

# Draft Detailed Project Report

## Kitchen Appliance Cluster, Ambala

*Submitted to,*

Department of Industries and Commerce

Government of Haryana

*(For assistance under State Mini Cluster Development Scheme)*

Report No. 2018-Chandigarh-0016

May 2018



27<sup>th</sup> March 2018

Director  
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 Draft Detailed Project Report (DPR) for setting up of Motor manufacturing and testing facility as Common Facility Centre at Kitchen Appliances Cluster, Ambala 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
- ▶ Members of Ambala Electrical Appliances Manufacturers Association
- ▶ Members of Mixi Manufacturers Association, Ambala
- ▶ Members of Kitchen Appliance Cluster, Ambala
- ▶ Kitchen Appliance units located in and around Ambala
- ▶ 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 is intended solely for the information and use of the Office of Director Industries-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

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Also, we must extend our sincere thanks to cluster 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 of the industry insights would not have been possible.

## Abbreviations

AEAMA	Ambala Electrical Appliances Manufacturers Association
AKAPL	Ambala Kitchen Appliance's Private Limited
BDS	Business Development Services
CAGR	Compound Annual Growth Rate
CEAMA	Consumer Electronics And Appliances Manufacturers Association
CSIO	Central Scientific Instrumentation Organisation
CFC	Common Facility Centre
CAGR	Compound Annual Growth Rate
DIC	District Industries Centre
GDP	Gross Domestic Product
GSDP	Gross State Domestic Product
EPP	Enterprise Promotion Policy
GOI	Government of India
HSIIDC	Haryana State Industrial & Infrastructure Development Corporation Limited
HUDA	Haryana Urban Development Centre
HCCI	Haryana Chamber of Commerce & Industry
KACA	Kitchen Appliance Cluster Ambala
MSME	Micro, Small and Medium Enterprises
MSME-DI	MSME – Development Institute
MMA	Mixi Manufacturers Association
NSIC	National Small Industries Corporation
NIT	National Institute of Technology
PNB	Punjab National Bank
SIDBI	Small Industries Development Bank of India
SWOT	Strength, Weaknesses, Opportunities and Threats
UAM	Udyog Aadhar Memorandum
USA	United States of America
YOY	Year on Year

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## 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 path. 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 availing funding under the State Mini Cluster Development Scheme providing grant under the EPP 2015. In the above 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 CFC having Motor Manufacturing and Testing Facility through an SPV under the name and style of "Ambala Kitchen Appliances Private Limited" for Kitchen Appliances Cluster, Ambala.

### About the Ambala Kitchen Appliance Cluster

The global kitchen appliances market is estimated to worth USD 246.3 billion by 2022, according to a new study by Grand View Research, Inc. Research and development or innovation by industry participant is anticipated to boost industry growth over the forecast period.

Energy efficiency, cost, technology advancement, quality of the products affect the consumers' buying decision. Emergence of ecommerce industry and investment in distribution channels has not only boosted industry participants' revenue but also has expanded their reach. Growing demand for product up-gradation is anticipated to drive industry growth over the next seven years.

Changing consumer lifestyle and increasing income level is expected to boost industry growth over the forecast period. Increasing demand for ready-to-eat food may pose a challenge to growth over the next seven years.

India Kitchen Appliances market recorded strong growth, with a CAGR of over 13% during review period of 2011-16. The market advanced on the back of rising disposable income, growing sales infrastructure in the form of specialist stores & e-commerce players coupled with innovation in kitchen appliances, increasing popularity of modular kitchens and convenience associated with such appliances. The market is forecast to advance with a double digit CAGR of 15.41% during estimated period of 2017-22<sup>1</sup>.

As far as competitive landscape is concerned, kitchen appliances market is a fragmented market, wherein top five players account for over 45% of the market in value terms. Besides, e-commerce companies are offering range of kitchen appliances with easy financing, like low EMI & discounts to generate more sales, which also contributed towards increased demand. And, the market is projected to reach over USD 7 billion by 2022.

The Kitchen appliance cluster Ambala houses about 150 manufacturing and assembly units that are scattered across both parts of the city (on both sides of NH1), with major concentration in around old Anaj Mandi and Industrial area. The units are manufacturing a

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<sup>1</sup> India Kitchen Appliances Market Analysis: Forecast and Opportunities, 2016-2022, Business Wire Report

range of products catering to small kitchen appliances such as hand blenders, electric food chopper, mixer grinder, juicer mixer grinder, grinders, etc.

All the units are in the micro scale and have very low investment. Most of the units are selling through their own shops and brand names. A few progressive ones are also supplying to big players in the market.

### Diagnostic Study and Interventions

A diagnostic study was undertaken in March 2018 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 required facilities with respect to manufacturing armatures (motors) the most essential part of a electrical or kitchen appliance. Current manual operations are leading to sub-optimal quality of motors affecting the end product of the cluster, subsequently impacting their market competitiveness. In this context, the units have decided to establish a CFC.

A DSR validation meeting was conducted with SPV and cluster members on 22<sup>nd</sup> March 2018 and was put up to the Director ( Industries) for approval. It was approved by the Director (Industries) on 5<sup>th</sup> April 2018. The SPV was granted permission to go ahead with the preparation of Detailed Project Report (DPR) for the cluster.

### Proposed Common Facility Centre

The proposed CFC will facilitate:

#### ▶ Armature Manufacturing Facility

Presently, the units only have traditional and out dated machineries for manufacturing of motors apart from high dependency on manual labour for same. The precision equipment's require for manufacturing motors are absent in cluster. The motor being the most essential part of a kitchen appliance impacts the quality. Present operations also limit the market expansion for cluster units as units are not able to meet current market demand of the products

checking and inspection, being undertaken in-house, for physical inspection of raw materials as well as finished products based on size, quality, measurements, colour and other specifications, primarily for physical defects like misprint, hole, distortion, bowing, weaving, outfitting. This is being done either manually or with basic machinery for fabric checking and colour matching (UV based). A comprehensive NABL accredited facility will replace the outsourcing need of testing to private labs, which entails a substantial cost.

#### ▶ Testing Facility

The facility caters to all aspects of manufacturing high precision motors for kitchen appliances, along-with testing of final product. Testing is one of the primary aspect in the electronic appliance industry. No major company buys product without certification of quality parameters. This is one of the major impediment for the cluster as they are finding very difficult to expand the market without the production of test certificates. The consumer

durable items are changing with recent trends and innovation, the cluster's inability to provide quality and safety standards is a major drawback.

#### 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 "Ambala Kitchen Appliances Private Limited" as a private limited company under section 8 of the Companies Act, 2013 and rule 7 of the Companies (Incorporation) Rules, 2014. DIC, Ambala and MSME-DI have played an important role in SPV formation by cluster stakeholders. The SPV has been incorporated in 2018, and includes 11 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 EPP 2015).

The SPV members have a track record of cooperative initiatives and are also members of prominent cluster associations. The members 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, SME IPO process, sustainability, etc. These programs were conducted in collaboration with DIC, State Government, IAMSME of India, etc.

#### Project Parameters, Viability and Sustainability

The cluster with support from State Government is planning to set up Common Facility Centre having state-of-the-art testing and digital printing facilities to undertake job work of cluster units with a total project cost of about INR 195.94 lakhs. The SPV members have proposed to contribute 23.55% of the project cost. The total contribution of SPV members will amount to INR 46.15 lakhs. Support from State Government is envisaged for INR 149.79 lakh.

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

(Rs in Lakh)

PROJECT COST				
S. No.	Particulars	Total Project Cost	Amount as per Guidelines	Remarks
1	Land & Building			
	a. Land Value	0.00		
	b. Land Development	2.00		
	c. Building & Other Civil Works	31.20	30.00	
	d. Building Value	0.00		
	Sub Total (A)	33.20	30.00	Eligible (Max 25% of total of L&B, P&M, and Misc. F.A.)
2	Plant & Machinery			
	a. Indigenous	131.19		
	b. Imports	0.00	136.43	
	c. Secondary Machines	5.24		
	Sub Total (B)	136.43	136.43	Eligible
3	Miscellaneous fixed assets (C)	3.05	0.00	
4	Preliminary & Preoperative Expenses (D)	4.29	0.00	
5	Contingency			
	a. Building @ 2%	0.62	0.00	
	b. Plant & Machinery @ 5%	6.82	0.00	
	Sub Total (E)	7.45	0.00	
6	Margin money for working capital @ 75% C.U. (F)	11.52	0.00	Not eligible for grant
	Grand Total (A+B+C+D+E+F)	195.94	166.43	

The total project cost is estimated to be INR 195.94 lakhs. As indicated above, assistance to the project from the Govt. of Haryana is envisaged to the tune of INR 149.79 lakhs of the project cost, SPV contribution is to the tune of INR 46.15 lakhs of the project cost.

