced, and comprises a major component of the cost of apparel manufacturing. ▶ The more prevalent methods- screen printing (traditional) and sublimation printing for polyesters have relative demerits. 	<ul style="list-style-type: none"> ▶ Hi End Cotton Digital Printing Machine
2.	Sublimation plotter	<ul style="list-style-type: none"> ▶ Sublimation printing is most conducive to polyesters and poly-blend fabrics and cannot handle most other fabrics like cotton. ▶ Units are currently dependent on private service providers for this facility, resulting in high costs and production delays. ▶ Private service providers often do not accept orders or charge extremely high prices due to lower volume orders of MSMEs. ▶ This leads to reduced competitiveness of the units. 	<ul style="list-style-type: none"> ▶ Advanced Digital Plotter

3.9 Cluster growth potential

The potential for the Panipat Home Furnishing Cluster to grow is enormous, owing to the soaring demand of home furnishing products in India and internationally. Panipat is located in the proximity of Delhi, providing it with a strategic advantage in terms of its proximity to a key supply hub. Additionally, there is a large raw material base readily available as Haryana given that the state is a large cotton producing hub, and several textile units are present in the area.

Currently, units are facing challenges in cost competitiveness and efficiency due to the absence of digital printing facilities. They are obtaining these services from external providers, which is increasing their costs as a result of which the units often get priced out and face loss of orders. Against this backdrop, if digital printing facilities across a variety of fabrics are provided to the units under the CFC mode, their production costs and inefficiencies will reduce and they will be able to compete with other international players from low-cost production destinations such as China, Vietnam, Bangladesh, Middle East etc.

Diagnostic Study Recommendations



4. Diagnostic Study Recommendations

Intensive discussions, interactions with the cluster members and field visits to the units led to identification of existing technology and infrastructure gap which forms the basis of recommendations (hard and soft interventions) in the DSR.

The cluster has presence of multiple proactive industry associations which frequently organize awareness and training programs for the home furnishing industry. The awareness level of the units is found to be satisfactory. Most of the units in the Panipat cluster are members of Handloom Exports Manufacturers Association, which actively conducts trainings and workshops related to entrepreneurship development, IPR, energy efficiency, GST, barcoding, Govt. of Haryana schemes, sustainability, etc. and also sponsors members for national and international trainings. Several units currently attend domestic and international home furnishing exhibitions. Hence, the cluster does not intend to obtain government funding for soft interventions.

In this section, the hard interventions for setting up of CFC are being explained so as to enhance the competitiveness of the home furnishing products manufacturing cluster units. Given that the related production processes are being outsourced at present to private players which entails substantial cost and inordinate production delays.

The recommendations for hard interventions have been elaborated in subsequent sections. The recommendations were finalized in a stakeholder consultation conducted with key members of the home furnishing cluster in Panipat in March 2019.

4.1 Hard Interventions for Setting up a CFC (Machines / Technology in the proposed CFC)

The cluster would require the following common infrastructure facilities on an urgent basis to improve the competitiveness of the micro and small home furnishing manufacturing units, and to enable them to move up the value chain. The members of the proposed SPV with support from the state government are willing to set up a dedicated Common Facility Centre which shall have state-of-the-art digital printing facility. This facility shall provide a much needed technical impetus to the cluster units and will enable them to become more competitive.

The following common infrastructural facilities are being proposed for the CFC, with support from the state industry department. The proposed facility along with its description, usage are detailed below:

4.1.1 Digital Printing Facility

Digital Textile Printer-

Reactive digital textile printing machine will be used for three styles of printing - direct printing, resist dyeing and discharge printing. This machine has the capacity to print 1400

meters per day on an average). The machine uses reactive ink, can print on a variety of fabrics including woollens and requires wet post-treatment (steaming, washing and drying). This machine can also do the printing on apparel, home textile, soft signage, special textiles and personalized products. This machine have the following features:

- Suitable fabrics: cotton, silk, wool, flax, rayon, nylon and some cellulose fiber blends



Sublimation Printing Facility:

Sublimation printing is a digital printing technology using full colour artwork that works with polyester and polymer-coated substrates. Also referred to as digital sublimation, the process is commonly used for printing designs on various apparels and home furnishing items such as curtains, cushion covers and floor mats etc. made of polyester. In sublimation printing, designs on sublimation dyes are transferred to sheets of paper. After the design is transferred to sheet of paper, the design is then transferred to the desired polyester product by a heating process. The end result of the sublimation process is a nearly permanent, high resolution, full colour print.



The project will be beneficial both for individual units and the cluster as a whole. The setting up of the CFC is expected to generate the following benefits for the cluster units:

- ▶ Enhanced value addition for cluster products.
- ▶ Significant reduction in cost of production and higher capacity utilization by each unit.
- ▶ Increased productivity and reduced inefficiencies.
- ▶ Higher degree of competitiveness of cluster units.
- ▶ All cluster firms shall be encouraged to use the facility. Many micro unit entrepreneurs who could not afford to significantly contribute by way of necessary investment to the capital contribution of the project have also been accommodated.
- ▶ The CFC will generate more job opportunities both at the cluster and individual unit level due to enhanced capacity utilization.
- ▶ The CFC is also expected to enhance the levels of cooperation and joint-action, amongst cluster stakeholders and SPV members to cooperate in other areas such as joint marketing initiatives, common raw material procurement and so on.
- ▶ It will also complement the efforts of state government in promoting clusters in the state and serve as a model for upgrading MSME clusters.

[illegible]

5. SPV for Project Implementation

After the diagnostic study, the cluster units has already formed a **Special Purpose Vehicle (SPV) by the name and style of The Panipat Home Furnishing Cluster Private Limited**. The SPV has been set up as a private limited company under section 1 of the Companies Act, 1956. The DIC, Panipat and MSME-DI, Karnal have played an important role in SPV formation by cluster stakeholders. The SPV was incorporated in 2011, and includes 13 members who are subscribing to the necessary equity base of the company. The proposed CFC will be implemented on public-private partnership basis through the SPV by availing support from Government of Haryana (under Haryana EPP 2015).

The SPV members have a track record of cooperative initiatives. SPV members are also members of prominent cluster associations and have been autonomously undertaking several soft interventions to enhance knowledge and exposure of the cluster units on new trends in the garment industry and enhancing productivity of their units. This includes exposure visits to fairs and sharing of best practices, registration under UAM, awareness programs on new trends in garment manufacturing, entrepreneurship development, IPR, energy efficiency, GST, barcoding, equity schemes, sustainability, etc. These programs were conducted in collaboration with DIC, State Government, etc.

The SPV has conducted a series of stakeholder consultations (with various members, DIC, Panipat, and EY experts) during finalization of project components, selection of technologies and development of Detailed Project Report (in February 2019 and March 2019). The SPV has been instrumental in spreading awareness about cluster development under state mini-cluster development scheme and has also helped in validation of DSR. The SPV has kept the state Government and DIC Panipat engaged during the entire process of DSR and DPR preparation.

5.1 Shareholder profile and Shareholding mix

List of Directors: The SPV has 3 directors. The details of the directors are furnished in Table 6. Other than these directors, the SPV will have provision of having one director each from the State Government. The SPV comprises members from micro and small home furnishing units. It is homogeneous in nature due to similar products and activities performed by the cluster units.

Table 5: List of Directors

S. No.	Name of Director	Unit Address	UAM No
1	Mr. Ramesh Verma	Babail road, Near Bharat Gas Godown, Panipat	HR14A0002899
2	Mr. Ram Prakash	Kwality Rugs, Noorwala, Panipat	HR14A0010870
3	Mr. Madan Lal Bathla	E65, Old Industrial Area, Panipat	HR14B0005733

The directors have several years of successful experience in home furnishing manufacturing and are also well versed with the benefits of cluster development initiatives. These units are financially viable in nature. Post the DSR validation, the DIC Panipat also acknowledged the genuineness and enthusiasm of the SPV members to undertake project initiatives under state mini cluster development scheme and has recorded that the CFC demand is authentic. The unit verification details have been added in annexure 4.

Members of the SPV have been engaged in manufacturing of home furnishing products in Panipat for several years and have considerable experience in marketing and manufacturing of garments. The Directors and SPV members have had close interactions with technical experts, government institutions and machinery suppliers in the process of machinery finalization towards DPR preparation.

The SPV was formed with the objective of taking up cluster level activity in a joint and coordinated manner, wherein all units have equal say. The shareholding pattern of members of the registered SPV includes the contribution from every member of SPV and no individual shareholder holds more than 10% equity stake in the capital of the company. Details of SPV members along with their contact persons, unit details, UAM numbers and products manufactured are provided in Table 6.

Table 6: Details of SPV Members of Panipat Home Furnishing Cluster

S. No.	Authorised Person	Unit Name	Unit Address	Contact No.	UAM No	Email ID	Shareholding Percentage
1	Mr. Anil Verma	Fashion Fab	Fashion Fab, Babail road, Panipat 132103	9812345007	HR140005666	saxena@neete e.com	10%
2	Mr. Bundan	Hayat Handloom	Hayat Handloom, Purewall Colony, Kacha Camp, Panipat	9728350758	HR14A0010452	mukesh@vrisht iimpex.com	8%
3	Mr. Ramesh Verma	Diamond Exports	Babail road, Near Bharat Gas Godown, Panipat	9812034897	HR14A0002899	Geoclothing2@ gmail.com	10%
4	Mr. Shyam Bihari	Hari Om Prints	Gali No 17, near NFL, Vikas Nagar, Panipat	9315820293	HR14A00010807	tarun171171 @gmail.com	4%
5	Ms. Sanjay	Sanjay Textiles	Moti Ram Colony, Noorwal, Panipat	9812316971	HR14A0010780	anuchadha@3a clothing.com	8%
6	Mr. Narendra Sodhi	Bharat Handicraft	Batra Colony, Panipat	9812700853	HR14A0005732	bhargava2u@g mail.com	4%
7	Mr. Ram Prakash	Kwality Rugs	Kwality Rugs, Noorwala, Pnipat	8950400051	HR14A0010870	dripsapparels @gmail.com	10%
8	Mr. Madan Bathla	Rug Tex	E65, Old Industrial Area, Panipat	9992011700	HR14B0005733	saralclothing@ yahoo.in	10%
9	Mr. Gulshan Bathla	Gulshan Textile	Batra Colony, Panipat	9992011707	HR14A00005779	Sunita.fashion s@yahoo .co.in	6%

10	Mr. Manoj Tehri	S. Nath Tex India	Plot No 231, Sector 29 HUDA, Panipat	9812222264	HR01B001 0718	moti@maestro- fashions.com	7%
11	Pawan Kumar Dhingra	Dhingra Exports	E37, Old Industrial Area, Panipat	9812052136	HR14B000 0423		7%
12	Gaurav	Gaurav International	Ganga Ram Colony, Panipat	9812052136	HR14A000 0424		6%
13	Sunita Verma	Fabrics Fashion	Babail Road, Ram Nagar, Panipat	9812034897	HR14A000 5229		10%

5.2 Initiatives undertaken by the SPV

As mentioned in detail in section 4.1, the SPV members have proactively undertaken multiple capacity building initiatives to promote cooperation among cluster units and enhance knowledge and exposure of the units. The major initiatives are:

- ▶ Regular member meetings for discussion on the CFC as well as technologies, marketing, discussion on incentives available to MSMEs, discussion on draft Textile Policy, etc.
- ▶ Participation in various programs for capacity building, awareness generation and technological advancement in the cluster.
- ▶ Identification of building to be taken on lease for the SPV.
- ▶ The preparation of DSR was led by EY consultant and the validation & approval process for the DSR was also led by EY consultant.

5.3 SPV Roles and Responsibilities

The SPV will play a guiding role in the overall management and operations of the CFC. It will provide direction to the management of the CFC and will monitor usage and performance of the CFC. The SPV will constantly report to the state Government about the performance of the CFC. The major roles and responsibilities that are envisaged to be performed by the SPV post the submission of this DPR are mentioned below:

- ▶ Coordinating with the state industry department for DPR approvals in the SLSC.
- ▶ Accompanying EY experts to various meetings at the state government departments.
- ▶ Building lease deed agreement in SPV name.
- ▶ Garnering the equity contribution from the members.
- ▶ Formation of purchase committees for procurement of goods and services.
- ▶ Establishing, operating and maintaining all common facilities as mentioned in the DPR.
- ▶ Obtain any statutory approvals/clearances from various government departments.
- ▶ Recruit appropriate professionals to ensure smooth execution of the CFC.
- ▶ Collection of user charges from members and other users of the facilities as per the decided rates so as to meet the recurring expenses and future expansions of the CFC. While various estimates on user charges / service fee are presented in this DPR, all decisions including usage priority of facilities by members will be made on the basis of decision by members of SPV.
- ▶ Preparation and submission of progress reports to state industry department.

The Memorandum and Articles of Association of the cluster SPV indicates the democratic process in terms of decision making on the basis of votes. All members of SPV will meet once every fortnight/month to discuss/resolve operational issues. The management of the CFC will be a two tier structure for smooth and uninterrupted functioning. The executive body i.e. Board of Directors (BoD) will include office bearers elected/nominated from time to time, including one nominee of State Government (DIC).

While various estimates on user charges/service fees are presented in this DPR, all decisions including usage priority of facilities by members will be made by unanimous decision of the

members. The CFC will seek direction and guidance from the main governing body, and the day-to-day administration will be taken care of by the management that shall be appointed by the board of directors. Their role is detailed below:

1. **Board of Directors:** The BoD will be the main governing body and will oversee the operations of the CFC. They will have the decision making power in terms of fixing user fees (for members and non-members) and usage of reserves etc. for future expansion. The Chairman and Managing Director will oversee the entire operations; each Director will be entrusted with specific responsibility like marketing, technical, finance, public relations etc. based on their interests and experience.
2. **Managerial, Technical and Administrative staff:** A competent and well qualified professional with background in garment industry will be appointed as the Cluster Development Executive (CDE) also referred to as the Cluster Executive Officer, who will look after day-to-day operations of the CFC and shall be directly reporting to the board of directors. The facility will have its own expert staff (supervisors, operations and helpers) as per the requirement. The details of manpower and other requirements are already mentioned in the DPR in the project economics section. There shall be provisions for administrative staff such as accounts personnel, marketing professional, store-keepers etc. to ensure effective functioning of the CFC.

The proposed organizational structure of the CFC is given in figure below:

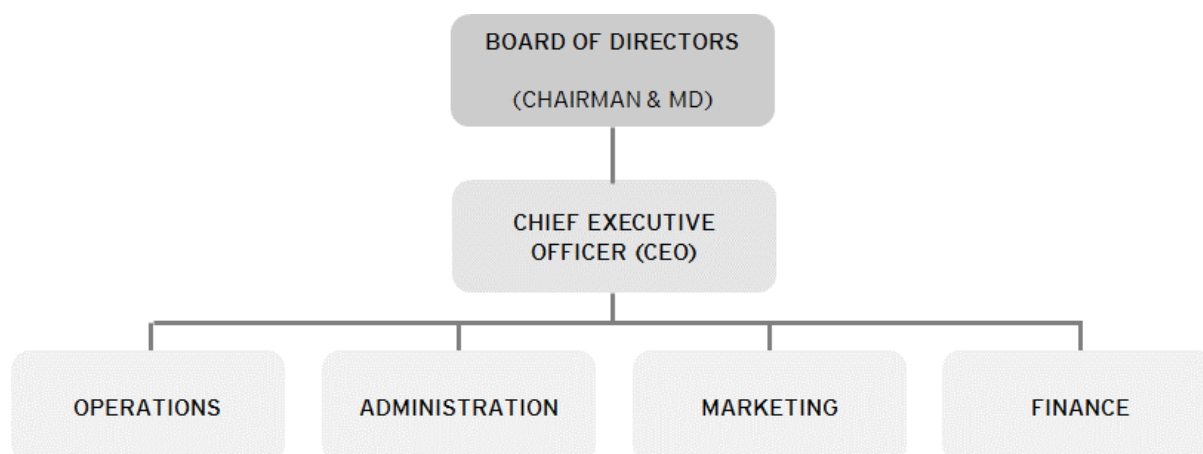


Figure 7: Organisational Structure

[illegible]

6. Project Economics

6.1 Project Cost

The total project cost is estimated at **Rs. 528.91 lakhs**. The project cost for setting up a CFC in the Gurugram apparel cluster includes the following:

1. Land & Building
2. Machinery and equipment
3. Miscellaneous fixed assets
4. Preliminary & Pre-operative expenses
5. Contingency
6. Margin money for working capital

The detail of each project component is provided below:

6.1.1 Land & Building

Land

The proposed CFC would be require space for construction of buildings, pre-fabricated structure for installation of machinery and provision for stocking material. A lot of space also needs to be left open considering the industry FAR norms in the state. Considering the space requirements of the proposed facilities in the CFC and the FAR norms, it is estimated that a plot of about 41,00 sq. ft. shall be required.

HSI IDC has allotted a plot of land in the name of cluster at sector 28 in Panipat on free hold basis. The land is in an industrial township with power availability developed by HSI IDC. The land is appropriately located and only 10 kms away from the major existing industrial estate in Panipat. As per the allotment letter the value for the land is Rs. 246.00 Lakhs. Allotment letter from HSI IDC is attached at **annexure-4**.

Building

The SPV will build the single storied building with their own expenses and they do not required any grant-in-aid for the construction of building from Govt. of Haryana under the scheme . The total cost of construction of the building to Rs. 42.00 Lakhs. The total covered area for building is 8500 square feet. The building estimate is attached at **annexure-5**.