S. No.	Source of finance	Total Amount (Rs. In Lakh)
1	Grant-in-aid under State Mini Cluster Development Scheme (Govt. of Haryana)	149.79
2	Contribution of SPV	46.15
	Total	195.94

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

S. No.	Particulars	Estimates
1	BEP (cash BEP at initial operating capacity of 75%)	39.00%
2	Av. ROCE (PAT/CE)	50.53%

3	Internal Rate of Return (IRR)	38.86%
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. 317.92 lacs) at a conservative project life of 10 years
5	Payback period	3.16 years with Grant-in-aid assistance from GOH
6	DSCR	Not Applicable (non-availment of term loan in this project)

Asevident 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 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 in close association with DIC, Ambala and the State government. It is proposed to constitute a Cluster Development Coordination Committee (CDCC), under the Chairmanship of Director of Industries, Government of Haryana to oversee all cluster development projects in Haryana under State Mini Cluster Development Scheme. The committee may operate under the overall monitoring of the State Level Steering Committee (SLSC).

In addition, for implementing this CFC project, a Project Management Committee (PMC) comprising of the GM, DIC Ambala and representatives of the SPV, lead bank, and EY experts shall be constituted to directly oversee effective monitoring and implementation. The project will be implemented through the SPV, and the PMC will report progress of implementation to the CDCC as well as State Level Steering Committee and DIC, Ambala.

The potential for Ambala Kitchen Appliances cluster to grow is enormous, owing to the growing market demand for home and kitchen appliances in India and globally. The strength of the cluster lies in its location (both geographically & industrially), with proximity to Baddhi and proximity to Delhi which is a key supply hub. Cluster units are unable to effectively cater to the domestic and international markets as they are lacking in quality, price competitiveness and efficiency due to lack of advanced technologies for manufacturing motors as well as cost-effective testing facility.

This cluster has the ability to increase its output and market share by manufacturing highly efficient price competitive products. The proposed facility will be open to all cluster firms to enable them to get job work done in order to cater to the digital printing and advance testing requirement. The facility will also provide an opportunity to MSE units to increase their capacity utilization, profitability and 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 150 kitchen appliances related manufacturing units in Ambala district, Haryana, with 11 units willing to join hands to form a Special Purpose Vehicle (SPV) to set up a Common Facility Centre (CFC) to address common problems of the cluster. The cluster comprises of mainly micro units. The annual turnover of the cluster (micro and small units) is about INR 120 Crore. The cluster units are engaged in manufacturing and assembling of Mixies, Hand Grinders, Juicers, Mixers, Choppers, Hand Blenders, automatic grinders etc. Most units manufacture products to be sold in open market either with their own brand names or other brands.

### 1.2 Geographical Traits

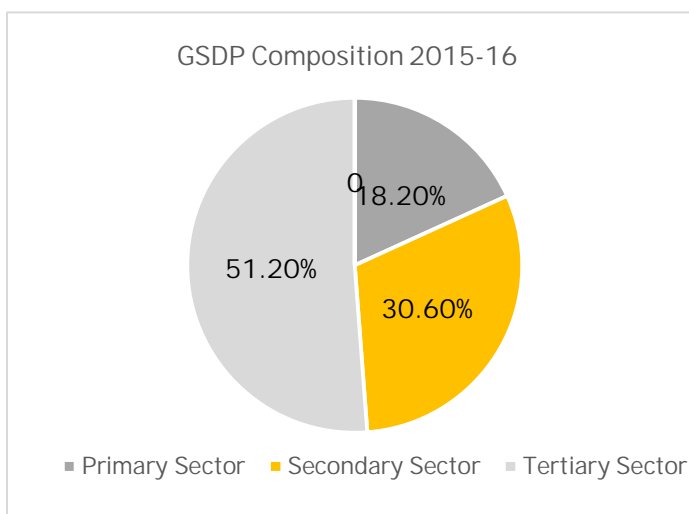
The state of Haryana was formed on 01 November 1966. It is situated in the northwest of India with the capital of Chandigarh as a Union Territory. The state is surrounded by Delhi, Rajasthan, & Uttar Pradesh with around 30% of the total area of the state falling under National Capital Region (NCR). The 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 11<sup>th</sup> 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 the India's GDP. Haryana with just 1.37% of the country's geographical area and 1.97% of country's total population the state is counted among the first few states with the highest per capita income. The state economy is predominantly agriculture.

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 policy

Figure 1: GSDP Composition 2015-16 2015-16





# Sector Overview



## 2. Sector Overview

### 2.1 Brief Global Scenario

The global kitchen appliances market is estimated to worth USD 246.3 billion by 2022, according to a new study by Grand View Research, Inc. Research and development or innovation by industry participant is anticipated to boost industry growth over the forecast period.

Energy efficiency, cost, technology advancement, quality of the products affect the consumers' buying decision. Emergence of ecommerce industry and investment in distribution channels has not only boosted industry participants' revenue but also has expanded their reach. Growing demand for product up-gradation is anticipated to drive industry growth over the next seven years.

Governments worldwide are focusing on curbing energy consumption through new regulation and consumer awareness campaign, which is anticipated to drive demand for energy efficient technology products.

Changing consumer lifestyle and increasing income level is expected to boost industry growth over the forecast period. Increasing demand for ready-to-eat food may pose a challenge to growth over the next seven years.

### 2.2 India Scenario

India Kitchen Appliances market recorded strong growth, with a CAGR of over 13% during review period of 2011-16. The market advanced on the back of rising disposable income, growing sales infrastructure in the form of specialist stores & e-commerce players coupled with innovation in kitchen appliances, increasing popularity of modular kitchens and convenience associated with such appliances. The market is forecast to advance with a double digit CAGR of 15.41% during estimated period of 2017-22<sup>2</sup>.

India has been registering strong single digit GDP growth, with average rate of 7% since 2013 and it will be the fastest growing economy over the next five years too. With a whopping population of over 1.30 billion people, and growing middle class population of over 267 million, the country presents vast opportunities for multitude of products including kitchen appliances. India has already become world's third largest economy on PPP method, after United States and China. Apart from growing economy and middle class, the country is also witnessing other trends, like increasing urbanisation, westernisation of lifestyle and growing number of women in the workforce. These factors make India a favourable market for kitchen appliances.

As far as competitive landscape is concerned, kitchen appliances market is a fragmented market, wherein top five players account for over 45% of the market in value terms. Besides, e-commerce companies are offering range of kitchen appliances with easy financing, like low EMI & discounts to generate more sales, which also contributed towards increased demand. And, the market is projected to reach over USD 7 billion by 2022.

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<sup>2</sup>India Kitchen Appliances Market Analysis: Forecast and Opportunities, 2016-2022, Business Wire Report





### 3. Cluster Details

#### 3.1 History of the Cluster

Miro and Small scale industries form the bulk of the industrial landscape in Ambala. From pre-independence, Hargolal and Sons, Oriental Scientific Apparatus Workshop (OSAW), were the first few to set up industrial units of Scientific Instruments in Ambala. Many new units have been setup from these initial units and Ambala came to be known as 'city of scientific instruments'. The locals followed the trend and the district emerged as hub of manufacturing of scientific equipment's and electronic equipment's and appliances, including kitchen appliances.

Small kitchen appliances manufacturers is a promising cluster in the district. These units are into manufacturing of mixies, mixers, grinders, juicers, chopper and other small appliances. These units are using raw material sourced from Delhi and Badhhi in Himachal Pradesh to manufacture or value addition different types of small kitchen appliances.

#### 3.2 Nature of Cluster

The Kitchen appliance cluster houses about 150 manufacturing and assembly units that are scattered across both parts of the city (on both sides of NH1), with major concentration in around old Anaj Mandi and Industrial area. The units are manufacturing a range of products catering to small kitchen appliances such as hand blenders, electric food chopper, mixer grinder, juicer mixer grinder, grinders, etc.

All the units are in the micro scale and have very low investment. Most of the units are selling through their own shops and brand names. A few progressive ones are also supplying to big players in the market.

The units are dependent on manual operations and obsolete technologies to manufacture their products. Additionally, none of them has an in house testing lab to test their raw materials or finished products. The units are not equipped in terms of utilizing potential of existing and growing market (\$ 7 billion), which requires high quality and innovative products as demanded by consumers.