6.1.2 Plant and Machinery

As detailed in section 4.2 (hard interventions), one Reactive Printing machine, Inkjet Printer. Oil Roll heat press machine, Electric Chamber, Boiler, Winch Washing have been recommended to form the CFC as the primary machines. In addition, a list of 12 equipment including DG Set and transformer have been proposed as the secondary machines. The machines that shall be used primarily for job work have been categorized as primary, whereas, the auxiliary/supporting machines have been categorized as secondary machines. The total cost of plant and machineries has been estimated at Rs. 207.49 lakhs including taxes, and contingency works out to Rs. 11.23 lakhs.

The details of the proposed machinery items are presented in the table below. The detailed specifications and quotations of the machines are provided (***as annexure 6***). The SPV has considered quotations for machinery from suppliers based on the manufacturer's reputation, service support, price and quality. However, an open online tendering system shall be followed for procurement of these machines during project execution, and selected vendors will be further invited to negotiate.

Table 7: List of Proposed Plant & Machinery

PLANT & MACHINERY (Rs. In Lakh)								
S. No.	Machine Name	Quantity	Basic Price	Total Basic Price	GST as Applicable *	Total Price	Grand Total	Supplier Options
		Indigenous	Indigenous	Indigenous	Indigenous	Indigenous		
A	Primary Machinery							
1	Reactive Printing Machine	1	62.40	62.40	11.0	73.63	73.63	Bluejade Texink Pvt. Ltd.
2	Inkjet Printer	4	7.80	31.20	6.0	36.82	36.82	
3	Oil Roll heat press machine without including Glass	2	10.20	20.40	3.67	24.07	24.07	Satnam Export Import Trading Company
4	Electronic Chamber with Pin & Clip	1	15.00	15.00	2.70	17.70	17.70	Indoasia Machines Pvt. Ltd.
5	Boiler	1	10.00	10.00	1.80	11.80	11.80	
6	Winch Washing	2	5.00	10.00	1.80	11.80	11.80	
7	Star Eager	1	1.00	1.00	0.18	1.18	1.18	
	Sub Total (A)	12	111.40	150.00	27.00	177.00	177.00	
B	Secondary Machinery							
1	DG Set (100 KVA)	1	10.00	10.00	1.80	11.80	11.80	Koel Green
2	Computers with 30 Batteries of each computer	6	1.00	6.00	1.68	7.68	7.68	
3	Transformer	1	7.00	7.00	1.96	8.96	8.96	

4	Air Conditioner (2 Ton)	4	0.40	1.60	0.45	2.05	2.05	
	Sub Total (B)	12	18.40	24.60	5.89	30.49	30.49	
	Grand Total	24	129.80	174.60	32.89	207.49	207.49	

Note-

1. Custom duty & GST rates are tentative
2. Conversion rate: 1 USD = INR 65/- for Digital Textile Printer amounting to USD 103,000/-

6.1.3 Miscellaneous Fixed Assets

The CFC would also require fixed assets such as furniture, fixtures, computers etc. for smooth operations of the CFC. The total estimated capital expenditure for purchase of miscellaneous fixed assets is estimated to be Rs. 2.80 lakhs. Details are provided in the table below.

Table 8: Miscellaneous Fixed Assets

MISCELLANEOUS FIXED ASSETS (Rs. In Lakh)		
S. No.	Particulars	Amount
1	Office computer (3 nos.)	1.20
2	Furniture (desks and chairs)	1.00
3	Office Equipment	0.60
	Total	2.80

6.1.4 Preliminary and Pre-operative Expenses

Another major component of the project cost is the preliminary and pre-operative expenses. The preliminary expenses are envisaged as expenses incurred for registration of SPV, legal and administrative expenses, tendering forms, tendering cost, etc.

Pre-operative expenses include expenses for electricity connection charges, refurbishment of the building, administrative establishment, travelling, bank charges, stationery, telephone, and overhead expenses during machinery testing, machine testing cost, bank charges, traveling, etc. The total expenditure for preliminary and pre-operative expenses is estimated at Rs. 7.60 lakh (details provided in the table below).

Table 9: Preliminary and Pre-Operative Expenses

PRELIMINARY & PRE OPERATIVE EXPENSES (Rs. In Lakh)		
S. No.	Particulars	Amount
1	Company Registration Charges	1.00
2	Tender forms & tendering cost	0.50
3	Project Report Preparation (DSR & DPR)	Nil
4	Project Management Charges	Nil
5	Travelling Cost	0.25
6	One time electricity connection charges	4.50
7	Cost of Refurbishment, electricity fittings, plumbing	0.75
8	Lease deed registration charges	0.00
9	Security Deposit (Rent)	0.00
10	Bank Appraisal Charges	0.60
	Total	7.60

6.1.5 Provision for Contingencies

As per the guidelines of State Mini Cluster Development Scheme, a provision for contingencies has to be made on plant/machinery and building (not applicable in this case as the building is being taken on a lease basis). Contingencies on building is estimated 2% of the amounts & plant and machinery is estimated at 5% that amounts to Rs. 10.43 lakhs.

6.1.6 Margin Money for Working Capital

The total working capital requirement during the first year of operation at 75% capacity utilization is estimated at Rs. 46.99 lakh. The corresponding loan for working capital, if required, is calculated at Rs. 35.24 lakh with margin money requirement of Rs. 11.75 lakh (being more than 25% of working capital requirement). The working capital requirement has been calculated based on requirement of one month of operational expenses & 1 month's debtor collection period. The calculation has been provided in the subsequent section.

6.1.7 Summary Project Cost

A summary of the total estimated project cost as per actual and as per State Mini Cluster Development Scheme is presented in the table below:

Table 10: Total Project Cost

PROJECT COST (Rs in Lakh)				
S. No.	Particulars	Total Project Cost	Amount as per Guidelines	Remarks
1	Land & Building			
	a. Land Value	246.00		
	b. Land Development	0.00	0.00	
	c. Building & Other Civil Works	42.00		
	d. Building Value	0.00		
	Sub Total (A)	288.00	0.00	Eligible (Max 25% of project cost)
2	Plant & Machinery			
	a. Indigenous	177.00		
	b. Imports	0.00	200.00	
	c. Secondary Machines	30.49		
	Sub Total (B)	207.49	200.00	Eligible
3	Miscellaneous fixed assets (C)	2.80	0.00	
4	Preliminary & Preoperative Expenses (D)	7.60	0.00	
5	Contingency			
	a. Building @ 2%	0.84	0.00	
	b. Plant & Machinery @ 5%	10.43	0.00	
	Sub Total (E)	11.27	0.00	
6	Margin money for working capital (Working capital required @ 75% C.U.)	11.75	0.00	
	Sub Total (F)	11.75	0.00	
	Grand Total (A+B+C+D+E+F)	528.91	200.00	Not eligible for grant

6.2 Means of Finance

The project will be financed from two sources: equity from SPV, and grant-in-aid from Govt. of Haryana (under State Mini Cluster Development Scheme, Haryana EPP-2015). Working capital loan, if required, will be secured from a preferred local bank. The assistance to the project from Govt. of Haryana under State Mini Cluster Development Scheme is envisaged to the tune of 90% of the project cost for project up to Rs. 200 lakhs. SPV will be required to contribute 10% of project cost for project cost up to Rs. 200 lakh. Hence, the SPV members have proposed to contribute the entire amount beyond Rs. 180 lakhs. The total contribution of SPV members will amount to Rs. 348.91 lakhs. Support from the State Government is envisaged for Rs. 180.00 Lakhs.

Details of the means of finance are provided in the table below:

Table 11: Means of Finance

Means of Finance		
S. No.	Source of finance	Total Amount (Rs. In Lakh)
1	Grant-in-aid (Govt. of Haryana)	180.00
2	Contribution of SPV	348.91
	Total	528.91

Detailed Means of Finance						
S. No.	Source of finance	Project cost up to Rs. 200 lakh		Project cost over Rs. 200 lakh		
		% Contribution	Amount (Rs. in lakh)	% Contribution	Amount (Rs. in lakh)	Total Amount (Rs. in lakh)
1	Grant-in-aid under State Mini Cluster Development Scheme (max 90% (including soft intervention))	90%	180.00	0%	0.00	180.00
2	Contribution of SPV	10%	20.00	100%	328.91	348.91
	Total	100%	200.00	100%	328.91	528.91

6.2.1 Capital

The contribution of the SPV members will be by way of capital contribution in the SPV registered as a Private Limited Company. The total obligation of contribution would be Rs. 348.91 lakh contributed by the cluster SPV.

The extent of capital contribution by each member will be restricted to a maximum of 10% of total contribution to the capital of the company.

6.2.2 Grant-in-Aid

Grant-in-aid of Rs. 180 lakh is expected from Government of Haryana. The amount received by the way of grant under State Mini Cluster Development Scheme will only be utilized to procure plant and machinery for the project.

6.3 Expenditure Estimates

In this section, a detailed estimate of expenditure of the CFC has been conducted on eight hour single shift (i.e. 8 hour) operation basis. This has been estimated based upon extensive

inputs by the cluster members and the prevalent rates of consumables, utilities and manpower in the cluster. This section considers annual cost of undertaking job work and expenditure estimates. The critical components related to expenditure comprise consumables, manpower, electricity and also expenditure on repair and maintenance of assets, insurance and administrative overheads.

Other elements comprise expenditures by the way of interest toward working capital loan, miscellaneous expenses and non-cash depreciation expenditure.

6.4 Consumables

Machines installed at the CFC shall require consumables during operations and completion of the job work. Consumables are critical components of project facilities and may be understood in terms of ink, diesel, oil, water, paper etc.

Table 12: Consumables required by the CFC

CONSUMABLES REQUIRED FOR MACHINES															
S. No.	Machine Name	No. Of Machines	Particulars	Quantity per day	No. Of working days per month	Quantity per month	Rate	Total monthly Amt (Rs.)	Consumables required annually (Rs. In Lakh)	Amount (in Rs. Lakh)	Amount (in Rs. Lakh)	Amount (in Rs. Lakh)	Amount (in Rs. Lakh)	Amount (in Rs. Lakh)	Amount (in Rs. Lakh)
										Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
										75%	80%	85%	90%	95%	100%
A. Primary Machines															
1	Reactive Printing Machine	1	Ink (litre) & Other Chemicals	10	25	250	1500	375000	45.00	33.75	36.00	38.25	40.50	42.75	45.00
2	Inkjet Printer	4	Paper	2100	25	52500	10	525000	63.00	47.25	50.40	53.55	56.70	59.85	63.00
			Ink (litre)	20	25	500	1500	750000	90.00	67.50	72.00	76.50	81.00	85.50	90.00
B. Secondary Machines															
1	Genset (100 KVA)	1	Diesel (litre)	1.5	25	37.5	70	2625	0.32	0.24	0.25	0.27	0.28	0.30	0.32
2	Air Conditioners	2	Maintenance					1000	0.12	0.09	0.10	0.10	0.11	0.11	0.12
	Total								198.44	148.83	158.75	168.67	178.59	188.51	198.44
	Consumables per month								16.54	12.40	13.23	14.06	14.88	15.71	16.54

6.4.1 Manpower Requirement

Another major expenditure head is the manpower. Facilities installed at CFC will require manpower to function effectively. The total manpower requirement for the project would be about 16 persons. The manpower required under project has been divided under two categories: Direct & Indirect. Direct manpower is required for operation of machines while indirect manpower is required for administrative purposes. The annual expenditure on salary component for direct manpower is estimated at Rs. 26.40 lakh and for indirect at Rs. 9.50 lakhs. The total expense on manpower is projected at Rs. 2.99 lakh per month or Rs. 35.90 lakh per annum.

The details of monthly and yearly expenses for manpower required for running the project is provided in table below:

Table 13: Expenditure Related to Salary (direct manpower)

DIRECT MANPOWER REQUIREMENT				
Category	No. of Manpower Required	Salary per month per person (Rs.)	Total Salary Per Month (Rs.)	Total salary & wages per Year (Rs. in lakh)
DIRECT MANPOWER				

Supervisor	3	25,000.00	75,000.00	9.00
Operator	4	24,000.00	96,000.00	11.52
Designer	1	30,000.00	30,000.00	3.60
Helper	6	11,000.00	66,000.00	7.92
Office Boy	1	10,000.00	10,000.00	1.20
	15	1,00,000.00	2,77,000.00	33.24
Add: Perquisites/Fringe Benefits @ 10%				3.32
Sub Total (A)				36.56

Table 14: Expenditure Related to Salary (indirect manpower - administrative and support staff)

INDIRECT MANPOWER REQUIREMENT				
Category	No. of Manpower Required	Salary per month per person (Rs.)	Total Salary Per Month (Rs.)	Total salary & wages per Year (Rs. in lakh)
Cluster Development Executive (CDE)	1	30,000.00	30,000.00	3.60
Accountant	1	20,000.00	20,000.00	2.40
Security Guard	2	12,000.00	24,000.00	2.88
	4	52,000.00	74,000.00	8.88
Add: Perquisites/Fringe Benefits @ 10%				0.89
Total				9.77

6.4.2 Utilities

The most important utilities required in the project is power supply. Proposed CFC requires power for operation of machinery as well as other supporting equipment for smooth operations. The total connected load requirement has been estimated at 62.00 kW. The table below depicts the machine and equipment wise power requirement in the CFC. The drawn power is conservatively assumed at 60% of the connected load in the case of operating facilities and shop floor.

Table 15: Machine & Equipment (facility) wise power requirement

UTILITIES			
S. No.	Machine & Equipment	Power Requirement (kW)/ Connected Load	Total power requirement (60% of drawn power) kWh
1	Reactive Printing Machine	15.00	9.00
2	Inkjet Printer	12.00	7.20
3	Oil Roll heat press machine without including Glass	42.00	25.20
4	Electronic Chamber with Pin & Clip	7.00	4.20
5	Boiler	15.00	9.00
6	Winch Washing	12.00	7.20
7	Star Eager	4.00	2.40

8	6 Set of Computers with 30 Batteries of each computer	0.00	0.00
9	4 Air Conditioners 2 ton each	12.00	7.20
10	Administrative Facilities	5.00	3.00
	Total Connected load for CFC	124.00	74.40
	Buffer Connected Load (10% of Total Connected Load)	2.40	
	Total	136.40	

The power requirement for operation of core machinery and equipment and administrative facilities is 136.40 kW. The facility is heavily based on electricity for operations and will also require additional 10% connected load as a buffer to get the electricity connection, accordingly and the buffer connected load is 12.40 kW. The total connected load for the CFC is estimated to be 124.40 kW.

Fixed charges for connection of 136.40 kW @ Rs. 160 per kW equal Rs. 21,824/- per month and monthly consumption charges @ Rs. 8.00 per unit consumption for 14880 units amounts to Rs. 1,19,040/- per month. This has been calculated based on the prevalent rates of the power provider.

The table below presents the envisaged annual expenditure in terms of power related charges.

Table 16: Annual Expenditure Statement vis-à-vis Power Charges

POWER CHARGES AT VARIOUS CAPACITY UTILIZATION										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
Fixed	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62
Variable	10.71	11.43	12.14	12.86	13.57	14.28	14.28	14.28	14.28	14.28
Total	13.33	14.05	14.76	15.48	16.19	16.90	16.90	16.90	16.90	16.90
Per month	1.11	1.17	1.23	1.29	1.35	1.41	1.41	1.41	1.41	1.41

6.4.3 Annual Repairs & Maintenance Expenses

The annual repairs and maintenance expenses have been estimated to be Rs. 6.72 lakh. The details are presented in the table below:

Table 17: Annual Repairs and Maintenance Expenditure

ANNUAL REPAIR AND MAINTENANCE EXPENSES (Rs. In lakh)	
Repair & Maintenance of Building	0.50
Repair & Maintenance of Plant and Machineries @ 3%	6.22
Sub Total A	6.72

Insurance and miscellaneous Administrative Expenses

Insurance is a critical component of asset protection at the CFC. Insurance is computed on the basis of 0.5 percent on the fixed assets. Cost of insurance shall remain as a fixed cost. Miscellaneous administrative expenses are estimated at a lump-sum of Rs. 2.40 lakh per year. The details are presented in the table below:

Table 18 Insurance and Miscellaneous Administrative Expenses

OTHER EXPENSES (Rs. In lakh)	
Insurance Charges (Estimate @ 0.5% on fixed assets (such as buildings, civil works, and Plant & machinery, including related contingency expenses of approx.	1.30
Miscellaneous Expenses (Stationery, communication, travelling, and other misc. overheads)	2.40
Sub Total B	3.70

6.5 Working Capital Requirements

Working capital has been calculated in terms of one month's operating expenses required for the CFC and 1 months' debtor collection period. The operating expenses include consumables, utilities & rent expenses. The details are presented in the table below:

Table 19 Working Capital Requirement

WORKING CAPITAL (Rs. In Lakh)												
Sr. No.	Particulars	Period	As per Capacity Utilisation									
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
1	Consumables	1 month	12.40	13.23	14.06	14.88	15.71	16.54	16.54	16.54	16.54	16.54
2	Utilities (Power)	1 month	1.11	1.17	1.23	1.29	1.35	1.41	1.41	1.41	1.41	1.41
3	Working Expenses (Manpower)	1 month	3.10	3.25	3.40	3.56	3.71	3.86	3.86	3.86	3.86	3.86
4	Rent	1 month	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Sundry Debtors (Sales Value)	1 months	30.38	32.40	34.43	36.45	38.48	40.50	40.50	40.50	40.50	40.50
6	Working capital (Total expenses)		46.99	50.05	53.11	56.18	59.24	62.31	62.31	62.31	62.31	62.31
7	Working Capital Margin		11.75	12.51	13.28	14.04	14.81	15.58	15.58	15.58	15.58	15.58
8	Working Capital Loan		35.24	37.54	39.84	42.13	44.43	46.73	46.73	46.73	46.73	46.73
9	Interest on Working capital loan @11% p.a.		3.88	4.13	4.38	4.63	4.89	5.14	5.14	5.14	5.14	5.14
10	Working Capital Margin %age		25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%

The working capital requirement of the project for the one month of operation has been considered for consumables and expenses. The SPV will contribute the margin money for working capital and rest of working capital will be borrowed from local bank. While calculating the project cost, minimum 25% of working capital is shown as margin for working capital and the remaining will be borne by SPV as borrowings. The total working capital is estimated to be Rs. 46.99 lakh during the first year of operation (75% C.U.). Further, total working capital required at an operating capacity of 80% during the second year comes out to Rs. 50.05 lakh. The corresponding margin money for working capital requirement at 75% and 80% capacity utilization in the first 2 years amounts to Rs. 11.75 lakh and Rs. 12.51 lakh respectively, and the corresponding loan is calculated at Rs. 35.24 lakhs & 37.54 lakhs.