#### 3.3 Products of the Cluster

The cluster products include hand blenders, electric food chopper, mixer grinder, juicer mixer grinder, grinders, etc. The units undertake activities such as manufacturing complete product and assembling of final product

A few of the products manufactured by the cluster are presented below:



Mixer Grinder



Mixer Juicer Grinder



Electric Food Chopper



Hand Blender





## 4. Diagnostic Study Findings

A diagnostic study was undertaken by the cluster members in February 2018 to map the existing business processes in the cluster, identify the gaps, and understand the requirements of the cluster. It was observed that many units required advance motor manufacturing facility and testing facilities, as their existing machineries are outdated and inefficient in terms of production and quality, and often with production delays. Additionally, major players in the market do not accept the sub-optimal quality orders from MSMEs.

The DSR was approved by the Director of Industries & Commerce on 5<sup>th</sup> April 2018 and the SPV was granted permission to go ahead with preparation of Detailed Project Report (DPR) for the cluster. The major findings of the DSR are presented in the following sections.

### 4.1 Cluster Actors

The primary stakeholders in the cluster are the small kitchen appliance manufacturers based in various parts of Ambala. 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

- ▶ **Ambala Electronic Appliances Manufacturers Association (AEAMA)**  
AEAMA is the parent association of kitchen appliances manufacturers. A total of 40 units formed this association to work towards common issues and represent Ambala Kitchen Appliances MSMEs.
- ▶ **Mixi Manufacturers Association**  
It is an offshoot of AEAMA and has been instrumental in bringing out cluster units' problems at various platforms. The association has been continuously liaising with various government bodies on issues related to GST, mandatory procurement from Micro enterprises and vendor development programs.
- ▶ **Consumer Electronics And Appliances Manufacturers Association (CEAMA)**  
Consumer Electronics and Appliances Manufacturers Association (CEAMA), established in the year 1978, is an all India body representing Consumer Electronics, Home Appliances and Mobile Industry. This apex body aims to enhance the development of Consumer Electronics & Appliances Industry and its components to maintain fair competition and healthy practices among manufacturers, dealers and other stakeholders. With a strong foothold since past 37 years, this non-profit organization constantly strives to look after the common interests of its members, for sustainable growth in the sector.

## 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 Joint Director. DIC promotes micro and small enterprises in the region. The Mini Custer Scheme under which the electronic units want to set up a CFC will also be implemented through the DIC office. The Ambala DIC is actively promoting cluster development in the district.

### ▶ 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

### ▶ 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. Ambala industry is served by the NSIC branch office in Ambala. It provides diverse services to MSMEs in Ambala 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

## C. Educational Institutes

### ▶ National Institute of Technology (NIT), Kurukshetra

The institute was established in 1963 in Kurukshetra as a joint enterprise of the Government of India and the Government of Haryana as the Regional Engineering College, Kurukshetra (REC Kurukshetra).

The institute has established Institute-Industry interfaces like an MOU with Hewlett Packard (HP) India under this MOU. The institute offers consultancy services on the design and development problems referred to it by various Govt. and other

Industrial Organizations. It also organises Institute-Industry interaction which has participation of leading industry and academia.

- ▶ National Institute of Electronics & Information Technology (NIELIT) Chandigarh

This is an autonomous scientific society under the Ministry of Electronics & Information Technology (MoE&IT), Government of India, and is engaged in the area of IECT besides development of industry oriented quality education and training programmes. The host of activities of NIELIT is further augmented by the wide range of projects that it undertakes. NIELIT has demonstrated its capability and capacity to undertake R&D projects, consultancy services, turnkey projects in office automation, software development, website development etc.

- ▶ Central Scientific Instruments Organisation (CSIO), Chandigarh

This is a national laboratory dedicated to research, design and development of scientific and industrial instruments. It is one of the constituent laboratories of the Council of Scientific & Industrial Research (CSIR) India, an industrial research and development organisation of the country.

With a view to meet the demand for instrument technologists, Indo-Swiss Training Centre (ISTC) was started in December 1963 with the co-operation of Swiss Foundation for Technical Assistance, Zurich, Switzerland. A large number of instruments have been developed by the Institute and their know-how have been passed on to the industry for commercial exploitation.

#### D. Banks / FIs

- ▶ 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, Ambala

Punjab National Bank is the lead bank of the Ambala district and many local manufacturing units have a banking relationship with PNB.

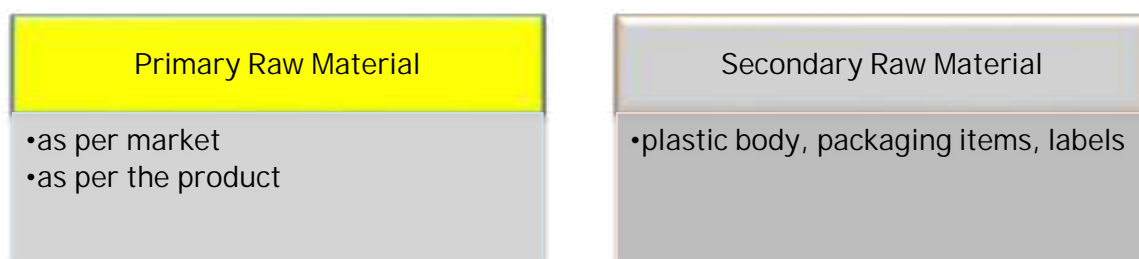
## 4.2 Raw Material Availability for the Cluster

The cluster units need basic raw material such as electrical motor, plastic moulded body parts, die cast items/base plates, jars set, blades set, sheet metal components, rubber components (bushes, gaskets, etc.), cables and switches, other small hardware items, consumables, packaging material etc. as per the specification of end product.

Raw materials used by manufacturers can be classified into primary and secondary. The primary raw materials provide the basis of the product. The secondary ones are for enhancing the aesthetic appeal and customization.

Some of the major primary and secondary raw materials are mentioned in figure 11:

Figure 3: Raw Materials used by Kitchen Appliance Units



Most of the raw materials are sourced from local dealers supplying majorly from Delhi. The raw materials along with the supplier sources are mentioned in table 1:

Table 1: Sourcing of Raw Material by Ambala Units

Input	Material	Supplier
Primary Raw Material	electrical motor, plastic moulded body parts, die cast items/base plates, jars set, blades set, sheet metal components, rubber components (bushes, gaskets, etc.), cables and switches	Domestic suppliers from Ambala, Delhi or Baddhi.
Secondary Raw Material	Plastic body, packaging items and labelling	In-house moulding, domestic suppliers or provided by the buyers (labels)

#### 4.3 Cluster Market

The units in the cluster cater to only to the domestic markets. Units operate for domestic manufacturing. Manufacturing is predominantly done on order received from traders as per the market requirements and demand from appliances shops in north India region. Few of the units cater to B2B.

#### 4.4 Cluster Employment

This kitchen appliance industry is capital intensive. Presently, this cluster provides employment to 2000 people directly & around 6000 indirectly. On an average, micro units employ approximately 15-20 persons.

The owners of units in the cluster are mostly traditional business men having Graduate or Post Graduation. The managers/Supervisors are technically sound on the basis of experience. New generation is hardly involved in cluster.

#### 4.5 Cluster Turnover

The annual turnover of this cluster is estimated to be around INR 120 crores. The average annual turnover of micro and small units is around INR 50 lakh and INR 100 lakh respectively.

However, there is an enormous potential of increasing the production from cluster units by technological interventions, quality upgradation and reducing the outsourcing of activities by units to other players. This would also result in enhanced turnover and open vistas for innovation, which was not possible earlier due to technology constraints. Recommendations around these have been provided in the DSR.

#### 4.6 Production Process

Domestic Mixer-Grinders or Juicer-Mixer Grinders are small kitchen appliances. In India these appliances have importance given the unique food preparation processes and the culinary style. Since the juicer-mixer-grinder is the most common product of cluster therefore its production process is detailed.

The basic functions carried out by these appliances are:

- ✓ Mixer-Grinder: performs dry and wet grinding of spices, coffee beans etc. and mixing for gravy preparations, Milk shakes, whipping operation etc. MG comes with dry grinding, wet grinding jar, mixer jars and a set of blades.
- ✓ Juicer-Mixer-Grinder (JMG): in addition to the Mixer-Grinder functions the JMG can perform juice extraction function mainly for fruits and vegetables.

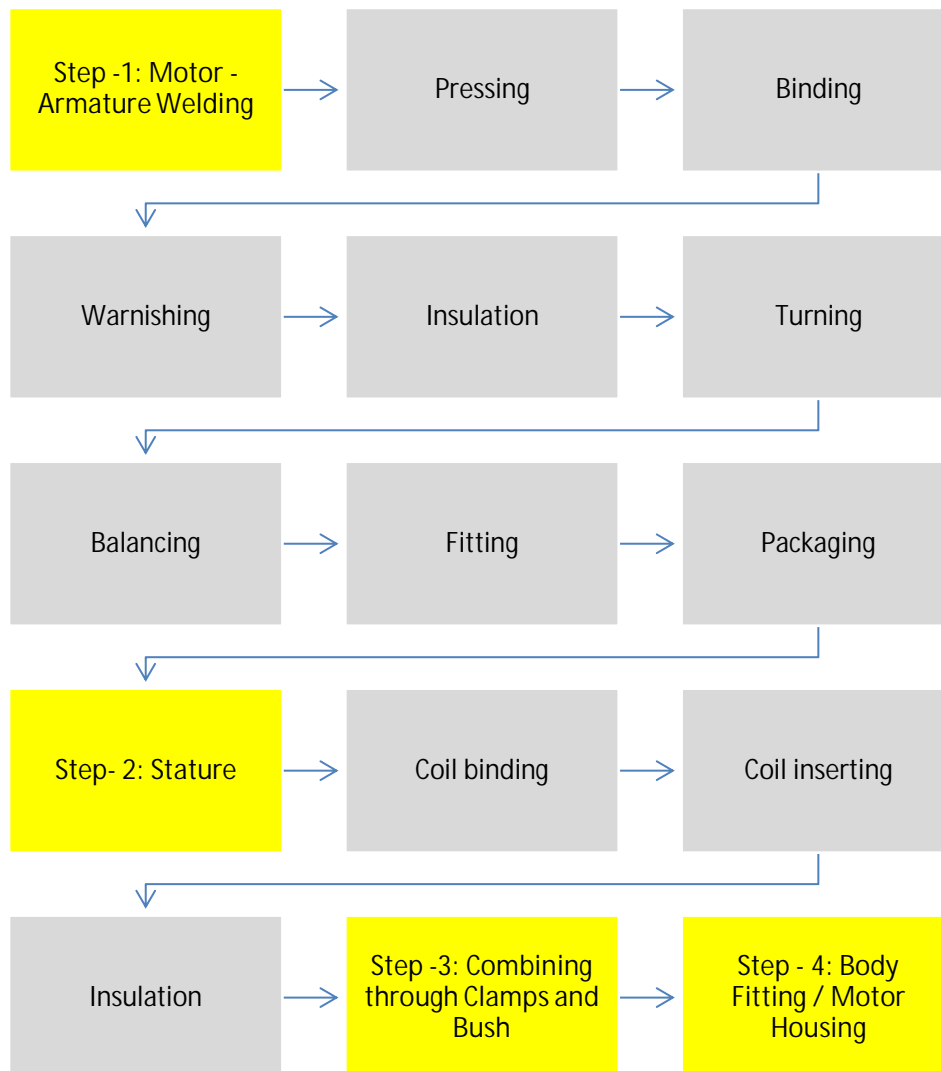
Since it is an electrically operated consumer durable item, usually the product design takes care of the high level of safety requirements. Attractive look and finish as well as features enhance the sale of the product. Equally important is the after sales service for increasing the good will of the brand.

Given the nature of the product and the process the industry practice is to outsource most of the component/subassemblies such as blades, high speed motors, injection molded components, and such supplies/vendors are available in clusters. Few of the units manufacture motors.

Due to the high costs involved in the manufacturing of the dies and molds for the plastic body parts, most JMG manufactures provide the design of the molded parts to independent plastic molding units and procure main body molds and other plastic molded parts from them. The mold preparation cost is usually borne by the molding units who in turn supply.

The cluster aspires to manufacture the motor, which is the most essential part of kitchen appliances. The current process caters to motor binding and fitting the same into plastic molded body of appliance. Thrust is to improve efficiency in motor manufacturing.

Figure 4: Flow Chart of Manufacturing Process



#### 4.7 Product Quality & Testing

Currently there is no testing lab available in Ambala for testing of materials and finished products. Therefore, the manufactured products are not certified by any lab. This is observed as one of the major hurdle for the cluster's growth as the units could not expand the market.

Bureau of Indian standards specification IS:4250:1980 is applicable for Electrical Mixer-Grinders. Periodic acceptance tests need to be carried out at the premises of the manufacturing/assembly location. In addition to these sampling inspection needs to be carried out by the quality testing section in the plant. The type tests for Juicer-Mixer-Grinder are to be carried out at the BIS laboratory. As the Juicer-Mixer-Grinder is specifically for the Indian Culinary and food preparation related requirements, the Indian standard is most appropriate for the manufacturing.

The evolving and innovative market of home appliances require high quality products.

Hence, testing facility is considered as a major requirement in the cluster.

#### 4.8 Value Chain Analysis

Value chain analysis of the most commonly produced Juicer/mixer is provided below:

Table 2: Value Chain Analysis of Juicer/Mixer

Components	Value Added	Total Value (INR)	% of cost of production
Plastic Body & Switches	125	125	8%
Drum	100	225	6%
Cabinet	110	335	7%
Motor	700	1035	44%
Cables & Wires	40	1075	2%
Other components	200	1275	12%
Packing charges	30	1305	2%
Labour charges	300	1605	19%
Total Production Cost (Rs.)			1605
Profit Margin in Rs. (12.5%)			200
Selling price in Rs.			1805

The value chain analysis has been prepared based on the stakeholder consultation. It can be observed that the raw materials amounts to around 80% of total selling price. Post the implementation of the CFC, there will be reduction in raw material consumption and thereby resulting in signification reduction of cost of production.



The motor is the most essential part of manufacturing and constitutes 44% of cost, the in-house manufacturing facility for motor will result in significant cost reduction including electricity consumption. The competitiveness of the cluster units can be increased by targeting these major cost areas and providing better facilities to the units.

#### 4.9 Major Cluster Problems/Gaps identified

The key problems cluster related problems identified are:

- ▶ **Absence of Motor Manufacturing Facility:** Rotor/Armature manufacturing machines are absent in cluster. Motor being the essential part requires high precision machines for winding, balancing, welding, turning and testing. The manual manufacturing at cluster is prone to errors apart from inefficient machines currently in use in cluster. The machines will increase efficiency, reduce cost and provide for market expansion. Current machines are inefficient and result in power loss.
- ▶ **Absence of testing lab:** Testing is one of the primary aspect in the electronic appliance industry. No major company buys product without certification of quality parameters. This is one of the major impediment for the cluster as they are finding very difficult to expand the market without the production of test certificates. The consumer durable items are changing with recent trends and innovation, the cluster's inability to provide quality and safety standards is a major drawback.

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The condition of the units and machines is visible from pictures below:



Due to non-existence of these facilities, the units face frequent production delays, cost inefficiencies, rejections, material wastages and losing market shares. These facilities if provided through CFC in the cluster with government support, will help the units become more competitive and move up the value chain. The other gaps which are identified are mentioned in the table below:

Table 3: Major Gaps Identified

S. No	Area	Problem
1.	Finance	<ul style="list-style-type: none"> <li>▶ High Rates of interest restrict the ability of small firms to obtain loans as they operate on low margins</li> <li>▶ Machinery suppliers are also not willing to offer line of credit to micro enterprises</li> </ul>
2.	Market	<ul style="list-style-type: none"> <li>▶ Challenge in competing with big players due to higher manufacturing cost</li> <li>▶ Job work is costly due to lower volume</li> <li>▶ Exports is beyond reach of cluster</li> </ul>

3.	Productivity	▶ Absence of Armature Manufacturing Machines results in lower productivity due to manual process and inefficient machines which consumes more power, pro-longs lead time, hampers quality and results in sub-optimal products and limited market
4.	Product development	▶ Lack of R&D capabilities of the units for new product development for new customers/markets, which could increase their revenue.

#### 4.10 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

A SWOT (Strength, Weaknesses, Opportunity and Threat) analysis of the MSME units in the cluster is 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 provided in table below:

Table 4: SWOT Analysis

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
Market	<ul style="list-style-type: none"> <li>▶ Steady local and international demand for cluster products</li> <li>▶ Cluster units located in Ambala area, which is well connected</li> <li>▶ Cluster has proximity to both supply and market</li> <li>▶ Presence of a large number of buyers in the region</li> <li>▶ Can manufacture customised products for B2B clients like Hotels, Industries, Hospitals, Defence forces &amp; OEMs</li> </ul>	<ul style="list-style-type: none"> <li>▶ Presence of other large players to whom bulk orders are made</li> <li>▶ Units are unable to price their products competitively due to higher cost than products imported from China</li> <li>▶ Due to low level of sophistication, cannot charge premium</li> </ul>	<ul style="list-style-type: none"> <li>▶ Rising income levels and increasing urbanisation are driving growth of the domestic market</li> <li>▶ Potential to price products competitively with acquisition of new technology, in order to compete effectively with imported products</li> </ul>	<ul style="list-style-type: none"> <li>▶ Intense competition from Chinese players</li> <li>▶ Competition from other major players like havells, phillips, bajaj, etc. is imminent with technology phasing</li> </ul>
Technology /Product Quality	<ul style="list-style-type: none"> <li>▶ Raw Material can be inspected upon delivery</li> <li>▶ Each unit undertakes inspection of pieces at each stage in their manufacturing process</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of high end technology for Armature manufacturing machines for motors results in units having to obtain these from private service providers at higher costs.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Setting up of CFC with Armature manufacturing machines will result in reduced input costs</li> <li>▶ Develop new products as per the latest demand for more compact products</li> </ul>	<ul style="list-style-type: none"> <li>▶ Competition from vendors manufacturing products at lower costs with similar machines</li> <li>▶ Faster technology obsolescence</li> </ul>