6.6 Depreciation Estimates

Estimates of depreciation are non-cash expenditure and presented in this section on the basis of Written down Value (WDV) method. Accounting for depreciation would facilitate sustainability of operations in terms of developing a fund for replacement of assets. The relevant fund that is accumulated could facilitate the replacement of such assets toward the end of the envisaged asset life of 10 years. Depreciation of plant and machinery is considered at 15% a year (envisaged project life of 10 years prior to replacement of assets); depreciation of computers is considered at 60% per year, furniture at 10% per year, and miscellaneous fixed assets at 15% a year. The computation of depreciation as per WDV method is provided in the tables below.

Table 20: Depreciation based on WDV

DEPRECIATION (WRITTEN DOWN VALUE METHOD) (Rs. In lakh)										
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Land										
Opening Balance	246.00	246.00	246.00	246.00	246.00	246.00	246.00	246.00	246.00	246.00
Less : Depreciation	-	-	-	-	-	-	-	-	-	-
Closing Balance	246.00	246.00	246.00	246.00	246.00	246.00	246.00	246.00	246.00	246.00
Building and Civil work										
Opening Balance	40.84	38.56	34.70	31.23	28.11	25.30	22.77	20.49	18.44	16.60
Less: Depreciation @ 10%	4.28	3.86	3.47	3.12	2.81	2.53	2.28	2.05	1.84	1.66
Closing Balance	38.56	34.70	31.23	28.11	25.30	22.77	20.49	18.44	16.60	14.94
Plant & Machinery										
Opening Balance	217.86	185.18	157.41	133.79	113.73	96.67	82.17	69.84	59.37	50.46
Less: Depreciation @ 15%	32.68	27.78	23.61	20.07	17.06	14.50	12.33	10.48	8.90	7.57
Closing Balance	185.18	157.41	133.79	113.73	96.67	82.17	69.84	59.37	50.46	42.89
Computers										
Opening Balance	1.26	0.50	0.20	0.08	0.03	0.01	0.01	0.00	0.00	0.00
Less: Depreciation @ 60%	0.76	0.30	0.12	0.05	0.02	0.01	0.00	0.00	0.00	0.00
Closing Balance	0.50	0.20	0.08	0.03	0.01	0.01	0.00	0.00	0.00	0.00

Furniture										
Opening Balance	1.00	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39
Less: Depreciation @ 10%	0.10	0.09	0.08	0.07	0.07	0.06	0.05	0.05	0.04	0.04
Closing Balance	0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35
Other Misc. Fixed Assets										
Opening Balance	0.60	0.51	0.46	0.41	0.37	0.33	0.30	0.27	0.24	0.22
Less: Depreciation @ 15%	0.09	0.05	0.05	0.04	0.04	0.03	0.03	0.03	0.02	0.02
Closing Balance	0.51	0.46	0.41	0.37	0.33	0.30	0.27	0.24	0.22	0.20
Total Depreciation	37.91	32.08	27.33	23.35	19.99	17.13	14.69	12.60	10.82	9.29
Depreciated value	471.65	439.58	412.25	388.89	368.90	351.77	337.08	324.48	313.67	304.38

6.7 Income/Revenue estimates

The CFC is expected to generate revenue by way of user charges that shall be levied based upon the volume of fabric that will be digitally printed. The user charges shall vary based upon the user i.e. - the SPV members and non SPV members. The user charges will be less for the SPV members as compared to non SPV members. Firms based outside Gurugram shall be charged a premium for availing the CFC services. The major income sources for the CFC are envisaged by the way of providing digital printing facilities- regular and specialized (both on fabric and garment).

The user charges have been estimated based upon the operational expenses of the CFC and the prevalent market rates in Panipat. User charges for secondary machines have not been considered as a part of revenue. Estimation of user charges for availing services at CFC has been done on a conservative basis. An average user charge has been used, taking into account the demand for digital printing.

The relevance and appropriateness of user charges is also evident from the fact that the rates fixed help meet operating expenditures and provide sustainable replacement of assets. It is also envisaged that the CFC will generate enough income to sustain and grow, making it an absolutely viable project.

The estimated user charges are presented in table below:

Table 21: User Charges for Machinery

REVENUE GENERATION AT CFC (Rs. In Lakh)													
S. No.	Machine Name	User Charge per job work (Rs. Per sq. m)	Output per day (sq. m)	Daily Job Work Revenue (Rs.)	No. Of Working days per month	Revenue per month (Rs. lakh)	Annual Revenue generation (in Rs. lakh)	Amount in Rs. Lakh	Amount in Rs. Lakh	Amount in Rs. Lakh	Amount in Rs. Lakh	Amount in Rs. Lakh	Amount in Rs. Lakh
								Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
								75%	80%	85%	90%	95%	100%
1	Reactive Printing Machine	100	500	50000	25	12.50	150.00	112.50	120.00	127.50	135.00	142.50	150.00
2	Inkjet Printer	80	1400	112000	25	28.00	336.00	252.00	268.80	285.60	302.40	319.20	336.00
	Total						486.00	364.50	388.80	413.10	437.40	461.70	486.00

6.8 Estimation of profitability: Income and Expenditure statement

The projection for income and expenditures of the CFC has been conducted for ten years. The projections have been undertaken based upon the income and expenditure heads mentioned in previous sections. The projected statements highlight income, expenses, profits earned, income tax and net profit etc. The details are presented in the table below:

The total gross revenue is estimated to be Rs. 364.50 lakhs per annum at an operating capacity of 75%. For projection purposes, operating capacity of 75% is considered during first year, 80% during next year and 100% capacity from 6th year onwards.

The income tax rates have been considered as per rates applicable to a private limited company according to the Income Tax Act, 1961. Income tax has been considered at 25.75% per cent on taxable profit inclusive of all the tax components. The incidence of tax ranges from Rs. 27.89 lakhs in the first year to Rs. 49.51 lakhs in Year 10.

As evident from the table below, the project is financially viable. A cumulative surplus of about Rs. 1226.21 lakh shall be earned by the SPV even after accounting for taxation and depreciation at the end of ten years. This surplus generated shall be used for further addition in the machinery or improvement and up-gradation of facilities. Additionally, the SPV intends to conduct a lot of other development activities in the cluster that shall be funded through the surplus earned at the CFC.

Table 22: Profit & Loss Statement

										(Rs. In Lakh)
PROFIT & LOSS ACCOUNT (Rs. In Lakh)										
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number of working days	300	300	300	300	300	300	300	300	300	300
Number of shift	1	1	1	1	1	1	1	1	1	1
Capacity Utilization in %	75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
A. Income										
(User/ Service Charge)	364.50	388.80	413.10	437.40	461.70	486.00	486.00	486.00	486.00	486.00
B. Cost of Production :										
1. Utilities Power (Fixed + Variable)	13.33	14.05	14.76	15.48	16.19	16.90	16.90	16.90	16.90	16.90

2. Direct labour and wages	27.42	29.25	31.08	32.91	34.74	36.56	36.56	36.56	36.56	36.56
3. Consumable	148.83	158.75	168.67	178.59	188.51	198.44	198.44	198.44	198.44	198.44
4. Repair and Maintenance	5.04	5.38	5.72	6.05	6.39	6.72	6.72	6.72	6.72	6.72
5. Depreciation	37.91	32.08	27.33	23.35	19.99	17.13	14.69	12.60	10.82	9.29
Total Cost of production	232.53	239.50	247.55	256.38	265.82	275.76	273.32	271.23	269.44	267.92
C. Administrative expenses :										
6. Manpower (Indirect)	9.77	9.77	9.77	9.77	9.77	9.77	9.77	9.77	9.77	9.77
7. Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8. Insurance	1.30	1.13	0.97	0.83	0.71	0.61	0.53	0.46	0.39	0.34
9. Misc Expense	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Total Administrative Expenses	13.47	13.30	13.14	13.00	12.88	12.78	12.70	12.62	12.56	12.51
D. Financial expenses :										
10. Interest on Working capital loan @ 11% per annum	3.88	4.13	4.38	4.63	4.89	5.14	5.14	5.14	5.14	5.14
Total Financial Expenses	3.88	4.13	4.38	4.63	4.89	5.14	5.14	5.14	5.14	5.14
E. Total Expenses B+C+D	249.88	256.93	265.07	274.02	283.59	293.68	291.15	288.99	287.14	285.56
F. Profit A - E	114.62	131.87	148.03	163.38	178.11	192.32	194.85	197.01	198.86	200.44
G. P&P Expenses written off	1.52	1.52	1.52	1.52	1.52	0.00	0.00	0.00	0.00	0.00
H. Income before Tax (F-G)	113.10	130.35	146.51	161.86	176.59	192.32	194.85	197.01	198.86	200.44
I. Adjustment of Loss	-	-	-	-	-	-	-	-	-	-
J. Income Tax (@25.75% for company)	29.12	33.57	37.73	41.68	45.47	49.52	50.17	50.73	51.21	51.61
K. Net Profit /Loss for the year	83.97	96.79	108.78	120.18	131.12	142.80	144.67	146.28	147.65	148.82
L. Cumulative Surplus	83.97	180.76	289.54	409.73	540.85	683.64	828.32	974.60	1122.25	1271.07

6.9 Cash flow statement

Cash flow statement indicates the cash balance and the liquidity position of the project over the years. The table below presents the sources and disposal/uses of funds statement of the project.

Table 23: Cash Flow Statement

CASH FLOW STATEMENT (Rs in Lakh)											
Particulars	Const Period	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
A. Source Funds :											
1. Cash Accruals (Net Profit + Interest Paid)		118.49	136.00	152.41	168.02	183.00	197.46	199.99	202.15	204.00	205.58
2. Increase in capital	348.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Depreciation		37.91	32.08	27.33	23.35	19.99	17.13	14.69	12.60	10.82	9.29
4. Increase in WC Loan		35.24	2.30	2.30	2.30	2.30	2.30	0.00	0.00	0.00	0.00
5. Change in Expenses Payable		199.35	12.46	12.46	12.46	12.46	12.46	0.00	0.00	0.00	0.00
6. Increase in Grant-in-aid from GoH	180.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Sources of Funds	528.91	390.99	182.84	194.50	206.14	217.75	229.35	214.68	214.75	214.81	214.87
B. Use of Funds :											
1. P&P Expenses	7.60	-	-	-	-	-	-	-	-	-	-
2. Increase in fixed assets	509.56	-	-	-	-	-	-	-	-	-	-
3. Increase in other Assets	11.75	40.00	8.77	10.37	12.29	14.59	17.35	19.91	23.89	28.67	34.40
4. Increase in Sundry Debtors		30.38	2.03	2.03	2.03	2.03	2.03	0.00	0.00	0.00	0.00
5. Interest		3.88	4.13	4.38	4.63	4.89	5.14	5.14	5.14	5.14	5.14
6. Taxation		29.12	33.57	37.73	41.68	45.47	49.52	50.17	50.73	51.21	51.61
Total Use of Funds	528.91	103.37	48.49	54.50	60.63	66.97	74.04	75.22	79.76	85.01	91.15
C. Net Surplus (A -B)		287.62	134.35	140.00	145.51	150.78	155.31	139.46	134.99	129.80	123.72
D. Cumulative Surplus		287.62	421.97	561.98	707.49	858.26	1013.57	1153.03	1288.02	1417.82	1541.54

The cash flow statement showcases the available net surplus for 10 years of the CFC operations. As most of the capital expenditure is being supported as grant under the State Mini Cluster Development Scheme, therefore it does not have any negative effect on the Cash flow, in terms of interest, etc.

6.10 Projected Balance Sheets

The annual balance sheets for the CFC have been projected based upon estimates in the earlier sub-sections with regard to various current and fixed liabilities and also current and fixed assets. As evident from the projections, a considerable amount of reserves and surplus gets accumulated. These shall also be utilized for expansion of the CFC and undertaking other cluster development activities. Decision on deployment of reserves and surplus accumulated will be based on the performance of the project and requirements of cluster firms and members of the SPV. The projected balance sheets are provided in the table below:

Table 24: Projected Balance Sheets

PROJECTED BALANCE SHEET (Rs in lakh)											
Particulars	At the end of impl. Period	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
1. Fixed Assets :											
Gross Block	509.56	509.56	471.65	439.58	412.25	388.89	368.90	351.77	337.08	324.48	313.67
Less : Depreciation (WDV)		37.91	32.08	27.33	23.35	19.99	17.13	14.69	12.60	10.82	9.29
Net Block	509.56	471.65	439.58	412.25	388.89	368.90	351.77	337.08	324.48	313.67	304.38
Total Fixed Assets (A)	509.56	471.65	439.58	412.25	388.89	368.90	351.77	337.08	324.48	313.67	304.38
2. Current Assets :											
Cash & bank Surplus (B.F)		287.62	421.97	561.98	707.49	858.26	1013.57	1153.03	1288.02	1417.82	1541.54
Sundry Debtors		30.38	32.40	34.43	36.45	38.48	40.50	40.50	40.50	40.50	40.50
Margin Money for WC Loan	11.75	11.75	12.51	13.28	14.04	14.81	15.58	15.58	15.58	15.58	15.58
Other Current Assets		40.00	48.00	57.60	69.12	82.94	99.53	119.44	143.33	171.99	206.39
3. P&P Exp	7.60	6.08	4.56	3.04	1.52	0.00	0.00	0.00	0.00	0.00	0.00
Total current Assets (B)		375.82	519.45	670.32	828.62	994.49	1169.18	1328.54	1487.42	1645.89	1804.01

Total Assets (A+B)	528.91	847.48	959.02	1082.57	1217.51	1363.39	1520.95	1665.63	1811.91	1959.56	2108.38
4. Current Liabilities :											
Working Capital Loan		35.24	37.54	39.84	42.13	44.43	46.73	46.73	46.73	46.73	46.73
Expenses Payable		199.35	211.81	224.28	236.74	249.21	261.67	261.67	261.67	261.67	261.67
Total Current Liabilities (C)		234.59	249.35	264.11	278.88	293.64	308.40	308.40	308.40	308.40	308.40
5. Fixed Liabilities											
Shareholders' Contribution	348.91	348.91	348.91	348.91	348.91	348.91	348.91	348.91	348.91	348.91	348.91
Grant from GoH	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00	180.00
Reserves and Surplus		83.97	180.76	289.54	409.73	540.85	683.64	828.32	974.60	1122.25	1271.07
Total Fixed Liabilities (D)	528.91	612.88	709.67	818.45	938.64	1069.76	1212.55	1357.23	1503.51	1651.16	1799.98
Total Liabilities (C+D)	528.91	847.48	959.02	1082.57	1217.51	1363.39	1520.95	1665.63	1811.91	1959.56	2108.38

E. Fixed Overheads (Non-cash)										
Depreciation	37.91	32.08	27.33	23.35	19.99	17.13	14.69	12.60	10.82	9.29
Preliminary & Pre-operative expenses written off	1.52	1.52	1.52	1.52	1.52	0.00	0.00	0.00	0.00	0.00
Sub-total (E)	39.43	33.60	28.85	24.88	21.51	17.13	14.69	12.60	10.82	9.29
F. Total Fixed Overheads (D+E)	55.52	49.51	44.60	40.49	37.01	32.53	30.00	27.84	26.00	24.41
Break even point (F/C)	32.93%	27.53%	23.34%	20.01%	17.33%	14.47%	13.34%	12.38%	11.56%	10.86%

Book break-even is achieved at 32.93 % (at 75% operational capacity) and at 27.53% (at 80% operational capacity). The operations of the CFC are expected to break-even and realize profit from 1st year itself. Therefore, very low risk is involved in the project.

6.12 Feasibility analysis summary and sustainability indicators

A summary of the financial analysis in terms of key financial indicators such as Return on Capital Employed (ROCE), Net Present Value (NPV), Break Even Point (BEP) and the Internal Rate of Return (IRR) is presented in the table below. The indicators validate the financial viability and sustainability potential of the proposed project.