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> <li>▶ Products are made as per 'tech packs' specified by buyers, and are thus made-to-order (No challenge of sale of inventory)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Absence of motor manufacturing machines restrains them from innovation</li> <li>▶ Inability to manufacture new products to challenge the new products</li> </ul>		
Skill/Manpower	<ul style="list-style-type: none"> <li>▶ Skills acquired on-the-job</li> <li>▶ Presence of technical institutes such Indo-Swiss Training Centre, Chandigarh</li> </ul>	<ul style="list-style-type: none"> <li>▶ High manpower costs</li> <li>▶ Lack of interaction between SMEs and technical institutes for providing technical training</li> <li>▶ Absence of any mechanism to mobilize youth from the region for training in this sector</li> </ul>	<ul style="list-style-type: none"> <li>▶ Customized training programs on required skills (operations, soft skills etc.)</li> <li>▶ Engage technical institutes for skill development programs</li> <li>▶ Increased labour cost in China is an opportunity for Indian industry</li> </ul>	<ul style="list-style-type: none"> <li>▶ Youth keen to work in other lucrative sectors like BPO</li> <li>▶ Attraction to shift to big cities like Gurgaon, Chandigarh</li> </ul>
Inputs	<ul style="list-style-type: none"> <li>▶ Availability of raw materials from local dealers</li> <li>▶ Buyers sometimes specify dealers from whom they want materials</li> </ul>	<ul style="list-style-type: none"> <li>▶ No web portal displaying prices and sources of raw materials</li> <li>▶ Absence of cluster buying</li> </ul>	<ul style="list-style-type: none"> <li>▶ Potential to develop a portal displaying information (price, suppliers) of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>▶ Cost of power in India is, on average, higher than key competing countries like China, Taiwan, Korea</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>▶ Ability to manufacture customised products as per client specifications</li> </ul>	<ul style="list-style-type: none"> <li>▶ Low capability in Research &amp; Development due to lack of financial capacity</li> </ul>	<ul style="list-style-type: none"> <li>▶ Units may innovate in products by doing reverse engineering of imported products and</li> </ul>	<ul style="list-style-type: none"> <li>▶ Could lose business to other more price competitive manufacturers from</li> </ul>

Area	Current situation		Future	
	Strengths	Weaknesses	Opportunities	Threats
		<ul style="list-style-type: none"> <li>▶ Lack of process automation</li> </ul>	develop them at lesser cost	other countries if units do not innovate
Business Environment	<ul style="list-style-type: none"> <li>▶ Steady growth in domestic demand</li> <li>▶ Conducive policy and regulatory initiatives</li> <li>▶ Active State Govt. and schemes for development of MSE</li> <li>▶ Presence of common land for CFC</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lack of knowledge of regulatory frameworks and government schemes among micro units</li> <li>▶ High cost of industrial land in the cluster</li> <li>▶ Lack of common infrastructure/CFC facilities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Establish CFC with latest environment friendly technologies</li> <li>▶ Create better awareness of government schemes and regulations</li> </ul>	<ul style="list-style-type: none"> <li>▶ Change in policies and regulatory environment</li> <li>▶ Increase in land rates</li> </ul>
Energy/Environment	<ul style="list-style-type: none"> <li>▶ Progressive and positive attitude on environment</li> </ul>	<ul style="list-style-type: none"> <li>▶ Low focus on energy efficiency resulting in higher energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>▶ Potential to reduce energy costs by energy auditing</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increase in power tariff</li> <li>▶ Increased focus on environment standards</li> </ul>

#### 4.11 Cluster growth potential

The potential for the growth of kitchen appliance's sector is enormous, owing to the growing market for innovative products in India and internationally. Ambala is located in the proximity of Chandigarh, Punjab, Delhi and western Uttar Pradesh, providing it with a strategic advantage in terms of its proximity to key supply hub.

Raw material is easily available to cluster units from Delhi and Himachal through traders and agents, similarly the cluster products are famous in markets, and demand skyrockets during festival seasons.

Currently units are facing challenge in cost competitiveness and efficiency due to the absence of modern technology for manufacturing of motors. The cluster is totally dependent on manual operations in manufacturing processes. Manual operations are resulting in cost escalation and limits production capacity as a result of which the units often get priced out and face loss of orders.

Against this backdrop, if these facilities are provided to the units under the CFC mode, their production costs and inefficiencies will reduce and they will be able to compete with players from Baddhi, Delhi and Mumbai.





## 5. Diagnostic Study Recommendations

Based upon the diagnostic study and intense discussions with various cluster stakeholders regarding gap identification in the cluster, a mix of hard and soft interventions are being proposed to enhance the competitiveness of the cluster units. These have to be undertaken with the state government support to provide an impetus to the growth of kitchen appliance units in the region. The recommendations for both soft and hard interventions have been elaborated in subsequent sections. The recommendations were finalized in a stakeholder consultation conducted with key members of the kitchen appliance cluster at Ambala on 20th May 20, 2018. These were validated on 22<sup>nd</sup> May 2018 in the presence of Director of Industries at Ambala. The minutes of the validation meeting are provided in Annexure 2.

### 5.1 Hard Interventions for Setting up a CFC

The cluster would require the following common infrastructure facilities on an urgent basis to improve the competitiveness of the cluster units and to enable them to move up the value chain:

- ▶ Armature Manufacturing Facility with following machines

An armature is the power-producing component of an electric machine. The armature can be on either the rotor (rotating part) or the stator (stationary part) of the electric machine. The armature interacts with the magnetic field (magnetic flux) in the air-gap; the field component can comprise either permanent magnets, or electromagnets formed by a conducting coil, such as another armature.

An armature (pictured on right) has a continuous series of windings from each bar on the commutator, which loop around the iron stack teeth and connect to the next bar on the commutator. The winding continues to loop all the way around the armature in the same manner. Loops are either single or parallel conductors (wires), and can circle any number of times around the stack teeth (called turns in a coil). The wire can vary in gauge as is required for the design of the motor. Each wire is insulated with an enamel coating, isolating it from every other wire in the loop, and only terminates at a commutator bar.





The turns in every coil wrap around the iron stack to create an electro-magnet. When energized, an electro-magnetic field is generated in the motor armature. This EM field inter-acts with the magnetic fields of the permanent magnets in the motor (in the case of a permanent magnet motor) or with the electro-magnetic field created by the stator



(in the case of a universal motor). These magnetic forces work to attract each other, inducing a torque on the armature shaft, causing it to turn.

Both motors and generators can be built either with a stationary armature and a rotating field or a rotating armature and a stationary field.

S. No.	Machines	Utility	
Primary Machines			
1.	Paper Inserting		<ul style="list-style-type: none"><li>✓ This equipment adopts PLC control system. Stable performance, easy debugging simple function.</li><li>✓ The device uses man-machine touch system, parameter input and modification is very convenient, simple and quick debugging.</li><li>✓ This device uses the parameter automatic preservation way, the operation is more convenient.</li><li>✓ This device has a number of sensor protections. High safety performance.</li></ul>
2.	Armature Winding		<ul style="list-style-type: none"><li>✓ The armature winding is the main current-carrying winding in which the electromotive force or counter-emf of rotation is induced.</li><li>✓ The current in the armature winding is known as the armature current. The location of the winding depends upon the type of machine.</li><li>✓ The armature windings of dc motors are located on the rotor, since they must operate in union with the commutator.</li><li>✓ The cluster doesn't have high end machine to perform these jobs efficiently.</li></ul>
3.	Armature Balance		<ul style="list-style-type: none"><li>✓ A precision balancing machine</li><li>✓ The machine is used for balancing power while making motors and auto corrects precision balancing</li><li>✓ Currently absent in cluster</li></ul>