Table 26: Financial Analysis

FEASIBILITY		
S. No.	Particulars	Estimates
1	BEP (cash BEP at initial operating capacity of 75%)	33.80%
2	Av. ROCE (PAT/CE)	32.49%
3	Internal Rate of Return (IRR)	21.54%
4	Net Present Value (at a discount rate of 10 per cent) - incorporating viability gap funding (grant) by GoH	NPV is positive and high (Rs.356.86 lakhs) at a conservative project life of 10 years
5	Payback period	5 years & 1 months with Grant-in-aid assistance from GoH

The annual estimates in the context of ROCE are presented in the table below:

Table 27 Calculation of Return on Capital Employed

RETURN ON CAPITAL EMPLOYED (ROCE)											
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Average
Earning Before Interest and Tax (EBIT)	116.97	134.48	150.89	166.50	181.48	197.46	199.99	202.15	204.00	205.58	175.95
Capital Employed (with grant)	528.91	528.91	528.91	528.91	528.91	528.91	528.91	528.91	528.91	528.91	528.91
ROCE = EBIT/Captial Employed											
ROCE (with Grant)	22.12%	25.43%	28.53%	31.48%	34.31%	37.33%	37.81%	38.22%	38.57%	38.87%	33.27%

The average value of ROCE (with grant-in-aid) is 33.27%. This indicates the high techno-economic viability of the project should the government contribute a significant portion of the project cost as grant. Capital employed considered includes the SPV contribution as well as the grant component to the project.

The Net Present Value is estimated at Rs. 356.86 at a discount rate of 10%. As reflected from the high values of NPV, it is positive at even 10%, the rate at which bank offers debt capital facility and even at higher discount rates. The project IRR is high at over 23.19% (at a conservative project life of 10 years). This substantiates the viability of the project.

6.13 Additional revenue sources

Additional sources of revenue shall also be explored by the SPV by offering procurement and marketing services in future to more enterprises. The SPV members are strong believers of the cluster concept and would like to explore the potential of undertaking cluster initiatives to improve the backward and forward linkages of the cluster units.

However, in order to ensure conservativeness in income estimates, in the initial years, the income earning possibilities of such revenues are not captured in this DPR.

6.14 Risk Analysis & Sensitivities

Risk in the project is relatively low in the context of the following:

- ▶ **Promoters are experienced:** Risk in the project is quite low given the strength and profile of the SPV members. They have considerable experience not only in the apparel manufacturing but also in undertaking cluster developmental initiatives.
- ▶ **Facility is pre-marketed:** Evidently, complete capacity of the core facility to be established in terms of various facilities may be easily availed by members of the SPV themselves, thus the facility would already have a captive market.
- ▶ **Sustainability indicators in terms of the strength of the SPV and the economics of the project:** Evidence of cooperative initiatives taken by the SPV members have been articulated in previous chapters, in terms of pursuing several joint efforts, registering the SPV and proceeding towards identifying the building on lease, and securing commitment from members, vis-à-vis progressively mobilizing necessary capital, all reflect the strength of the SPV.

High economic viability indicators upon considering the benefits of grant-in-aid under the state mini cluster development scheme and Haryana EPP 2015 also serve as evidence of techno-economic viability and sustainability of the project. A sensitivity analysis has been carried out to ascertain the impact on the project, should there be any loss of revenue. This has been calculated assuming drop in user charges. Major financial parameters are still attractive.

The important parameters related to the sensitivity analysis are presented in the table below:

Table 28: Sensitivity Analysis

SENSITIVITY ANALYSIS					
S. No.	Particulars	Base case	With 5% decline in user charge	With 10% decline in user charge	With 15% decline in user charge
1	BEP (cash BEP at operating capacity of 75%)	32.93%	36.89%	41.93%	48.57%
2	Internal Rate of Return (IRR)	23.19%	19.81%	16.25%	12.46%
3	Av. ROCE (PAT/CE)	33.27%	29.04%	24.80%	20.56%
4	Net Present Value (at a discount rate of 10 per cent) - incorporating viability gap funding (grant) GoH	356.86	257.97	159.08	60.19

Even assuming a fall in user charge, ROCE is favourable. From the above it is evident that the project is viable even under (unlikely) risky environment circumstances.

6.15 Assumptions for financial calculations:

The financial statements and project profitability estimates in this DPR are based on the following assumptions:

1. The total project cost is pegged @ Rs. 528.91 lakh on the basis of estimates and quotations.
2. To finance the project, a total of Rs. 528.91 lakhs is required. The financing will consist of grant from Government of Haryana and contribution by SPV.
3. In the financial projections and analysis, year 2019 is the envisaged period of project implementation also involving installation of plant, machinery and other equipment. This period will commence from the date of final approval by the State Level Steering Committee under State Mini-Cluster Development Scheme. The financial projections thereafter are prepared for 10 years of operation starting 2019.
4. The registered SPV will manage CFC, and these services are to be used by the SPV to member as well as non-member units. The common facility will benefit registered SPV as well as non-member firms who (in some cases) may not afford to contribute to necessary equity capital.
5. The CFC will operate for 25 days a month, that is, for 300 days a year on an eight hour single shift basis. Operation on single shift basis is assumed for purposes of projecting income estimates.
6. Capacity utilization is assumed at 75% in the first year; 80% for second year and 100% from 6th year and thereafter. Machines will operate for 1 shift (8 hours).
7. The workings with regard to expenses related to the project have been tabulated and categorized in terms of those related to consumables, manpower, electricity, and miscellaneous administrative expenditures.
8. Repairs and maintenance is provided @ 3% of plant and machinery cost at varying capacity utilization.
9. Insurance is provided @ 0.5% on fixed assets including building & civil works, machinery, contingency as fixed cost at all capacity utilization.
10. Electricity connection will not be required as it is already present in the building.
11. Fixed charges per kW of electric connection shall be charged @ Rs. 160 and variable charges @ Rs. 8.00 per unit consumed.
12. For calculation of Working capital limits, the debtors' collection period has been taken for 1 months.

13. One month expenses (rent, utilities, manpower & consumables) have been taken as expenses payable in the Balance Sheet.
14. Income estimates have been projected most conservatively. The prescribed user charges are competitive vis-à-vis charges for similar services in other regions.
15. Depreciation on fixed assets is calculated on Written Down Value (WDV) method for all purposes.
16. Provision for income tax has been made @ 25% (excluding cess). This is the rate prescribed for private limited company as per the recent Budget 2019.
17. Profitability estimates in terms of ROCE, NPV, and IRR are computed considering operating results for first 10 years of operation.

7. Project Implementation and Monitoring

7.1 Envisaged Implementation Framework

1. **Time frame:** Project implementation is envisaged to involve a time-frame of about 7 months upon receipt of final approval of grant-in-aid assistance from the Government of Haryana under state mini cluster development scheme.
2. **User Base:** The facilities may be used by SPV members and non-members. However, the charges will vary. The SPV will also be open for new entrants subject to them subscribing to the shareholding of the SPV, and them being genuinely pro-active and interested in cluster initiatives. The board of directors of the SPV can decide on same or differential user charges for both members and non-members or based upon the volume of the output.
3. **Project implementation schedule:** The project implementation schedule envisaged over a period of 7 months involves several activities. These are elaborated upon in the table below:

Table 29: Project Implementation Schedule

Activity/Month	1	2	3	4	5	6	7
Contribution from SPV members							
Receipt of final sanction from GoH							
Conveyance deed agreement of building in the name of SPV							
Formation of purchase committee							
Construction of building							
Inviting E-tenders for purchase of machines							
Obtaining statutory clearances and approvals							
Purchase of machinery and equipment							
Installation and trial run of machinery and equipment							
Arrangement of working capital							
Monitoring of the project by the Board of Directors							
Monitoring of the project by PMC							
Commencement of operations of the facility							

4. **Contractual agreements/MoU with member units:** Agreements have been indicatively finalized in terms of utilization of assets in respect of shareholders. A total of 10 units are participating in the SPV and all these units have agreed to subscribe to the necessary equity base of the SPV. The utilization of the common facility will be in line with the proposed shareholding pattern (annexure 6). The consent letter wherein the member units agree for payments of 10% share of cost of CFC will be submitted in due course of and as per final approval from Government of Haryana.
5. **Registration of the Private Limited Company:** Company registration is indicative of the management and decision making structure of the SPV. All the members of SPV have paid an advance and are members of the Registered Private Entity. Few other units are also willing to be members of the SPV and once the CFC is approved and sanctioned from government of Haryana, many more members will be interested to subscribe to the shares of the SPV.
6. **Availability of Land & Status of Acquisitions:** A plot of land measuring 4100 square meters has already given by the HSIIDC in Sector 28 Panipat for the cluster. The SPV will construct the building for the proposed CFC with their own expenses.
7. **Availability of Requisite Clearances:** A building with all required clearances will be leased by the SPV. Electricity is already available in the area. The other required clearances (environment, labor etc.) shall be obtained in due course.
8. **O & M Plan:** The revenue stream for O&M is dependent on realization of user charges from the SPV members and other users/MSMEs in the case of various facilities. As detailed in the financial section, the cash incomes are sufficient to meet operating expenditures, overheads as well as depreciation for sustainable replacement of assets. The SPV will also have to keep a track of maintenance of assets through collection of user charges from the members/ users.

7.2 Monitoring Mechanism

As mentioned in the implementation schedule, the following key activities shall be conducted during establishment of the CFC:

- ▶ Construction of building
- ▶ Purchase of machinery & commissioning
- ▶ Trial production
- ▶ Commercial production

The successful implementation of above activities will depend on the following aspects:

- ▶ Implementation of above within the time frame.
- ▶ Supervising and overseeing the implementation of the proposals and fine tuning and advocating more measures if needed, depending on the site conditions.
- ▶ Project level monitoring indicators to evaluate the implementation of the CFC proposal at recommended intervals.

- ▶ Suitable purchase mechanisms for proposed plant & machinery.
- ▶ Periodical reporting of the status of implementation and monitoring of the results of key performance indicators, and
- ▶ Constant evaluation of the measures implemented based on the data available from project level monitoring, status reports and providing directions accordingly.

The committee may operate under the overall monitoring of the State Level Steering Committee (SLSC). Other key stakeholders such as representatives of cluster SPV, related government departments, support institutions, cluster level industry associations and consultants may be inducted as members under the committee.

The members may comprise the following:

- i. Additional Chief Secretary, Govt. of Haryana (Chairman)
- ii. Director General, Industries and Commerce, Government of Haryana
- iii. Concerned Additional Director, Department of Industries and Commerce
- iv. JD, DIC Panipat
- v. MSME DI officer
- vi. President of related industry association
- vii. Director of related SPV
- viii. EY Cluster Development Expert under MSME project

In addition, for implementing the CFC creation for The Panipat Home Furnishing Cluster, a Project Management Committee (PMC) comprising the JD, DIC, Panipat, and representatives of SPV, and EY experts shall be constituted to directly oversee effective monitoring and implementation.

The project will be implemented through SPV and PMC will report progress of implementation to the Director General Industries & Commerce and DIC Panipat.

8. Conclusion

There is a high demand for home furnishing manufacturing with attractive digital printing in both domestic and international markets. Panipat, as one of the leading home furnishing manufacturing products hub of the country, is a leading market for digitally printed home furnishing products, supplying to some of the leading global brands such as Walmart, ITC, , etc. However, the 12000 Home Furnishing manufacturing MSEs in Panipat, are currently facing a major technology handicap in terms of the absence of digital printing facility that is conducive for all fabrics. This has resulted in units having to approach private service providers, manifesting further into higher costs of manufacturing for the units, thereby reducing their competitiveness. This challenge can be overcome by setting up a CFC with these facilities, which can be availed at lower costs. The micro and small home furnishing products manufacturing units of Panipat are dependent on external service providers for availing digital printing services, as a result of which they often face increased costs and production inefficiencies. Job-work providers often do not accept low-volume orders from MSEs, or charge high prices for this. MSEs are not priority customers for the job-work providers, and thus they often delay MSEs orders if they receive bulk orders from larger players. As a result SMEs are unable to compete with other domestic and international players.

Against this backdrop, the home furnishing products manufacturing units in Panipat require support for setting up digital printing facility. This will reduce their costs, increase efficiency and enable them to be more competitive in the market. Due to this, the following have been proposed in the CFC as primary machinery:

► Digital Printing Facility-

- Value Added Reactive digital textile printing machine
- Valued Added Sublimation Plotters

The total project cost (including plant/machinery and building) is estimated to be Rs. 528.91 lakhs. The project shall be implemented by the SPV-The Panipat Home Furnishing Cluster Private Limited which has been constituted by the cluster. The SPV has proactively undertaken a number of initiatives for capacity building and knowledge enhancement of the cluster. A number of capacity building programs and exposure visits have been organised by the SPV for the benefit for its members.

The CFC will be set up with support from DIC and the state government (Department of Industries & Commerce) under PPP mode. The building for the project has already been identified by the SPV and shall be acquired on lease basis upon the final approval by State Government. The state industry department is envisaged to provide grant for setting up of modern machines under the State Mini Cluster Development Scheme, Haryana EPP 2015. The SPV members have proposed to contribute Rs. 348.91 lakhs of the project cost. Support from Mini Cluster Development Scheme of the State Government of Haryana is envisaged for Rs. 180.00 lakh. Working capital requirement for the project will be provided by the preferred bank, if required. The project is financially viable and is expected to generate enough revenue to ensure its sustainability.

Annexures



9. Annexures

1. DSR Approval Letter from Department of Industries & Commerce, Government of Haryana

From The Director General of Industries & Commerce, Haryana,
Chandigarh.

To M/s Ernst & Young LLP,
SCO-166-167, 1st Floor, Sector 9-C, Madhya Marg,
Chandigarh. Email :- upinder.dhingra@in.ey.com


Memo No. Mini Cluster/Home Furnishing/Panipat/ 9112-A
Dated:- 24/04/19

Subject :- Approval of Diagnostic Study Report (DSR) and directions for
preparation of Detailed Project Report (DPR) of Panipat Home
Furnishing Cluster.

Kindly refer to the subject cited above.

It is informed that the Diagnostic Study Report (DSR) of Panipat Home
Furnishing Cluster has been approved by Director General of Industries and Commerce
under the State Mini Cluster Development Programme scheme.


EY LLP is directed to ensure broad basing of the constitution of SPV
before initiating steps for preparation of Detailed Project Report (DPR) of the above
said cluster.


Advisor (MSME-Development)
for Director General of Industries & Commerce, Haryana

Endst. No. Mini Cluster/Home Furnishing/Panipat/ 9113-A Dated:- 24/04/19

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

1. The Joint Director, District Industries Centre, Panipat for information.
Email:- jddicpn@gmail.com
2. Sh. Ramesh Verma, Home Furnishing Cluster Pvt. Ltd., Panipat. C/o Diamond
Exports, Babail Road, Panipat for information. They are directed to provide
the requisite information desired by EY LLP so as to enable them to prepare
the DPR at the earliest. Email:- ramesh@diamondexports.in , rameshverma.hema@gmail.com


Advisor (MSME-Development)
for Director General of Industries & Commerce, Haryana

2. Certificate of Incorporation


प्रारूप 1
पंजीकरण प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : U17120HR2011PTC043706 2011 - 2012

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
THE PANIPAT HOME FURNISHING CLUSTER PRIVATE LIMITED

का पंजीकरण, कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह
कम्पनी प्राइवेट लिमिटेड है।

यह निगमन-पत्र आज दिनांक चौबीस अगस्त दो हजार ग्यारह को दिल्ली में जारी किया जाता है।

Form 1
Certificate of Incorporation

Corporate Identity Number : U17120HR2011PTC043706 2011 - 2012
I hereby certify that THE PANIPAT HOME FURNISHING CLUSTER PRIVATE
LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the company is private limited.

Given at Delhi this Twenty Fourth day of August Two Thousand Eleven.

Registrar of Companies, National Capital Territory of Delhi and Haryana
कम्पनी रजिस्ट्रार, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा

*Note: The corresponding form has been approved by RAB1 BARUA, Assistant Registrar of Companies and this
certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the
Companies (Electronic Filing and Authentication of Documents) Rules, 2008.
The digitally signed certificate can be verified at the Ministry website (www.mca.gov.in).

कम्पनी रजिस्ट्रार के कार्यालय अंतर्गत में उपलब्ध राजधानी क्षेत्र
Mailing Address as per record available in Registrar of Companies office:
THE PANIPAT HOME FURNISHING CLUSTER PRIVATE LIMITED
C/O M S DIAMOND EXPORTS, BABAIL ROAD,
PANIPAT - 132103,
HARYANA, INDIA

2.a Memorandum of Association (MoA)

(THE COMPANIES ACT, 1956)
*
(COMPANY LIMITED BY SHARES)
*
**MEMORANDUM OF ASSOCIATION
OF
THE PANIPAT HOME FURNISHING CLUSTER PRIVATE
LIMITED**

- I. The name of the Company is **THE PANIPAT HOME FURNISHING CLUSTER PRIVATE LIMITED**
- II. The Registered office of the Company will be situated in the State of HARYANA
- III. The objects for which the Company is established are:-
 - (A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:
 1. To carry on the Business as buyer, sellers, importers, exporters, wholesalers and retail dealers of all types of textile and textile made fabrics, made from all type of materials, hosiery items, handloom and carpets, durries, mats, rugs, blankets, shawls tweeds, linens, and all other articles of the woollen and wrosted material.
 2. To carry on the business of the manufacturing, spinning texturing, twisting, weaving, knitting, ginging, pressing, importers, stockists, buyers, sellers and dealer of cotton, synthetic, handloom, textile and textile made hosiery and woollen goods, fabrics made of manmade fibers, wooven or non-wooven, coated laminated fabrics, towels towelling, sheeting, carpets, made-ups, manmade fiber and cotton, synthetic and filament yarns such as viscose, nylon and staple fiber yarn acryline and metallic yarn, cellulose, flex, jute, hemp, silk, artificial silk, rayon, linen wool and other such manmade chemical synthetic, and or natural fiber and fibrous material.
 3. To carry on the business of processing, sizing, bleaching, printing, dyeing, knitting, laminating, combing, soubling, and dealing, in yarn, textile and textile made cloth, linens, and fabrics, whether textile, knitted, netted, wooven and non wooven or looped and to avail Grant from the Ministry of MSME/ Govt of India, Ministry of /Commerce DIPP & State Government of Haryana for setting up of common facilities center for the benefits of the cluster members and to transact all manufacturing, and preparing, processes in connection with textiles.
 4. To act as broker, commission agent, and consignment agent and to act as special purpose unit to look after the benefits of the cluster members and for overall development of Textiles industries in Panipat and of textile and textile made handloom, handicraft, fabrics, and fashion. To conceive develop establish and operate various common facility projects and industrial parts interalia included in the textiles and other related sectors under schemes and programmes in India on commercial format by charging and appropriating charges and user fee from users of common facilities.

B] THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE :-

1. To buy all kinds of plant, equipment, machinery, apparatus, tools utensils, commodities, substances, articles and things necessary or useful for carrying on the main business of the Company.
2. To enter into agreement with any company persons for obtaining by grant of licence or on such other terms of all types, formulae and such other rights and benefits, technical information, know-how and expert guidance and equipment and machinery and things mentioned herein above and to arrange facilities for training of technical personnel by them.
3. To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce and particularly with the trade, including any association, institution or fund for the interests of masters, owners and employers against loss by bad debt, strike, combustion, fire, accident or otherwise or for the benefit of any employee workman or others at any time employed by the company or any of its predecessors in business or their families or dependents and wether or not in common with such other persons or classes of persons and in particular of friendly, co-operative and such other societies, reading rooms, libraries, educational and charitable institutions, dining and recreation rooms, churches, chapels, schools, and hospitals and to grant gratuities, pensionis and allowances and to contribute to any funds raised by public or local subscription for any purpose.
4. To establish, provide, maintain and conduct or otherwise, subsidies research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical research, experiments and tests of all kind and to promote studies and research both scientific and technical investigation and to promote studies and research both scientific and technical investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meeting and conferences and by providing the remuneration to scientific and technical professors and teachers and to award, scholarship, prizes, grant and bursaries to students and to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist the main business of the company.
5. To enter into any arrangement with any Government of Authorities Municipal, local or otherwise or any person or company in India or abroad, that may seem conducive to the objects of the company or any of them and to obtain from any such Government, Authority persons or company any rights, privileges, charters, contracts, licences and concessions including particular rights in respect of waterways, roads and highways, which the Company may carry out, exercise and comply therewith.

6. To acquire by concession, grant, purchase, licence or otherwise either absolutely or conditionally and either alone or jointly with others land, building, machinery, plants, utensils, works, conveniences and such other movable and immovable properties of any description and any patents, trademarks, concessions privileges, brevets, d'invention, licenses, protections and concessions, conferring any exclusive or limited rights to any inventions, information which may seem necessary for any of the objects of the company and to construct, maintain and alter any building or work, necessary or convenient for the business of the Company and to pay for such land, buildings, works, property or right or any such other property and right purchased or acquired by or for the Company by shares, debenture, debenture stock, bonds or such other securities of the Company or otherwise and manage, develop let on lease or for hire or otherwise dispose of in such manner and for such consideration as may be deemed proper or expedient to attain the main objects of the Company.
7. Subject to section 391 to 394A of the Act, to amalgamate with any other Company having objects altogether or in part similar to those of this Company.
8. To apply for and obtain any order of Central/State or such other authority for enabling the Company to carry on any of its objects into effect or for effecting any modifications of the company's constitution or any other such purpose, which may seem expedient and to make representations against any proceedings or applications which may seem calculated directly or indirectly to prejudice the company's interests.
9. To enter into partnership or into any arrangement for sharing profits, union or interest, co-operation, joint-venture, reciprocal concessions or otherwise with any person, or company carrying on or engaged in any business or transaction which this company is authorised to carry on.
10. To purchase or otherwise acquire and undertake the whole or any part of the business, property, rights and liabilities of any company, firms or person carrying on business which this Company is authorised to carry on or is possessed of rights suitable for the main objects of this Company.
11. To do all or any of the above things as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others and to do all such other things as are incidental or as may be conducive to the attainment of the main objects or any of them.
12. To promote, form and register, aid in the promotion, formation and registration of any company or companies, subsidiary or otherwise for the purpose of acquiring all of any of the properties, rights and liabilities of this Company and to transfer to any such company any property of this company and to be interested in or take or otherwise acquire, hold, sell or otherwise dispose of shares, stock, debentures and such other securities of all types in or of any such company, subsidiary or otherwise for all or any of the objects mentioned in this Memorandum of Association and to assist any such company and to undertake the management and secretarial or such other work, duties and business on such terms as may be arranged.

13. To acquire and takeover all, or any part of the business property and liabilities of any person, firm or company carrying on or proposing to carry on any business, which this company is authorised to carry on or possess property, suitable for the main business of the Company.
14. To open accounts with any bank or financial institution and to draw make accept, endorse discount, execute and issue promissory notes, bills of exchange, hundies, bills of lading, warrants, debentures and such other negotiable or transferable instruments of all types and to buy the same.
15. Subject to Sections 58-A and 292/293, 295 and 372A of the companies Act, 1956 and the Regulations made therein and the directions issued by Reserve Bank of India to borrow, raise or secure the payment of money or to receive money as loan, at interest for any of the objects of the Company and at such time or times as may be expedient, by promissory notes, bills of exchange, hundies, bills of lading, warrants or such other negotiable instruments of all types or by taking credit in or opening current accounts or over-draft accounts with any person, firm, bank or company and whether with or without any security or by such other means, as may deem expedient and in particular by the issue of debentures or debenture stock, perpetual or otherwise and in security for any such money so borrowed, raised or received and of any such debentures or debenture stock so issued, to mortgage, pledge or charge the whole or any part of the property and assets of the company both present and future, including its uncalled capital, by special assignment or otherwise or the transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off such securities provided that the Company shall not carry on the business of banking within the meaning of the Banking Regulation Act, 1949.
16. Subject to the provisions of section 77 of the Companies Act, 1956, to invest other than investment in company's own shares and deal with moneys of the Company not immediately required in such shares or upon securities or investment and in such manner as may from time to time, be determined.
17. To advance money not immediately required by the Company or give credit to such persons, firms or companies and on such terms with or without securities as may seem expedient and in particular to customers of and such others having dealings with the Company and to give guarantees or securities of any such persons, firms, companies as may appear proper or reasonable provided that the Company shall not carry on the business of banking, within the meaning of Banking Regulation Act, 1949.
18. To improve alter, manage, develop, exchange, mortgage, enfranchise and dispose of, any part of the land, properties assets and rights and the resources and undertakings bills of the Company, in such manner and on such terms as the Company may determine.
19. To remunerate any person or company, for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its business, subject to the provisions of section 314 of the Act.

20. To create any depreciation fund, reserve fund, sinking fund, provident fund, superannuation fund or any special or other such fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares, worker's welfare or for any other such purpose conducive to the interest of Company.
21. To provide for the welfare of employees or ex-employees (including Directors and other officers) of the Company and the wives and families or the dependents or connections of such persons, by building or contributing to the building of houses, or dwelling or chawls or by grants of money, pensions, allowances, bonus or other such payment or be creating and from time to time, subscribing or contributing to provident fund and other associations, institutions, funds or trusts, and/or by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and such other attendances and assistance as the Company shall determine.
22. To undertake and execute any trusts, the undertaking of which may seem desirable, either gratuitously or otherwise, for the attainment of the main objects of the Company.
23. To procure the incorporation, registration or such other recognition of the Company in the Country, State or place outside India and so establish and maintain local registers and branch places of the main business in any part of the world.
24. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press by circular, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations or holding exhibitions.
25. Subject to the provisions of the Gift Tax Act, 1958 and the statutory amendments thereof, the company has power to make and receive gifts either in cash or other movable or immovable properties.
26. To aid pecuniarily or otherwise, any association, body or movement having for any object the solution or settlement of industrial or labour problems or troubles or the promotion of industry of trade.
27. To send out to foreign countries, its directors, employees or any other persons or persons for investigation possibilities of main business or trade procuring and buying any machinery or establishing trade and business connections or for promoting the interests of the Company and to pay all expenses incurred in this connection.
28. To do all such other things as may be deemed incidental or conducive to the attainment of the main objects.

(C) THE OTHER OBJECTS ARE:-

1. To assist any company or other such enterprise in its dealings with an Government, local, statutory and such other authority whether in India or abroad in the legitimate pursuit of its activities, and to procure capital for any company or enterprises.
2. To carry on the business of manufactures of importers, exporters and dealers in men's women's and children's clothing, wearing apparel, hosiery goods carpets, durries, mats, rugs blankets and other similar articles of every kinds, nature and description made from cotton, synthetic, wool, worsted materials and/or leather.
3. Subject to the approval of RBI under RBI Act 1934, as amended by RBI (amendment) Act, 1997 to carry on the business of investment, finance, hire purchase and leasing of all movables and immovables.
4. To construct, acquire hold/sell properties, buildings Farms, Lands, tenements and such other movable and immovable property and to rent, let on hire and manage them and to act as Real Estate Agents and immovable property dealers.
5. To carry on the business of businesses of manufactures, importers and exporter of and dealers in forgings, press, structural and rolling works of all kinds and in particular (i) bolts and nuts, rivet, washers, wires, nails, screws, hinges, hooks bolts, tower bolts, dog spikes, and press work of all kinds; (ii) rods, bars wires, sheets and all kinds of ferrous and non-ferrous rolling works; (iii) hand and machine tools; (iv) sanitary fitting and sanitary pipes; (v) utensils and cutlery of steel or aluminium; (vi) Electrical appliances, gadgets and (vii) cycle parts.
6. To carry on the business or businesses of manufactures, importers and exporters of brushes of all kinds.
7. To carry on the business or of manufacturers and dealers of all kinds and classes of paper and pulp such as sulphate and sulphate wood pulp, mechanical pulp and soda pulp and paper such as transparent, vellum, writing, printing glazed, absorbent, news printing, wrapping, tissue, cover, bottling, filter, bank of bond, badami, brown, buff of coloured, lined, azure laid, grass or waterproof, hand made parchment, drawing, crafts, carbon, envelope, and box and straw duplex and boards and all kinds of articles in the manufacture artificial leather of the varieties, grades and colour and all types of products.
8. To guarantee the payment or performance of any contracts or obligations or become surety for any persons, firm or company for any purpose and to act as agents for the collection, receipt or payment of money and to act as agents for and render services to customers and others and to give guarantee and indemnities.
9. To carry on the business of manufacturers, dealers and fabricators of components gadgets, accessories and ancillaries, instruments relating to conversion of solar energy into heat and electricity and also relating to conversion of all kinds of renewable sources of energy and also conservation of energy.

10. To carry on the business of steam and general laundry and to wash, clean, purify, bleach, wring, dry iron, colour dye, disinfect, renovate and prepare for use all articles of wearing apparel, household, domestic and other linen and cotton and woolen goods and clothing and fabrics of all kinds and to buy, sell, hire, manufacture, repair, let on hire, alter, improve treat and deal in all apparatus, machines, material and articles of all kinds related thereto.
11. To carry on the business of importers and exporters, ship owners, ship builders, charters of ship and such other vessels of all types warehousemen, ships and insurance brokers, for warding agents and wharfingers.
12. To carry on the business as proprietors and publishers of newspapers, periodicals, journals, books and such other literary works and undertakings of all types.
13. To carry on the business as manufactures of and dealers in all kinds of natural and synthetic rubbers, elastomers, synthetic resin, latex and formulations thereof and all types of rubber products and goods.
14. To carry on the business as manufactures of and dealers in leather and leather goods of all descriptions and of leather dressers, tanners, hides skins and all things and materiel connected therewith.
15. To carry on the business as manufactures of and dealers in all types of plastics and plastic products, furniture, fancy goods, stationery, provisions, drugs medicines, chemicals paints, and articles of household use and consumption.
16. To carry on the business of canning and food preservation tinning and bottling of foods stuffs, meat, meat products, potted meats, fruits, vegetables, jam, pickles, sausages, table delicacies and preserved provisions of all kinds and to establish, own, operate, acquire, run and manage canning and such other factories for the purpose of packing, preserving and canning such articles and products.
17. To carry on the business as manufactures, processors, producers of and dealers in dairy, farm and garden produce of all kinds, such as milk, cream, butter, ghee, cheese, condensed milk, milk powder, malt products, milk foods and milk products and milk preparations of all description, vegetables and fruits of all kinds.
18. To carry on the business as manufactures and dealers in and sellers of all or any type of electronic components, their raw materials and equipment audio products, electronic calculators, digital product, micro processor based systems, mini computers, communication equipment and process control equipment, instrumentation and industrial and professional grade electronic equipments.
19. To carry on the business of mechanical engineers, iron foundries, manufactures of surgical and scientific materials and apparatus of all kinds tools-makers, assemblers, brass foundries, metal workers, boiler makers, mill-weights, iron and steel converters, smiths, metallurgists, tube makers galvanizers, electro-plater, water works engineers, gas generators and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery implements, rolling stock and hardware of all kinds.

20. To carry on the business of advisors on problems relating to the administration and organisation of industry and business and to advise upon the means and methods for extending, developing and improving all types of business or industries and all systems and processes relating to the production, storage distribution, marketing and sale of goods and or relating to the rendering of the services.
21. To engage in research in all problems relating to industrial and business management and distribution, marketing and selling and to collect, prepare and distribute information and statistics relating to any type of business or industries.
22. To carry on the business of manufacturers and dealers in textiles such as man made fibers, cotton, silk, jute, woolen, and synthetic.
23. To carry on the business of manufacturing, rolling and processing of all kinds of steel, ferrous and non ferrous ingots, billets and of all articles and things used in the manufacture, maintenance and working thereof.
24. To carry on the business of the manufacturing and/or processing of oxygen and other gases, chemicals, Industrial alcohol, graphite electrodes, and petroleum products vegetable oils, alcoholic and non-alcoholic drinks and beverages of all kinds and brewers and distillers.
25. To carry on the business of running trucks, trailers, tempos, motor lorries, motor taxis, and conveyances of all types for carriage/transportation of goods and passengers on such routes as the company may deem fit and to do the business of common carriers.
26. To acquire or sell promote and run hospitals, clinics, nursing homes, maternity and family planning units or pathological laboratories and optician shops.
27. To carry on the business of leasing and hire-purchase and to acquire to provide on lease or to provide on hire-purchase all types of house hold appliances, industrial and office plant, equipment, machinery, vehicles, buildings and real estate required for manufacturing, processing, transportation and trading business, to finance industrial enterprises and to promote companies engaged in industrial and trading business.
28. Subject to the approval of the RBI under Reserve Bank of India Act, 1934, as amended by RBI (Amendment) Act, 1997, to carry on and undertake business transaction or operation commonly undertaken or carried on by financiers, housing finance, leasing, hire-purchase, underwriters, merchants and agents of all moveable and immovable assets, The Company shall not carry on any business which is banned under the Banking Regulating Act, 1949.
29. To carry on business of buyers, sellers, dealers, breeders, importers and exporters of animals such as horses, dogs, cats, sheep and cattle.
30. To own and run mobile clinics and hospitals for providing medical, veterinary and surgical facilities in rural areas for milk producing and other animals and to maintain animals of all types including dogs, cats, cattle, sheep, pigs and horses and to conduct trial of veterinary medicines and drugs on them for experimental and research purposes.

31. To acquire and hold shares, stocks, debentures, bonds, obligations and securities issued or guaranteed by any company, association or undertaking constituted for, carrying on business in India or elsewhere, or debentures, bond, obligations and securities issued or guaranteed by Government, municipality, publicbody or other local authority and an such shares, debentures, bonds obligations or securities acquired by original subscription, tender purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and to enforce all rights and powers conferred by or incidental to the ownership thereof and to sell or otherwise dispose of any such shares, debentures, bonds, obligations or securities.
32. To act as stockists, commission agent, manufactures, or representatives or agents selling and purchasing agents, indenting agents, distributors, brokers, trustees, attorney, in goods, mentioned in the main objects.
33. To carry on all kinds of business of manufactures, importers, exporters, dealers and distributors of television films, video films, tapes and video cassettes, equipment, accessories part, tools material, apparatus and other articles used in connection herewith or which may hereafter be invented.
34. To carry on the profession of consultants on management, employment, engineering industrial and technical matter to industry and business and to act as employment agents and exporters of man power.
35. To carry on the business as manufactures, dealers stockists, exporters and importers of and all other hardware items of all types and description.
36. To carry on the business as manufactures of dealers in or as stockists, importers and exporters of packing materials, cartons, containers, boxes and cases of paper, boards, woods, glass plastic, pulp, cellulose, films, polyethylene, rubber, metals metal foils, gelatin, tin-flexible, treated, laminated or other materials.
37. To engage in the business of tour operators and travel agents and all other services incidental to it.
38. To carry on the business of purchase and sale of petroleum and petroleum products, to act as dealers and distributors for petroleum companies, to run service stations for the repairs and servicing of automobiles.
39. To carry on the business of manufacturers and dealers of tractors automobiles, automatic and semi automatic vehicles, earth moving equipment, cycles, mopeds and any other such vehicles of all types.
40. To carry on the business of manufactures and dealers of cement, lime burners and ceramics, sanitary fittings and china-ware.
41. To carry on hotel, motel and catering business.