4.	Commutator Welding (Manual & Automatic)		<ul style="list-style-type: none"> <li>✓ The commutator are the segments that are connected to armature coils.</li> <li>✓ Welding is very common for commutator as continuous use results in wear and tear and also leads to short-circuits.</li> <li>✓ The technology is currently absent in cluster.</li> </ul>
5.	Armature / Commutator Turning		<ul style="list-style-type: none"> <li>✓ A commutator is a rotary electrical switch in certain types of electric motors and electrical generators that periodically reverses the current direction between the rotor and the external circuit.</li> <li>✓ An essential machine for assembling and manufacturing motors currently not in use in cluster</li> </ul>
6.	Armature Testing		<ul style="list-style-type: none"> <li>✓ If a motor is driven too hard for its environment and temperatures are allowed to rise beyond the thermal limits of the insulation, it is possible for the insulation on the wires to break down and short together, or short to the armature stack. If windings are shorted together, the electro-magnetic fields cannot be created for that coil, causing the motor to run erratically or fail all together.</li> <li>✓ A mandatory requirement for checking motor quality and efficiency</li> </ul>
7.	Armature Insulation		<ul style="list-style-type: none"> <li>✓ The commutator is constructed from copper bars, separated from one another by an insulating material. This insulating material is normally a thermoset plastic.</li> <li>✓ It stops the copper wire in the slots coming into contact with the laminated core.</li> <li>✓ The technology is not available in cluster.</li> </ul>
Secondary Machines			
	1. Armature Varnish Machine - Manual & Automatic		

	<ol style="list-style-type: none"> <li>2. Hydraulic Press – 3 ton</li> <li>3. Soldering Machine</li> <li>4. Grinders <ol style="list-style-type: none"> <li>a. Surface</li> <li>b. Centrifugal</li> <li>c. Centerless</li> </ol> </li> <li>5. Lathe Machine</li> <li>6. Drilling Machine</li> <li>7. Power Press <ol style="list-style-type: none"> <li>a. 10 Ton</li> <li>b. 20 Ton</li> </ol> </li> <li>8. Piller set for Shafts</li> <li>9. Semi Molding Machine</li> <li>10. Mica Undercut Machine</li> <li>11. 3 Feet Turning Machine</li> <li>12. Electric Oven</li> <li>13. Winding Attachment</li> <li>14. Surge Compressor Tester</li> <li>15. DG Set</li> <li>16. Air Conditioner</li> <li>17. Air Compressor</li> </ol>
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#### ► Testing facility

The facility caters to all aspects of manufacturing high precision motors for kitchen appliances, along-with testing of final product. Testing is one of the primary aspect in the electronic appliance industry. No major company buys product without certification of quality parameters. This is one of the major impediment for the cluster as they are finding very difficult to expand the market without the production of test certificates. The consumer durable items are changing with recent trends and innovation, the cluster's inability to provide quality and safety standards is a major drawback.

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A lab as per the above standard with specific machines is required for Kitchen Appliance MSEs of Ambala to enhance quality and expand market along-with mitigating current quality challenges.

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 efficiency of mixers, grinders and other kitchen appliances produced by the cluster as the SPV members will be able to tap the existing and expanding market potential in the concerned sector.

- ▶ Significant reduction in cost of production and higher capacity utilization by each unit, given that in the absence of advanced technology for manufacturing motors, MSE units end up paying substantially high charges for labour.
- ▶ Increased productivity and reduced inefficiencies.
- ▶ Higher degree of competitiveness of cluster enterprises.
- ▶ All cluster firms shall be encouraged to use the facility since a number of micro unit entrepreneurs who could not afford to significantly contribute by way of necessary investment to the equity contribution of the project, have not been able to join the project as an SPV member but have a genuine need for using the CFC.
- ▶ 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, 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.





## 6. SPV for Project Implementation

The micro units in the Ambala Kitchen Appliance Cluster came together to form a Special Purpose Vehicle (SPV) as a private limited company under section 7 of the Companies Act, 2013 and rule 8 of the Companies (Incorporation) Rules, 2014 under the name and style of “Ambala Kitchen Appliances Private Limited” with CIN U31908HR2018PTC073667. The SPV was registered on 19-04-2018. The certificate of registration/ incorporation along with Memorandum of Association (MoA) and Articles of Association (AoA) and PAN card of the SPV are provided in Annexure – 2 & 3. The Company has an authorized paid up capital of INR 1 lakh which shall be enhanced in the near future. The members are micro firms (registered units) in Ambala involved in mixie manufacturing activities.

DIC, Ambala and State Government both played an important role in SPV formation. The SPV was incorporated in 2018 and already includes 11 members who are subscribing to the necessary equity base of the company. The SPV shall be open for new members to join and for the existing members to leave while maintaining a minimum member base of at least 10 at all times. The proposed CFC will be implemented on public-private partnership basis through an SPV under the name and style of “Ambala Kitchen Appliances Private Limited” by availing support from Government of Haryana’s State Mini Cluster Development Scheme (under Haryana EPP-2015).

The SPV members have a track record of cooperative initiatives. SPV members are also members of prominent cluster associations. Cluster members 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 kitchen appliance industry, entrepreneurship development, IPR, energy efficiency, GST, barcoding, equity schemes, design clinic etc. Therefore, no support (in the form of grant-in aid) will be sought under this project for undertaking soft interventions.

The SPV has conducted a series of stakeholder consultations (with various members, DIC - Ambala, and EY experts) during finalization of project components, selection of technologies and development of Detailed Project Report. The SPV has been instrumental in spreading awareness about cluster development under State Mini Cluster Development Scheme in Ambala and has also helped in validation of DSR. It has kept the State Government and the DIC Ambala engaged during the entire period of development of DSR and DPR.

### 6.1 Shareholder profile and Shareholding mix

List of Directors: The SPV has two 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 units from Ambala.

All the 11 SPV members will be shareholders in the Ambala Kitchen Appliances Private Limited. Two members will be the directors in the company. Other than these directors, the

SPV will have provision of having one director each from the state DIC and the State Government. The SPV comprises members from micro units of cluster.

Table 5: List of Directors

S. No.	Directors	Name of the unit	Unit address
1	Nitin Aggarwal	Supriya Electricals	Old Jain School, Ambala City
2	Mohan Lal	Saini Enterprises	958-59, Vishwakarma Mandir Road, Ambala City

The lead promoters/shareholders have several years of successful experience in manufacturing of kitchen appliances 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 Ambala 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 kitchen appliances in Ambala for several years and have considerable experience in marketing and manufacturing of garments. Directors and SPV members have had close interactions with technical experts, government institutions and machinery suppliers.

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 7.



Table 6: Details of SPV Members

S.N.	Contact Person	Company Name	Contact No.	Address of Unit	UAM No	Products
1	Nitin Aggarwal	Supriya Electricals	9215215117	Old Jain School, Ambala City	HR01A0000618	Mixer, Grinder & other appliances
2	Rakesh Kumar	Sarvesh Engineering Works	9416613195	552-A/1, near Manji Sahib Gurudwara, Ambala City	HR01A0000635	Mixer, Grinder & other appliances
3	Sartaj Alam	Saffi Engineering Works	9416140709	24, Industrial Area, Ambala City	HR01A0000920	Mixer, Grinder & other appliances
4	Gulshan Kalra	Kalra Sales Corporation	9996123999	Shree Vishwakarma Mandir Road, Ambala City	HR01A0000617	Mixers, Grinders, Vacuum cleaners and washing machines
5	Kuldeep Ahuja	Deep Plastic Works	8950012346	1491/2, Kaziwara, near Nahan House, Ambala City	HR01A0000623	Mixer, Grinder & other appliances
6	Mohan Lal	Saini Enterprises	9896994999	958-59, Vishwakarma Road, Ambala City	HR01A0000616	Mixer, Grinder & home appliances
7	Babita Aggarwal	Priya Home Appliances	9416172731	Basant Vihar, Ambala City	HR01A0000915	Mixer, Grinder & home appliances
8	Harvinder Singh	Harnam Enterprises	9896367795	Basant Vihar, Ambala City	HR01A0000916	Mixer, Grinder & home appliances

9	Sunny Singla	Monex Appliances	9729090039	Near Gurudwara Manji Sahib, Ambala City	HR01A0000911	Mixer, Grinder & home appliances
10	Virender Singh	Ishu Enterprises	9416155807	Vishwakarma Road, Ambala City	HR01A0000914	Mixer, Grinder & home appliances
11	Chander Prakash	Prakash enterprises	9896260037	Spatu Road, Ambala City	HR01A0000917	Mixer, Grinder & home appliances

## 6.2 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 the 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, 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.

## 6.3 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 SPVs 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.

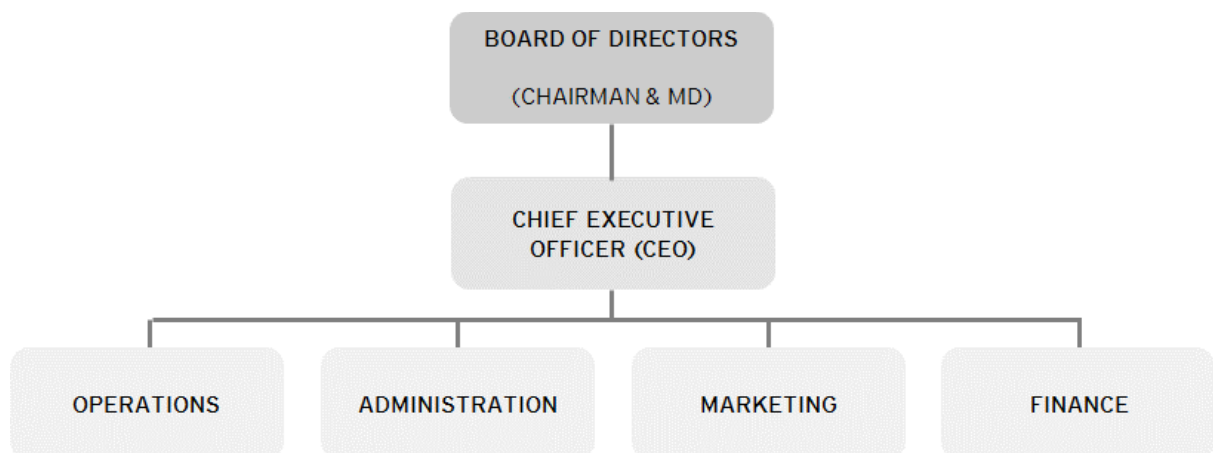
The Memorandum and Articles of Association of the cluster SPV indicates the democratic process in terms of decision making on the basis of votes. All members of SPV will meet once every fortnight/month to discuss/resolve operational issues. The management of the CFC will be a two tier structure for smooth 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 SPV 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 5: Organisational Structure





## 7. Project Economics

### 7.1 Project Cost

The total project cost is estimated at Rs. 195.94 lakhs. The project cost for setting up a CFC in the Ambala Kitchen Appliances Cluster includes the following:

1. Land (on lease)
2. Building (to be constructed)
3. Machinery and equipment
4. Miscellaneous fixed assets
5. Preliminary & Pre-operative expenses
6. Contingency
7. Margin money for working capital

The detail of each project component is provided below:

#### 7.1.1 Building

The SPV shall will construct two floor building on its own land with 33 year irrevocable lease. The SPV has purchased the land for building CFC. The building is located at Lohgarh, Ambala, Haryana. The available area is 1200 square feet and the monthly rent for the first year would be Rs. 0.10 lakhs, with an annual increase at the market rate (estimated at 10%).

#### 7.1.2 Plant and Machinery

As detailed in section 4.2 (hard interventions), 30 machines have been recommended to enable cluster units enhance their competitiveness. The machines have been categorized as primary and secondary. 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 major facilities proposed at the CFC are for Motor making and Testing. The total cost of plant and machineries has been estimated at INR 136.43 lakhs including taxes, and contingency works out to INR 7.45 lakhs.

The details of the proposed machinery items are presented in the table below. The detailed specifications and quotations of the machines are provided in the annexure. 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 &amp; Machinery

PLANT & MACHINERY									
S. No.	Machine Name	Quantity	Basic Price	Total Basic Price	GST as Applicable*	Total Price	Supplier Options	Model / Specifications	Power Requirement (kW)
A	Primary Machinery								
1	Paper Inserting Machine for Armature	3	2.15	6.45	1.16	7.61			0.50
2	Armature Winding Machine	2	15.20	30.40	5.47	35.87			0.50
3	Commutator Welding Machine (manual)	2	2.75	5.50	0.99	6.49			1.00
4	Commutator Welding Machine (automatic)	1	7.50	7.50	1.35	8.85			1.00
5	Armature Varnish Machine (manual)	4	0.70	2.80	0.50	3.30			1.00
6	Armature Varnish Machine (automatic)	1	6.00	6.00	1.08	7.08			1.00
7	Armature/Comutator Turning	3	2.80	8.40	1.51	9.91			0.50
8	Armature Balancing Machine	1	0.85	0.85	0.15	1.00			0.20
9	Automatic Armature Balancing Machine	2	5.00	10.00	1.80	11.80			0.20
10	Stator winding system (field)	1	12.00	12.00	2.16	14.16			0.50
11	Hydraulic Press (3 ton)	1	0.95	0.95	0.17	1.12			3.00
12	Soldering Machine	1	0.12	0.12	0.02	0.14			0.50
13	Surface Grinder	1	1.60	1.60	0.29	1.89			0.75

14	Centrifugal grinder	1	5.00	5.00	0.90	5.90		0.75
15	Centerless grinder	1	2.70	2.70	0.49	3.19		0.75
16	Lathe Machine (4ft. +2 ft.)	1	1.20	1.20	0.22	1.42		0.75
17	Drilling machine	1	0.14	0.14	0.03	0.17		0.25
18	Power press - 10 ton	1	0.92	0.92	0.17	1.09		2.00
19	Power press - 20 ton	1	1.70	1.70	0.31	2.01		2.00
20	Pillar set for shaft	1	0.15	0.15	0.03	0.18		0.25
21	Semi Moulding Machine	1	0.75	0.75	0.14	0.89		2.50
22	Mica undercut machine	2	0.65	1.30	0.23	1.53		0.25
23	3 feet turning machine	1	0.85	0.85	0.15	1.00		0.40
24	Electric Oven	2	0.20	0.40	0.07	0.47		0.50
25	Winding attachment	1	2.00	2.00	0.36	2.36		0.00
	Testing Facility							
26	Surge Compressor tester	1	0.55	0.55	0.10	0.65		0.10
27	Motor life testing panel	1	0.95	0.95	0.17	1.12		0.10
	Sub Total (A)	39	75.38	111.18	20.01	131.19		21.25
B	Secondary Machinery							
1	DG set	1	2.63	2.63	0.47	3.10		
2	Air Conditioner	4	0.40	1.60	0.29	1.89		
3	Air Compressor	1	0.21	0.21	0.04	0.25		
	Sub Total (B)	6	3.24	4.44	0.80	5.24		
	Grand Total	45	78.62	115.62	20.81	136.43		21.25



### 7.1.3 Miscellaneous Fixed Assets

The CFC would also require fixed assets such as furniture, fixtures, firefighting equipment, first-aid equipment etc. for smooth running of operations. The total estimated capital expenditure for purchase of miscellaneous fixed assets is estimated to be Rs. 3.05 Lakhs. Details are provided in the table below.

Table 8: Miscellaneous Fixed Assets

MISCELLANEOUS FIXED ASSETS		
S. No.	Particulars	Amount (INR lakh)
1	Office computer-2	0.80
2	Furniture (tables & chairs)	1.50
3	Office items and allied items	0.50
4	Fire fighting equipments	0.25
	<b>Total</b>	<b>3.05</b>

### 7.1.4 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, overhead expenses during machinery testing period such as salaries, machine testing cost, bank charges, travelling, etc. The total expenditure for preliminary and pre-operative expenses are estimated at Rs. 4.29 Lakhs (details provided in the table below).

Table 9: Preliminary and Pre-Operative Expenses

PRELIMINARY & PRE OPERATIVE EXPENSES		
S. No.	Particulars	Amount (INR lakh)
1	Company Formation Charges	1.00
2	Tender forms & tendering cost	1.00
3	Project Report Preparation (DSR & DPR)	Nil
4	Project Management Charges	Nil
5	Electricity Connection	0.84
6	Travelling Cost	0.10
7	Machine testing cost	0.25
8	Pre-operative salaries	0.50
9	Bank Appraisal Charges	0.60
	<b>Total</b>	<b>4.29</b>

### 7.1.5 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. Contingencies on building at 2% amounts to Rs. 0.62 lakh, and on plant and machinery estimated at 5% amounts to Rs. 6.82 lakhs. The total contingency thus amounts to Rs. 7.45 lakhs.

### 7.1.6 Margin Money for Working Capital

The total working capital requirement during the first year of operation at 75% capacity utilization is estimated at Rs. 31.52 lakh. The working capital loan, if required, will be availed from a local bank and is calculated at Rs. 20 lakh with margin money requirement of Rs. 11.52 Lakh (being more than minimum 25% of working capital requirement as margin). The working capital requirement has been calculated based on requirement of one month of operational expenses, 3 months' consumables and 3 months' debtor collection period. The calculation has been provided in the subsequent section.