42. To secure sound investments foreign capital in Indian undertakings and enterprises and Indian Capital in foreign undertaking and enterprises.
43. To manufacture, buy, sell, lease, imports export, alter, improve, manipulate, prepare for market, exchange, install, repair, service, let on hire and deal in all kinds of surgicals, X-ray units, X-ray equipments, telecommunication machines, business machines intercoms, teleprinters, dictating and recording machines, broad-casting apparatuses, loudspeakers, radios, auto-radios, reverberators, tape-player, cassette tapes, headphones, stereo complex speakers, radio control equipments, cameras, binoculars microscopes, projectors, telescopes television sets, refrigerators, air-conditioners, coolers, radars, computers and their spare parts.
44. To establish, provide, maintain and conduct research and such other laboratories, training colleges, schools and such other institutions for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.
45. To install the Electric furnaces for melting steel scrap and for producing steel castings and for rerolling mild steel sections.
46. To manufacture steel castings of all kinds such as used for Textile Machine parts, Railways, Tramways, Motor parts, Tractors, Sugar industry, Cement industry and machinery parts.
47. To weld steel tubes and boring of different steel and galvanising iron sections.
48. Its an open ended SPV, that the profits shall be ploughed back, that there is a provision for the MSME and State Govt representative in the SPV.

IV. The Liability of the members is Limited.

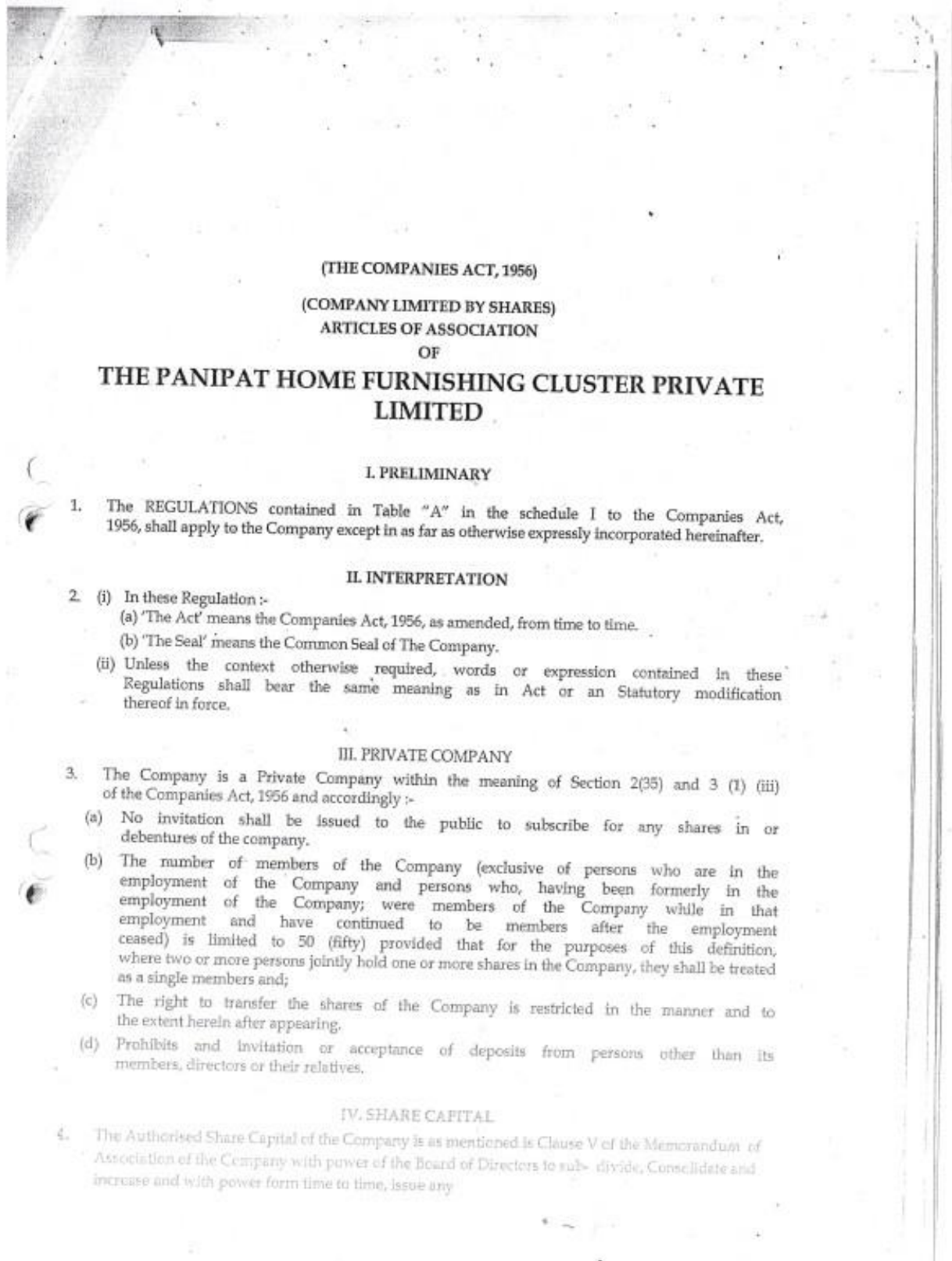
V. The Authorised Share Capital of the Company is Rs. 1,00,000/- (ONE LACS) divided in to 10,000 (TEN THOUSAND) Equity Shares of Rs. 10/- (Rupees Ten) each.

We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names: -

Name, addresses, occupations and descriptions of subscribers	No. of Equity Shares taken by each Subscriber	Signature of Subscribers	Signature of witness with address description and occupation
1. RAMESH VERMA S/O SH DAYANAND VERMA R/O H.NO. 717, HUDA, SECTOR 12, PANIPAT (HARYANA) (BUSINESS)	4000 (FOUR THOUSAND)	Sd/- RAMESH VERMA	I HEREBY WITNESS THE SIGNATURES OF ALL THE SUBSCRIBERS WHO HAVE SIGNED IN MY PRESENCE Sd/- (AMIT SEHGAL), PROP. AMIT SEHGAL & ASSOCIATES COMPANY SECRETARIES S/O SH INDERJEET SEHGAL R/O H.NO. 39, GURU TEGH BAHADUR COLONY, MODEL TOWN, PANIPAT - 132103 (HARYANA) M.NO : FCS- 5055
2. RAM PARKASH S/O SH HAR BHAGWAN DASS R/O H.NO. D-1563, ANSAL SUSHANT CITY, PANIPAT (HARYANA) (BUSINESS)	3000 (THREE THOUSAND)	Sd/- RAM PARKASH	
3. MADAN LAL BATHLA D/O SH LEKH RAJ BATHLA, R/O 294-R, MODEL TOWN PANIPAT, (HARYANA) (BUSINESS)	3000 (THREE THOUSAND)	Sd/- MADAN LAL BATHLA	
TOTAL	10000 (TEN THOUSAND ONLY)		

PLACE : PANIPAT Dated this 20th day of AUGUST 2011

2.b Article of Association (AoA)



shares of the original capital with and subject to any preferential, qualified or special right, privileges or conditions as may be thought fit, and upon the sub-division of shares apportion the right to participate in profits in any manner as between the shares resulting from sub-division and minimum paid up capital of the Company is Rs. 1 Lac (Rupees One Lac) only.

5. The shares shall be under the control and disposal of the Directors who may allot or otherwise dispose of the same to such persons and on such terms as the Directors may think fit and to give any persons any shares whether at par or at a premium and for such consideration as the Director may think fit.
6. The Director may allot and issue shares in the Capital of the Company on full payment or part payment or for any property, goods or machinery supplied, sold or transferred or for services rendered to the Company.

V. TRANSFER AND TRANSMISSION OF SHARES

7. Any member desiring to sell any of his shares must notify the board of Director of the member of shares, the fair value and the name of the proposed transferee and the Board of Director must offer to the other shareholders the shares offered at the fair value, and if the offer is accepted, the shares shall be transferred to the acceptor; and if the shares or any of them are not so accepted within one month from the date of notice of the Board of Director the member proposing transfers shall, at any time within three months, afterwards, be at liberty, member proposing transfers shall, at any time within three months, afterwards, be at liberty, subject to Article 8 and 9 hereof, to sell and transfer the shares to any person at same or at higher price. In case of any dispute, regarding the fair value of the shares it shall be decided and fixed by the Company's Auditor whose decision shall be final.
8. No transfer of shares shall be made or registered without the previous sanction of the Director, except when the transfer is made by any member of the Company to another member or to a members with or child or children or his heirs, and the Director may decline to give such sanction without assigning any reason, subject to Section 111 of the Act.
9. The Directors may refuse to register any transfer of share (1) where the Company has a lien on shares, or (2) where the share is not a fully paid up share, subject to Section 111 of the Companies Act, 1956.

VI GENERAL MEETING

10. All General meeting other than the Annual General Meeting shall be called Extraordinary General Meetings.
11. (i) The Board of Directors may, whenever it thinks fit, call an Extraordinary General Meeting.
(ii) If at any time they are not within India, Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible, as that in which such a meeting may be called by the Board of Directors.
(iii) Subject to Section 190 and 219 of the Companies Act, 1956. Any General Meeting may be called by giving by to the members clear seven days notice or a shorter notice than of seven days if consent thereto is given by members in accordance with the provisions of Section 171 of the Companies Act, 1956.

VII PROCEEDINGS AT GENERAL MEETING

12. (i) No business shall be transacted at any general meeting unless a specified quorum of members is present at the time when the meeting proceeds to transact business.
(ii) Minimum two members present in person shall be a quorum.
13. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.
14. If there is no such chairman or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the chairman of the meeting.
15. If at a meeting no Director is willing to act as chairman or if no Directors is present within 15 (Fifteen) minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be chairman of the meeting.
16. (i) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meetings, from time to time and from place to place.
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii) When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted the adjourned meeting.
17. In case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
18. Any business other than that upon which a poll that been demanded may be proceeded with, pending the taking of the poll.

VIII DIRECTORS

19. The Business of the Company shall be managed by the directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or any statutory modification thereof for the time being in force or by these Articles required to be exercised by the Company in general meeting, subject nevertheless, to any regulations of these Articles, of the provisions of the Act, and to such regulations not being inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting. Nothing shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
20. The following shall be the first Directors of the Company :-
1. RAMESH VERMA 2. RAM PARKASH 3. MADAN LAL BATHLA
21. The number of Directors shall not be less than two and not more than twelve.
22. No person shall be elected as Director (except as first Director of a Director appointed by Directors) unless seven days notice shall have been left at the Registered Office of the Company of the intention to propose him together with a notice in writing signed by himself signifying his willingness to be elected.
23. The Directors need not hold any qualification shares in the Company.

24. (a) Subject to the provisions of the Companies Act, 1956 and the Rules framed thereunder, each Director shall receive out of the funds of the Company by way of sitting fees for his services a sum not exceeding the sum prescribed under the Act for every meeting of the Board of Director or Committee thereof attended by him.
(b) The Directors shall also be paid travelling and other expenses for attending and returning from meetings of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company.
(c) The Directors may also be remunerated for any extra services done by them outside their ordinary duties and Directors, subject to the provisions of Section 314 of the Act.
25. Subject to the provisions of the Companies act, 1956, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Directors by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.
26. Subject to the provisions of Section 314 of Companies Act, 1956, the remuneration of Directors may be a fixed or a particular sum or a percentage of the net profits or otherwise. The said sum shall be fixed by the Board of Directors, from time to time.
27. Subject to the provisions of Section 297 and 299 of the Companies Act, 1956, no Directors be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realised by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established but it is declared that the nature of his/her interest must be disclosed by him/her at the meeting of the Directors at which the contract is determined if his/her interest then exists or in any other case, at the first meeting of the Directors after he/she acquires such interest.
28. The Directors may appoint any person to be an alternate Director to act for a Director (hereinafter in this Articles called the original Director) during his absence for a period not less than three months from the State in which meetings of the Directors are ordinarily held, but such alternate Director shall, ipso facto vacate office if and when the original Director returns to the State in which the meetings of the Directors are ordinarily held, subject to Section 313 of the Act.
29. The Director shall not be liable to retire from the office by rotation.
30. The Board of Directors may, from time to time, by ordinary resolution increase or reduce the number of Directors within the limits specified in Article 21.
31. The Directors shall have the power, at any time and from time to time, to appoint any persons as additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed, shall hold office only until the next following annual General Meeting, but shall be eligible thereat for election as Director.
32. The Company may, by ordinary resolution, of which special notice has been given in accordance with the provisions of Section 190 of the Companies Act, 1956 remove any Director including the Managing Director, if any, before the expiration of the period of his office, notwithstanding any thing contained in these regulations or in any agreement between the company and such Director. Such removal shall be without prejudice to any contract of service between him and the Company.

33. If the Director appointed by the Company in general meeting, vacated office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled up the Board of Directors at a meeting of the Board of Directors but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if vacancy had not occurred, provided that the Board of Directors may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Articles 32.
34. In the event of Company borrowing any money from any financial corporation or institution of Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Companies Act, 1956. Any person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing signed by the appointer and served on the Company. Such Director need not hold any qualification shares.
35. Section 283 of the Companies Act, 1956 shall apply, regarding vacation of office by Director. A Director shall also be entitled to resign from the office of Directors from such date as he may specify while so resigning.

IX MANAGING DIRECTOR OR WHOLE TIME DIRECTOR

36. The Board of Director may, from time to time, subject to the provisions of section 197A of the Companies Act, 1956, appoint one or more of their body to the office of the Managing Director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. His appointment will be automatically terminated if he ceases to be a Director.
37. A Managing or whole time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board of Director may determine.
38. The Board of Directors, subject to Section 292 of the Companies Act, 1956 may entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time revoke, withdraw or alter or vary all or any of such powers.

X. PROCEEDINGS OF THE BOARD

39. The quorum necessary for the transaction of the business of Director shall be minimum two or one third of the total number of Directors which ever is higher, subject to section 287 of the Companies Act, 1956.
40. Subject to the provisions of Section 285 of the Act, a meeting of the Board of Directors shall be held atleast once in every these calendar months and atleast four such meetings shall be held in each calendar year. The Director may meet together for the discharge of the business, adjourn and otherwise regulate their meetings and proceedings, as the think fit.

41. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Directors for the time being in India and at his usual address in India to every other Directors.
42. A meeting of the Directors of the time being at which a quorum is present, shall be competent to exercise all or any of the authorities, power and discretions by law or under the Articles and regulations for the time being vested in or exercisable by Directors.
43. The managing Director or a Director or a Secretary upon the requisition of Director(s), may at any time convene a meeting of the Directors.
44. The questions arising at any meeting of the Director shall be decided by a majority of votes and in case of any equality of vote, the chairman shall have a second or casting vote.
45. The Directors may elect a Chairman of their meeting and determine a period for which he is to hold office. If at any meeting the Chairman is not present within fifteen minutes of the time appointed for holding the same or is unwilling to preside, the Directors present may choose one of their members to be the Chairman of such a meeting.
46. Subject to the provisions of Section 292 of the Act, the Director may delegate any of their powers, other than the power to borrow and to make calls to issue debentures and any other powers which by reason of the provision of the Act can not be delegated to Committees consisting of such member of members of their body as they may think fit and they may, from time to time, revoke and discharge any such committee either wholly or in part and either as to persons or person. Every Committee so formed, in exercise of power so delegated, shall conform to any regulation that may, from time to time, be imposed on it by the Directors and all acts done by any such committee in the conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise shall have the like force and effect as if by the Board of Directors.
47. A resolution not being a resolution required by the Act or by these Articles to be passed only at a meeting of the Directors, may be passed without the meeting of the Directors or a Committee of Directors provided that the resolution has been circulated in the draft together with necessary paper, if any, to all the Directors or to all the members to the Committee then in India (not less than the quorum fixed for a meeting of the Board or committee as they case may be) and to all other Directors or members at their usual addresses in India, and has been approved by such of the Directors as then in India or by a majority of such of them as are entitled to vote on the resolution.
48. All acts done by a person shall be valid, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles. Provided that this Articles shall not give validity to the act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

XI POWERS OF THE DIRECTORS

49. Subject to Section 292 of the Act, the Director shall have the right to delegate any of their power to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks, workers and assistants and have power of general direction management and superintendence of the business of the Company with full powers

to do all such acts, matters and things deemed necessary proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchanges, hundies, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by share holders in the general meeting.

XII INSPECTION OF ACCOUNTS

51. (i) The Board of Directors shall cause proper books of account to be maintained under Section 209 of the Companies Act, 1956.

(ii) Subject to the provisions of Section 209A of the Companies Act, 1956 the Board of Directors shall also, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations account books of the Company or any of them, shall be open to the inspection of members not being Directors.

(iii) Subject to the provisions of Section 209A of the Companies Act, 1956, no member (not being the Director) or other person shall have any right of inspecting any account book or document of the Company except as conferred by law or authorised by the Board of Directors or by the Company in general meetings.

XIII. SECRECY

Every manager, audit or, trustee, member of a committee, officer, servant, agent accountant other person employer in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customer and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meetings or by the law of the country and except so far as may be necessary in order to comply with the provisions in these presents and the provisions of the Companies Act, 1956.

XIV. BORROWING POWERS

Subject to the provisions of Section 58A and 292 of the Companies Act, 1956, and Regulations made thereunder and directions issued by R.B.I. the Directors shall have the power, from time to time and at their discretions, to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures of bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

The Board of Directors shall have the power to open bank accounts, to sign cheques of behalf of the Company and to operate all banking accounts of the company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorised any other person or person to exercise such power.

XVI INDEMNITY

Subject to the provisions of Section 201 of the Companies Act, 1956, the Chairman, Directors, Auditors, managing Directors and other officer for the time being of the

Company and any trustees for the time being acting in relation to any of the affairs of the Company and their heirs and executors, shall be indemnified out of the assets and found of the Company form against bonafides suits, proceedings, costs charges, losses, damages and expenses which they or any of them shall or may incur sustain by reason of any act done or committed in or about he execution of their duties in their respective offices except those done through their willful neglect or default. Any such officer of trustee shall not be answerable for acts, omissions neglects or defaults of any other officer or trustee.

XVII. WINDING UP

56. (i) if the company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kinds, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided a aforesaid and may determine how such division shall be carried out at between the members of different classes of members.
- (iii) The liquidator may, with the like sanction vest the whole or any part of such assets in trustee upon such trust for the benefit of the contributories as the liquidator shall think fit but so that no member shall be compelled to accept any shares or such other securities whereon there is any liability.

XVIII. THE SEAL

57. (i) The Board of Directors shall provide for the safe custody of the seal of the Company.
- (ii) The Seal shall not be affixed to any instrument except by the authority or resolution of the Board of Directors or a committee of the Board authorised by it in that behalf and except in the presence of atleast one director and that one director shall sign every instrument to which the seal of the Company is so affixed in his presence. The share certificate will, how ever, be signed and sealed in accordance with Rules 6 of the Companies (issue of Share Certificates) Rules, 1960.

XIX. BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

58. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for certification of correctness as per provisions of the Companies Act, 1953.

XIX AUDIT

59. The first auditors of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of the first annual general meeting.
60. The directors may fill up any casual vacancy in the office of the auditors.
61. The remuneration of the auditors shall be fixed b the Company in Annual general meeting except that remuneration of the first or any auditors appointed by the directors may be fixed by the board of Directors.

XX. BUY-BACK

62. Subject to the provision of section 77, 77AA and 77AB of the Act and subject to requirement of applicable buy-back regulations/rules made by Central Government/SEBI in this regard as may be modified from time to time, the company may purchase its own shares or other specified securities

Name, addresses, Occupations and descriptions of subscribers	Signature of Subscribers	Signature of witness with address description and occupation
1. RAMESH VERMA S/O SH DAYANAND VERMA , R/O H.NO. 717, HUDA, SECTOR 12, PANIPAT (HARYANA) (BUSINESS)	Sd/- RAMESH VERMA	<p>I HEREBY WITNESS THE SIGNATURES OF ALL THE SUBSCRIBERS WHO HAVE SIGNED IN MY PRESENCE</p> <p>Sd/- (AMIT SEHGAL), PROP. AMIT SEHGAL & ASSOCIATES, COMPANY SECRETARIES S/O SH INDERJEET SEHGAL R/O H.NO. 39, GURU TEGH BAHADUR COLONY, MODEL TOWN, PANIPAT - 132103 (HARYANA) M.NO : FCS- 5055</p>
2. RAM PARKASH S/O SH HAR BHAGWAN DASS R/O H.NO. D-1563, ANSAL SUSHANT CITY, PANIPAT (HARYANA) (BUSINESS)	Sd/- RAM PARKASH	
3. MADAN LAL BATHLA D/O SH LEKH RAJ BATHLA, R/O 294-R, MODEL TOWN PANIPAT, (HARYANA) (BUSINESS)	Sd/- MADAN LAL BATHLA	

PLACE : PANIPAT Date: / /

3. Verification of units by DIC, Panipat

From

Joint Director
District Industries Center
Panipat

To

The Director of Industries & Commerce, Haryana
Chandigarh

Memo No DIC /PNP/ 241
Dated 12-2-19

Subject:


Verification report of Application submitted under the Mini Cluster Scheme-Home Furnishing cluster Panipat.

This is with reference to your letter no 1339 dated 21.01.2019 from your office, please find below the verification report:

The following information /documents attached herewith:

- i) All the 13 units have been verified are in working & have UAM.
- ii) The Common Facility Center being proposed as a part of hard intervention will be setup in conforming zone.
- iii) The Application form submitted by the SPV has been duly checked for completeness and the information contained therein has been verified.
- iv) List of products manufactured, investment & employment has been mentioned in the application form.

The demand of the cluster is genuine and case may be taken up under Mini Cluster Scheme. So it is recommended that the cluster may be approved as per the policy guidelines.


Joint Director
District industries Center
Panipat

S.N.	Contact Person	Company Name	Contact No.	Address of Unit	UAM No.	Products	Email ID	Status
1	Anil Verma	Fashion Fab	9812345007	Fashion Fab, Babail road, Panipat 132103	HR14000566	Manufacturing of Home furnishings items Such as Bathmats, Carpets etc	anil.verma88@gmail.com	Running
2	Bundan	Hayat Handloom	9728350758	Hayat handloom, Purewall Colony, Kacha Camp Panipat.	HR14A0010452	Manufacturing of Home furnishings items Such as Bathmats, Carpets etc.	hayathandloompanp@gmail.com	Running
3	Ramesh Verma	Daimond Exports	9812034897	Babail road, Near Bharat Gas godown Panipat.	HR14A0002899	Manufacturing of Home furnishings items Such as Bathmats, carpets etc	ramesh@dianondexports.in	Running
4	Shyam Bihari	Hari Om prints	9315820293	Gali no 17, near Dahiya Chakki, NFL, Vikas nagar, Panipat.	HR14A00010807	Manufacturing of Home furnishings items Such as Bathmats, carpets etc	hariomprints007@gmail.com	Running
5	Sanjay	Sanjay textiles	9812316971	Moti ram colony, Village, Noorwal Panipat.	HR14A0010780	Manufacturing of Home furnishings items Such as Bathmats, carpets etc	Sanjaymalhotra2428@gmail.com	Running
6	Narender Sodhi	Baharat Handicraft	9812700853	Batra colony, Panipat.	HR14A0005732	Manufacturing of Home furnishings items Such as Bathmats, Carpets etc	bathlamadan@gmail.com	Running
7	Ram parkash	Kwality Rugs	8950400051	Kwality Rugs, Near noorwala, Panipat.	HR14A0010870	Manufacturing of Home furnishings items Such as Bathmats, carpets etc.	rbphudiraja5501@gmail.com	Running
8	Madan Bathla	Rug tex	9992011700	E-65, Old Industrial area, Panipat.	HR14B0005733	Manufacturing of Home furnishings items Such as Bathmats, carpets etc.	bathlamadan@gmail.com	Running

9	Gulshan Bathla	Gulshan textile	9992011707	Batra colony, Panipat.	HR14A00005779	Manufacturing of Home furnishings items Such as Bathmats, carpets etc.	gulshantextiles@gmail.com	Running
10	Manoj tehri	S. Nath tex India	98122222264	Plot no 231, Sector 29, part- 11 Huda, Panipat.	HR01B0010718	Manufacturing of Home furnishings items Such as Bathmats, carpets etc.	manojtehri@gmail.com	Running
11	Pawan kumar Dhingra	Dhingra Exports	9812052136	E-37, Old Industrial, behind Hali Park, Panipat.	HR14B0000423	Manufacturing of Home furnishings items Such as Bathmats, carpets etc.	accounts@dhingraexports.in	Running
12	Gaurav	Gaurav International	9812052136	Ganga ram colony, near Kabri phatak, Panipat.	HR14A0000424	Manufacturing of Home furnishings items Such as Bathmats, carpets etc.	accounts@dhingraexports.in	Running
13	Sunita verma	Fabrics fashions	9812034897	Babail Road, ram nagar, Panipat	HR14A0005229	Manufacturing of Home furnishings items Such as Bathmats, carpets	Fabricfashion77@gmail.com	Running

The units has been verified on dated 29/01/2019 along with EY consultant Ms. Abhinav
Units found in running condition

for MS (Abhinav, EY consultant)
(Ravinder, I.C.O.)

[Signature]
2019

4. Land Availability Proof

FORM C
(See Regulation 5 (3))
ALLOTMENT LETTER
(To be used for Industrial disposed off by allotment only)

From: The Estate Officer,
Haryana Urban Development Authority,
PANIPAT

To: The Panipat Home Furnishing Cluster
Plot U.D. 90 Dismant Export Bazar Road
Panipat The Director of Industries And Commerce Haryana C.A.R.

Memo No. 1724 Date 12/2/013

Subject :- Allotment by sale of Industrial plot No. 293 Sec 28 Panipat
Sector 28, Part-II at PANIPAT on free hold basis.

- Please refer to your application for the allotment of a **INDUSTRIAL** plot at.....
- Your application has been considered and a **INDUSTRIAL** plot / building, as detailed below has been allotted to you on free-hold basis as per the following terms and conditions and subject to the provisions of Haryana Urban Development Authority Act, 1977 (hereinafter referred to as the Act) and the rules/regulations applicable there under as amended from time to time approximate area of the site/building and the tentative price of the plot/building are given below, are subject to the adjustment in accordance with the actual measurement at the time of delivery of possession.

Sector No	Name of Urban Area	Plot/Building No.	Appr dimension or description of building	Area in Sq- Maters	Tentative price of the plot/ building
<u>28</u> <u>29</u> Part-II	PANIPAT	<u>293</u>	—	<u>4100 Sqm</u>	<u>24600,000/-</u>

- The plot is preferential/special preferential one and an extra price a 10 percent/20 percent of the price mentioned in para 2 above is Rs.
- In case you refuse to accept this allotment, you shall communicate your refusal by a registered letter within 30 days from the date of allotment letter failing which this allotment shall stand cancelled and the earnest money deposited by you shall be forfeited to the authority and you shall have no claim for damages.
- In case you accept this allotment, please send your acceptance by registered post along with an amount of Rs. 3690,000/- within 30 days from the date of issue of the allotment letter which together with an amount Rs. 2460,000/- paid by you along with your application form as earnest money, will constitute 25 percent of the total tentative price.
- (i) The balance 75% amount i.e. Rs. 18450,000/- of the above tentative price of the plot/building can be paid in lumpsum without interest within Sixty (60) days from the date of issue of this allotment letter or in 5 (Five) half yearly instalment. First Instalment will start from the offer of possession. Each instalment would be recoverable together with interest on the balance prices at the rate 12% per annum on the remaining amount. The interest shall, however accrue from the date of offer of possession.

~~date equivalent to 20% of the land will be given if the industrial unit starts commercial production within 3 years of the offer of possession of industrial plot.~~

the possession of the site will be offered to you on completion of the development works in the area.

Each instalment shall be remitted to the Estate officer HUDA, Panipat and every such remittance shall be accompanied by a letter showing the full particulars of the site, i. e. the number of plot and sector number to which the payment pertains. In the absence of these particulars the amounts remitted shall not be deemed to have been received.

9. The above price is tentative to the extent that any enhancement in the cost of land awarded by the competent authority under the land Acquisition Act shall also be payable proportionately, as will be determined by the Authority. The additional price determined shall be payable within thirty days of its demand.
10. In the event of breach of any other condition of transfer the Estate Officer may resume the land in accordance with the provisions of section 17 of the Act.
11. The land/building shall continue to be going to the Authority until the entire consideration money together with interest and other amount if any, due to the Authority on account of sale of such land or buildings or both is paid. You shall have no right to transfer by way of sale, gift mortgage or otherwise the plot/building or any right, title or interest there in till the full price is paid to the Authority, except with the prior permission of the competent authority.
12. On payment of 100 percent of the tentative price of the plot/building, you shall execute the Deed of conveyance in the prescribed form & in such manner as may be directed by the Estate Officer. The charges for registration and stamp duty will be paid by you.
13. The plot/building shall not be used for any purpose other than that for which it has been allotted in accordance with the plan approved by the competent authority. No obnoxious trade shall be carried out on any land/building.
14. You shall have to pay all general and local taxes, rates or cesses imposed or assessed on the land/building by the competent authority.
15. You shall have to pay separately for any construction material, trees, structures and compound wall existing in your plot at the time of allotment of which compensation has been assessed and paid by the Authority if you want to make use of the same.
16. The Authority will not be responsible for levelling the uneven sites.
17.
 - i) You will have to start the construction of building within a period of one year as per approved building plan from the issue of the final letter of allotment/offer of possession.
 - ii) The unit must go into production after constructing minimum 25% of permissible covered area of plot within a period of Three years. The permissible covered area shall be determined as per the provision of the HUDA Act & rules.
 - iii) In case you fail to do so this plot is liable to be resumed and the whole or part of money paid if any, in respect of it will be forfeited in accordance with the rules & regulations/industrial

(3)

The Authority reserves itself all mines and minerals whatsoever in or under the said site with all such right and powers as may be necessary or expedient for the purpose of searching for working obtaining, removing and enjoying the same at all such times and in such manner as the Authority shall think fit, with power to carry-out any surface or any underground working and to let down the surface of all or the part of the site and to sink pits, erect building construct lines and generally appropriate and use surface of the said site for the purpose of doing all such things and may be convenient or necessary for the full enjoyment of the exceptions and reservations herein contained. Provided that the allottee shall be entitled to receive from the Authority such payment for the occupation by the Authority of the surface and for the damage done to the surface or building on the said land by such works or working of letting down as may be agreed upon between the Authority and the allottee or failing such agreement as shall be ascertained by reference to arbitration.

19. The Authority may by its officer and servants at all reasonable time and in reasonable manners after 24 hour's notices in writing enter in and upon any part of the said land/building erected there on the purpose of ascertaining that the allottee has duly performed and observed the conditions to be observed under the rules/Regulations applicable under the said act.
20. The Authority shall have full right power and Authority at all times to do through its officer's or servants, all act and things which may be necessary or expedient for the purpose of enforcing compliance with all or any of the terms, conditions and reservation imposed and to recover from you as first charge upon the said land building the cost of doing of all or any such act and things & all cost incurred in connection there with or in any way relating in thereto.
21. All disputes and difference arising out of or in any way touching or concerning this allotment whatsoever shall be referred to the sole arbitration of the Chief Administrator or any other officers appointed by him. It will not be an objection to such appointment that the arbitrator so appointed is a Government servant or an officer the Authority that he had to deal with the matter to which this allotment relates and in the course of his duties as such Government servant or officer as the case may be he has expressed his views on all or any of the matters in dispute or difference. The decision of the such arbitrator shall be final and binding on the concerned parties.
22. All payment shall be made by means of a demand draft payable to the Estate Officer, Haryana Urban Development Authority PANIPAT drawn on any scheduled bank situated at PANIPAT. (Haryana)
23. No separate notice will be sent for the payment of the instalment, However the information regarding the instalments, the due dates etc. may be sent as a matter of courtesy.
24. The Interest for the delayed period of instalment due before/after offering the possession of plot shall be charges 18% per annum. The due date of instalment means the last day on which the payment falls due.

NOTE :- The allottee shall ensure that only non-polluting industries will be allowed to setup their units on the allotted plots.


**Estate Officer,
Haryana Urban Development Authority
PANIPAT**

- Notes :
- (I) Any change in address must be notified by registered A./D. Post.
 - (II) Strike out whichever is not applicable

5. Building Estimate

TANEJA & JAIN ASSOCIATES
(GOVT. REGISTERED ARCHITECTS, VALUERS & ENGINEERS)
G.T. Road, Veterinary Hospital Road, PANIPAT.
Ph. 0180-2638110, (M) 9896074758, 9896400603

B.L. Taneja Architect.
(ER. S.K. JAIN CHARTERED ENGINEER)
B.E. (Civil, A.M.L.E.C.E. (India), F.I.V.
Govt. Regd. Valuer (Govt. of India) Reg. No. CAT-1, 177 OF 1999
Chartered Engineer (India) C.E. 75744/9,

PANEL VALUER FOR:-

State Bank Of India, Punjab National Bank, Bank Of India
Canara Bank, Union Bank Of India, Oriental Bank Of
Commerce, Vijaya Bank, Bank Of Maharashtra, Dena Bank,
Punjab & Sind Bank, Karnataka Bank Ltd. The Nainital
Bank Ltd. L.I.C. Allahabad Bank, Huda Municipal Council,
Central Co-op Bank Ltd. HSIDS. H.F.C. & ICICI Bank,
Andhra Bank, Bank of Baroda, Central Bank & Corporation Bank.

Dated : 19-04-2019

Estimation Cost

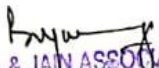
Name of work :- Estimated cost of Proposed construction of Office Block & Shed on Plot No. 2 & 3,
Sector – 28, H.U.D.A., Panipat. Belonging to "The Panipat Home Furnishing Cluster
(P). Ltd. Director (i). Sh. Ramesh Verma (ii). Sh. Ram Parkash (iii). Sh. Madan Bathla

Total Land Area = 4100 Sq.mt.

Proposed Coved. area at G.F. (Shed) = 8500 Sq.Ft.

Work specifications :-

1. First class bricks masonry in cement mortar (1:6)
2. Providing Prefabricated Sheets Roofing
3. Providing Iron & wooden doors & window.
4. Providing cup Board work.
5. Providing C.C. & Chips flooring work.
6. Providing U/G elec. fitting work.
7. Providing Plaster of Paris work.
8. Providing white washing & Painting work


TANEJA & JAIN ASSOCIATES
GOVT. APPROVED VALUERS
ENGINEERS & ARCHITECTS
G.T. ROAD, PANIPAT

TANEJA & JAIN ASSOCIATES

(GOVT. REGISTERED ARCHITECTS, VALUERS & ENGINEERS)

G.T. Road, Veterinary Hospital Road, PANIPAT.

Ph. 0180-2638110, (M) 9896074758, 9896400603

B.L. Taneja Architect.

(ER. S.K. JAIN CHARTERED ENGINEER)

B.E. (Civil, A.M.I.E.C.E. (India), F.I.V.

Govt. Regd. Valuer (Govt. of India) Reg. No. CAT-1, 177 OF 1999

Chartered Engineer (India) C.E. 75744/9

PANEL VALUER FOR:-

State Bank Of India, Punjab National Bank, Bank Of India
 Canara Bank, Union Bank Of India, Oriental Bank Of
 Commerce, Vijaya Bank, Bank Of Maharashtra, Dena Bank
 Punjab & Sind Bank, Karnataka Bank Ltd. The Nainital
 Bank Ltd. L.I.C. Allahabad Bank, Huda Municipal Council
 Central Co-op Bank Ltd. HSIDS. H.F.C. & ICICI Bank
 Andhra Bank, Bank of Baroda, Central Bank & Corporation

Estimated Cost For Proposed Construction of Office Block & Shed Building						
Sl. No.	Description for Item of Works	UNIT	QNTY	RATE		Amount
				Rs.	P.	Rs. P.
1	Earth Work in Excavation for Foundations.	Cu.M.	300	95.00		28500.00
2	Earth Re-Fillings on Sides of Trenches	Cu.M.	550	195.00		107250.00
3	Broken Brick Aggregates of N.S. 38.40 mm	Cu. Ft.	8200	25.00		205000.00
4	Local Sand Supply	Cu. Ft.	8200	30.00		246000.00
5	Crushed Stone Aggregates of Ns. 10-20 M.M.	Cu. Ft.	8200	25.00		205000.00
6	Coarse sand Supply	Cu. Ft.	8200	30.00		246000.00
7	First Class Burnt Bricks of Class Design 75	1000 Nos.	185000	5.00		925000.00
8	First Class Burnt Bricks Tiles of Class Design 75	1000 Nos.	0	0.00		0.00
9	Ordinary Port Land Cement Bags 50 Kg. Each.	Nos.	500	300.00		150000.00
10	Prefabricated Sheets	Kg.	8500	125.00		1062500.00
11	Wooden Framed for Doors & Windows	Cu.Ft.	0	0.00		0.00
12	Panelled / Glazed Shutters for Doors & Windows	Sq. Ft.	0	120.00		0.00
13	Wire Gauge Shutters for Doors & Windows	Sq. Ft.	0	100.00		0.00
14	Cup Board/ Shelves Frames & Laminated Top Covers	Sq. Ft.	0	0.00		0.00
15	Wooden Pelmet, Curtain Rods for Doors & Windows	R.Ft.	0	0.00		0.00
16	Fittings & Fixtures for Wood Works			0		0.00
17	M.S. Security Grills, Railing in Welded Sections	Kg.	1500	25.00		37500.00
18	Main Steel Gate in Welded Sections	Kg.		L/s.		25000.00
19	Ingredients for Chips Flooring	Sq. Ft.	6500	30		195000.00
20	Marble Stone work in Flooring/ Steps, Facing Skirtings	Sq. Ft.	0	0.00		0.00
21	Marble Fixing, Cutting & Polishing Labour Charges	Sq.Ft.	0	0.00		0.00
22	Glazed (Coloured/ White)tiles Dado on Walls	Sq. Ft.	0	0.00		0.00
23	Electric fittings in Building	Sq.Ft.	8500	30.00		255000.00
24	Water Supply and Sanitary Fittings			L/s.		100000.00
25	Plaster of Paris work on Plastered Surfaces	Sq. Ft.	0	0.00		0.00
26	White wash/oil Bound and Enamel Paint Finishes	Sq. Ft.	0	0.00		0.00
27	Over Head & Under Ground Masonary Water tanks	Nos.	0	0		0.00
28	Labour charges to Contractor for Masonary Works	Sq. Ft.	8500	60.00		510000.00
29	Architect's Plan, Design & Supervision charges	Sq.Ft.		L/s.		0.00
30	Anti- Termite, Treatment for Wood Protections	Sq.Ft.		L/s.		0.00
31	Front Face Works and Architectural Structures	Sq.Yd.		L/s.		0.00
						0.00
						4297750.00
	Total Estimated Cost Rs.					

Say Rs 4200000/- Fourty two Lac only/

Estimate framed on as per owners requirement and prevailing

market rates for construction materials & labour charges.

TANEJA & JAIN ASSOCIATES
 GOVT. APPROVED VALUERS
 ENGINEERS & ARCHITECTS


Estimate Framed By:

TANEJA & JAIN ASSOCIATES
 (GOVT. REGISTERED ARCHITECTS, VALUERS & ENGINEERS)



Scanned with
CamScanner

6. Machinery Quotations

		Bluejade Texink Pvt. Ltd. Plot No. 880 Road No4,GIDC-Sachin, Surat,Gujarat,,India GSTN No:24AAFCB4872K1ZH GSTN Type:Regular/TDS/ISD CIN : U74993PB2013PTC037423				Sales Quotation							
Billing Address : PAY TO PANIPAT - Haryana India		Delivery Address: StateCode:/				Quotation Number 36				Quotation Date 25-March-2019		Customer Ref No	
						Customer Code : C00392 Customer Name : THE PANIPAT HOME FURNISHING CLUSTER PVT. LTD. GST Registration Number : GST Registration Type :				Shipping Terms : Payment Terms: 100% Advance Contact Details : Name : Contact Number : Email Id:			
Sno	Item Code / Product Description	HSN / SAC Code	Quantity	UOM	Unit Price [INR]	Total [INR]	CGST [INR]		SGST [INR]		IGST [INR]		Line Total [INR]
							Rate	Amount	Rate	Amount	Rate	Amount	
1	FG00117 / INK JET PRINTER S1200L	8443.39.10	4.00	SET	780000.00	3,120,000.00	0.00	0.00	0.00	0.00	18.00	561600.00	3681600.00
2	FG00147 / REACTIVE MACHINE BJ-V08	8443.39.10	1.00	SET	6240000.00	6,240,000.00	0.00	0.00	0.00	0.00	18.00	1123200.00	7363200.00
	Freight [INR]				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Insurance [INR]				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Packing and Forwarding Expenses [INR]				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Amount [INR]						9,360,000.00	0.00	0.00	0.00	0.00	1,684,800.00	11,044,800.00	
Remarks : Amount In Words : (INR) One crore Ten lakhs Forty-Four Thousand Eight Hundred only Whether the tax is payable on Reverse Charge basis : [No]													
Terms : 1. 100% Advance Payment. 2. Transportation/Loading/Unloading cost are extra.													
Reg. Add. :- 1st FLOOR ,16-PURANI MARKET ,KATRA AHLUWALIYA,AMRITSAR (PUNJAB) Ph No :0261-6555306 Email Id : accounts@bluejade.co.in													




OFFICE ADD.: PLOT NO 1027, SACHIN GIDC, ROAD NO 87,
SACHIN, SURAT, GUJARAT, 394230
Ph.: 0261-2397788
GSTN : 24ACKPD9592J1Z6

PI NO # SIETC/25032019/MAR-19/HFC-I
Date: 25-03-2019

TO,
M/S. Home Furnishing Cluster
Panipat, Haryana

PROFORMA INVOICE

<i>X-press -170 CM Oil Roll heat press machine without Including Glass</i>		
	UNIT PRICE	Rs. 10,20,000/-
	GST @ 18%	Rs. 1,83,600/-
	AMOUNT	Rs. 12,03,600/-
	QTY	2 Units
	TOTAL AMOUNT	Rs. 24,07,200/-
	Width	1900 MM
	Transfer speed	200M/Hour
	Cylinder diameter	600 mm
	Working Table Length	3000mm
	Power	42 KW
	Heating Method	Oil Based Heating Pipe
	Pressure	Air pressure
	Voltage	380v/50HZ (3 Phase 4 wire)
	Packing Size	2640*1540*1570mm
	Net Weight	2500Kgs
	PI Valid Till	10.04.2019

TERMS & CONDITIONS

- 1) Advance 30% at the time of booking and balance 70% payment before delivery
- 2) Order once confirmed cannot be cancel and any advance will non-refundable.
- 3) Delivery 50-55(approx.) days from the date of receipt of full payment.
- 4) Payment should be made by A/c Payee cheques / D.D only.
- 5) Freight and unloading charges, if any will be borne by the buyer.
- 6) If any document is required for entry in state will be provided by the buyer before machines releases from the port.
- 7) Subject to Amritsar Jurisdiction.

Banking information:

Payee Name: SATNAM IMPORT EXPORT TRADING Co.
Bank Address: HDFC BANK PARLE POINT BRANCH, SURAT
Beneficiary Account No: 00672560005519
IFSC CODE: HDFC0000067

Indoasia Machines Pvt. Ltd.

CIN : U29265PB2007PTC030895

**PI NO # IML25032019/MAR-18/HFC-I**

Date: 07.09.2018

TO

M/S. Home Furnishing Cluster
 Panipat, Haryana
PROFORMA INVOICE

Sr. No.	DESCRIPTION	UNIT PRICE	GST @ 18%	AMOUNT	QTY	TOTAL AMOUNT
01	Electronic chamber with Pin & Clip	Rs.15,00,000/-	Rs. 2,70,000/-	Rs. 17,70,000/-	1	Rs. 17,70,000/-
02	Boiler	Rs.10,00,000/-	Rs.1,80,000/-	Rs.11,80,000/-	1	Rs.11,80,000/-
03	Winch Washing	Rs. 5,00,000/-	Rs. 90,000/-	Rs.5,90,000/-	2	Rs.11,80,000/-
04	Star Eager	Rs. 1,00,000/-	Rs.18,000/-	Rs.1,18,000/-	1	Rs.1,18,000/-
TOTAL: Rupees Forty-Two Lakhs Forty-Eight Thousand Only.						

TERMS & CONDITIONS

- 1) Delivery 10-15 (approx.) days from full receipts of advance.
- 2) Order once confirmed cannot be cancel and any advance will non-refundable.
- 3) Payment should be made by A/c payee cheques /DD/RTGS/NEFT only.
- 4) Unloading charges if any will be borne by the buyer.
- 5) Subject to Amritsar Jurisdiction.

BANKING INFORMATION:Company Name: **INDO ASIA MACHINES PVT. LTD.**

Bank Name: YES BANK LTD

Bank Address: SACHIN BRANCH, SURAT

Account No: 017684600000524

IFSC: YESB0000176



H.O. : 16, 1st Floor, Old Cloth Market, Katra Ahluwalia, Amritsar - 143001. P : +91 - 183 - 2546507 F : +91 - 183 - 5096704
 Admin. Office : Plot No. 880, 1st Floor, Road No. 4, G.I.D.C. Sachin, Surat - 394230 (GUJ) INDIA. P : +91 - 261 - 6517788 F : +91 - 261 - 2397788
 E : info@indoasia.biz W : www.indoasia.biz / www.indoasia.co / www.indoasiamachines.co.in



INDUSTRIAL EQUIPMENTS COMPANY
 AN ISO 9001, 14001, 50001 & OHSAS 18001 Certified Company
Karnal Branch: 2nd Floor, Durga Mandir Complex,
 Near Bus Stand, Opp. Central Bank, Karnal
 Tel: 0184-4040509 . 9812050509
 E – mail: iec.karnal@iecgensets.com . www.iecgensets.com



REF/IEC-KAR/2019-20/DG/RKJ

Dated:-12-04-2019

The Panipat Home Furnishing Cluster
 Panipat (HRY)

K.A. Ramesh Verma

SUB: QUOTATION FOR KOEL GREEN SILENT ELECTRIC GENERATING SET WITH STD MANUAL PANEL.

Dear Sir,
 We acknowledge with thanks the receipt of your valued enquiry referred to above. We are accordingly submitting our most competitive offer for your favorable consideration.

S. No.	DESCRIPTION	UNIT PRICE EACH
1	Supply of 100 KVA KOEL GREEN SILENT DG SET comprising of Kirloskar make AIR cooled Diesel Engine model HA494TCI-G1 (CPCB NORMS II COMPLIANT) developing 56 BHP @ 1500 RPM & 45 KVA Kirloskar Green make Alternator rated at 3Phase, 415 Volts, 50 Hz; 0.8 p. f. @ 1500 RPM both mounted, and aligned on a common MS base frame complete with MS Fuel Tank, MANUAL Control Panel , Residential Exhaust Silencer, AVM Pads fitted on base frame, 1 Nos. 12 Volts DC Battery (KOEL GREEN) with Battery Leads, 1 st fill of Lube Oil and Coolant, all housed in Sound Proof Acoustic Enclosure	10,00,000-00
2	GST @ 18%	1,80,000-00

TERMS & CONDITIONS

PRICE : - : Ex-Works, Freight EXTRA & transit insurance to customer a/c.

G.S.T : **GST EXTRA @18%. However G.S.T will be charged as applicable at the time of dispatch.**

DELIVERY: - 3-4 Weeks from the receipt of your Tecno-commercial clear order with advance

STATUTORY VARIATIONS: All state taxes, duties, levies like Octroi, entry tax, WCT, GST etc. and statutory variations or imposition of new taxes/duties shall be to purchaser's account.

PAYMENT: **25 % advance along with your confirmed order and balance by D.D. Fav: INDUSTRIAL EQUIPMENTS CO., payable at CHANDIGARH.**
Against Performa Invoice before dispatch Of D.G Set.

ERECTION: As the order is for supply of material, the Erection of the same (As per drawing) including material Like Earthling, Cabling & connection with proper thimbling, Civil Work, Exhaust Pipe & Unloading of D.G Set etc is not in our Scope, However, we will undertake Commissioning of the set free of cost after you complete Installation work.

REVALIDATION: In case dg set not got commissioned within 6 months from the date of invoice customer has to get the dg set revalidation on payment from KOEL service dealer before calling us for commissioning.

CANCELLATION: All disputes are subject to Chandigarh jurisdiction only. In Case of Cancellation of order, 50% advance or 10 % value of Order (whichever is higher) shall be deducted as cancellation charges alongwith GST paid on your behalf shall not be refunded.

WARRANTY : 2 years from the date of installation or 5000 operating hours or 30 calendar months from dispatch date whichever is earlier, subject to sourcing of spares, consumables & services from Kirloskar Authorized Service Dealer (KOEL CARE) and DG set installed with proper Installation Guidelines.

VALIDITY: **10 DAYS.**

Please note that the order should be placed on

M/s INDUSTRIAL EQUIPMENTS COMPANY, BARWALA, DISTT- PANCHKULA (HARYANA). However all the correspondences should be addressed to our booking office at **KARNAL.**

Detailed Technical Specifications attached.

Should you need any further clarification(s). Please feel free to contact the undersigned.

Thanking you,

Yours faithfully,

FOR INDUSTRIAL EQUIPMENTS CO,

(RAJESH CHADHA)
BRANCH MANAGER
M -9812050509, 74045-10509

RTGS DETAIL: - INDUSTRIAL EQUIPMENTS COMPANY
HDFC BANK A/C NO.01070330000592
IFSC CODE.HDFC 0000107
BANK ADDRESS. SCO 78-79, 18-C, CHANDIGARH

Our offices

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2nd Floor, Shivalik Ishaan
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Ahmedabad - 380 015
Tel: + 91 79 6608 3800
Fax: + 91 79 6608 3900

Bengaluru

"UB City", Canberra Block
12th & 13th floor
No.24, Vittal Mallya Road
Bengaluru - 560 001
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+ 91 80 6727 5000
Fax: + 91 80 2210 6000
Fax: + 91 80 2224 0695

Chandigarh

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Ernst & Young Pvt. Ltd.
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Fax: +91 172 6717888

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No 3, Cenotaph Road
Teynampet
Chennai - 600 018
Tel: + 91 44 4219 4400
+ 91 44 6632 8400
Fax: + 91 44 2431 1450

Hyderabad

205, 2nd floor
Ashoka Bhoopal Chambers
Sardar Patel Road
Secunderabad - 500 003
Tel: + 91 40 6627 4000
Fax: + 91 40 2789 8851

Oval Office, 18, iLabs Centre,
Hitech City, Madhapur,
Hyderabad - 500081
Tel: +91 40 6736 2000
Fax: +91 40 6736 2200

Kochi

9th Floor, Abad Nucleus
NH-49, Maradu PO
Kochi, Kerala 682304, India
Tel: + 91 484-3044000
Fax: + 91 484 2705393

Kolkata

22, Camac Street
Block 'C', 3rd floor
Kolkata - 700 016
Tel: + 91 33 6615 3400
Fax: + 91 33 2281 7750

Mumbai

6th floor & 18th floor
Express Towers
Nariman Point
Mumbai - 400 021
Tel: + 91 22 6657 9200 (6th floor)
+ 91 22 6665 5000 (18th floor)
Fax: + 91 22 22876401 (6th floor)
+ 91 22 2282 6000 (18th floor)

Block B-2, 5th Floor,
Nirlon Knowledge Park,
Off Western Express Highway,
Goregaon (E), Mumbai - 400 063
Tel: +91 22 6749 8000
Fax: +91 22 6749 8200

15th Floor, The Ruby, 29,
Senapati Bapat Marg, Dadar (W), Mumbai
- 400 028, India
Tel: +91 22 6192 000

NCR

Golf View Corporate Tower - B
Near DLF Golf Course
Sector 42
Gurgaon - 122002
Tel: + 91 124 464 4000
Fax: + 91 124 464 4050

6th floor, HT House
18-20 Kasturba Gandhi Marg
New Delhi - 110 001
Tel: + 91 11 4363 3000
Fax: + 91 11 4363 3200

4th and 5th Floor, Plot No. 2B, Tower 2,
Sector 126, NOIDA - 201 304
Gautam Budh Nagar, UP, India
Tel: +91 120 671 7000
Fax: +91 120 671 7171

Pune

C-401, 4th floor
Panchshil Tech Park
Yerwada (Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 6603 6000
Fax: + 91 20 6601 5900

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

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