### 7.1.7 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

(Rs in Lakh)

PROJECT COST				
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)	0.00 2.00 31.20 0.00 33.20	30.00 30.00	Eligible (Max 25% of total of L&B, P&M, and Misc. F.A.)
2	Plant & Machinery a. Indigenous b. Imports c. Secondary Machines Sub Total (B)	131.19 0.00 5.24 136.43	136.43 136.43	Eligible
3	Miscellaneous fixed assets (C)	3.05	0.00	
4	Preliminary & Preoperative Expenses (D)	4.29	0.00	
5	Contingency a. Building @ 2% b. Plant & Machinery @ 5% Sub Total (E)	0.62 6.82 7.45	0.00 0.00 0.00	Not eligible for grant
6	Margin money for working capital @ 75% C.U. (F)	11.52	0.00	
	<b>Grand Total (A+B+C+D+E+F)</b>	<b>195.94</b>	<b>166.43</b>	

## 7.2 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, EPP-2015). Working capital loan, if required, will be secured from a 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 200 lakhs. In this case, the assistance from Govt. of Haryana will be 90% of eligible project cost of Rs. 166.43 lakhs, i.e. Rs. 149.79 lakhs. SPV will be required to contribute 10% of project cost for project cost up to Rs. 200 lakh. As

such, the SPV will contribute Rs. 16.64 lakh (10% of Rs. 166.43 lakh) as well as the entire amount above Rs. 166.43 lakhs taking their overall contribution to 24% of the total project cost of Rs. 195.94 lakhs. The total contribution of SPV members will amount to Rs. 46.15 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 under State Mini Cluster Development Scheme (Govt. of Haryana)	149.79
2	Contribution of SPV	46.15
	<b>Total</b>	<b>195.94</b>

Detailed Means Of Finance							
S. No.	Source of finance	Project cost up to INR 166.43 lakh		Project cost over INR 166.43 lakh			Remarks
		Percentage Contribution	Amount (INR in lakh)	Percentage Contribution	Amount (INR in lakh)	Total Amount (INR in lakh)	
1	Grant-in-aid under State Mini Cluster Development Scheme (Govt. of Haryana)	90%	149.79	0%	0.00	149.79	As per EPP, 2015 GoH contribution is max 90% (Including soft intervention expenses)
2	Contribution of SPV	10%	16.64	100%	29.51	46.15	
	<b>Total</b>	<b>100%</b>	<b>166.43</b>	<b>100%</b>	<b>29.51</b>	<b>195.94</b>	

### 7.2.1 Share Capital

The contribution of the SPV members will be by way of subscription to shares in the SPV registered as a Private Limited Company under the name and style of "Ambala Kitchen Appliances Private Limited". The extent of paid-up share capital would be Rs. 46.15 lakh contributed by the cluster SPV.

The authorized share capital of the company is INR 10 lakh at present which shall be increased in due course. The extent of equity subscription by each member will be restricted to a maximum of 10% of total share capital of the company.

### 7.2.2 Grant-in-Aid

Grant-in-aid of Rs. 149.79 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.

## 7.3 Expenditure Estimates

In this section, a detailed estimate of expenditure of the CFC has been conducted on eight hour single shift (i.e. 8 hours) 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 loans, miscellaneous expenses and non-cash depreciation expenditure.

### 7.3.1 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 oil, grease, fuel, jigs, fixtures and tools, etc.

Table 12: Consumables

CONSUMABLES REQUIRED FOR MACHINES																
S. N o.	Machine Name	No. Of Machi nes	Particulars	Mont hly Amo unt per Mach ine (INR)	Total mont hly Amt (INR)	Consum ables required annually (INR in Lakh)	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )	Amo unt (INR in Lakh )
							Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
A.	Primary Machines						75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
	Job work facility	1	Oil	1000	1000	0.12	0.09	0.10	0.10	0.11	0.11	0.12	0.12	0.12	0.12	0.12
		1	Grease	1000	1000	0.12	0.09	0.10	0.10	0.11	0.11	0.12	0.12	0.12	0.12	0.12
		1	Jig, Fixtures & Tools	5000	5000	0.60	0.45	0.48	0.51	0.54	0.57	0.60	0.60	0.60	0.60	0.60
B.	Secondary Machines															
	DG Set	1	Fuel	5500	5500	0.66	0.50	0.53	0.56	0.59	0.63	0.66	0.66	0.66	0.66	0.66
	AC	1	Coolants & service	1000	1000	0.12	0.09	0.10	0.10	0.11	0.11	0.12	0.12	0.12	0.12	0.12
	Total				13500	1.62	1.22	1.30	1.38	1.46	1.54	1.62	1.62	1.62	1.62	1.62
	Consumables per month					0.14	0.10	0.11	0.11	0.12	0.13	0.14	0.14	0.14	0.14	0.14

### 7.3.2 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 12 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. 12.80 lakh and for indirect at 7.00 lakhs. The total expense on manpower is projected at Rs. 1.65 lakh per month or Rs. 19.80 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 - machine operators and helpers)

DIRECT MANPOWER				
Category	No. of Manpower Required	Salary per month per person (INR)	Total Salary Per Month (INR)	Total salary & wages per Year (INR lakh)
Supervisor	1	18,000.00	18,000.00	2.16
Operators	3	15,000.00	45,000.00	5.40
Helper	3	8,500.00	25,500.00	3.06
Office boy	1	8,500.00	8,500.00	1.02
	8	50,000.00	97,000.00	11.64
Add: Perquisites/Fringe Benefits @ 10%				1.16
Total				12.80

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

INDIRECT MANPOWER				
Category	No. of Manpower Required	Salary per month per person (INR)	Total Salary Per Month (INR)	Total salary & wages per Year (INR lakh)
Cluster Development Executive	1	25,000.00	25,000.00	3.00
Accountant	1	10,000.00	10,000.00	1.20
Security Guard	2	9,000.00	18,000.00	2.16
	4	44,000.00	53,000.00	6.36
Add: Perquisites/Fringe Benefits @ 10%				0.64
Total				7.00

### 7.3.3 Utilities

The most important utility 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 23.25 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 &amp; Equipment (facility) wise power requirement

UTILITIES			
S. No.	Machine & Equipment	Power Requirement (kW)/ Connected Load	Total power requirement (60% of drawn power) kWh
1	Armature Winding Machine	0.50	0.30
2	Commutator Welding Machine	1.00	0.60
3	Armature Varnish Machine	1.00	0.60
4	Armature/Comutator Turning	0.50	0.30
5	Armature Balancing Machine	0.20	0.12
6	Automatic Armature Balancing Machine	0.20	0.12
7	Hydraulic Press (3 ton)	3.00	1.80
8	Surge Compressor tester	0.10	0.06
9	Soldering Machine	0.50	0.30
10	Motor life testing panel	0.10	0.06
11	Surface Grinder	0.75	0.45
12	Centrifigual grinder	0.75	0.45
13	Centerless grinder	0.75	0.45
14	Lathe Machine (4ft. +2 ft.)	0.75	0.45
15	Drilling machine	0.25	0.15
16	Power press - 10 ton	2.00	1.20
17	Power press - 20 ton	2.00	1.20
18	Piller set for shaft	0.25	0.15
19	Semi Moulding Machine	2.50	1.50
20	Mica undercut machine	0.25	0.15
21	Paper Inserting Machine	0.50	0.30
22	Electric Oven	0.50	0.30
23	Commutator Welding Machine (automatic)	1.00	0.60
24	Armature Varnish Machine (automatic)	1.00	0.60
25	Stator winding system (field)	0.50	0.30
26	3 feet turning machine	0.40	0.24
27	Administrative Facilities	2.00	1.20
	Total Connected load for CFC	23.25	13.95
	Buffer Connected Load (10% of Total Connected Load)	2.33	
Total		25.58	

The power requirement for operation of core machinery and equipment and administrative facilities is 23.25 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. The total connected load for the CFC is estimated to be 25.58 kW.

Fixed charges for connection of 25.58 kW @ Rs. 173 per kW equals Rs. 4,424/- per month and monthly consumption charge @ Rs. 7 per unit for 2790 units amounts to Rs. 19,530/- 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 C.U.										
	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	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
Variable	1.76	1.87	1.99	2.11	2.23	2.34	2.34	2.34	2.34	2.34
Total	2.29	2.41	2.52	2.64	2.76	2.87	2.87	2.87	2.87	2.87
Per month	0.19	0.20	0.21	0.22	0.23	0.24	0.24	0.24	0.24	0.24

#### 7.3.4 Annual Repairs and Maintenance Expenses

The annual repairs and maintenance expenses have been estimated to be Rs. 4.77 lakh. The details are presented in the table below:

Table 17: Annual Repairs and Maintenance Expenditure

REPAIR & MAINTENANCE	
ANNUAL REPAIR AND MAINTENANCE EXPENSES	
Repair & Maintenance of Building @ 2%	0.68
Repair & Maintenance of Plant and Machineries @ 3%	4.09
Total	4.77

#### 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. 3 lakh per year. The details are presented in the table below:



Table 18: Insurance and Miscellaneous Administrative Expenses

INSURANCE & MISC ADMIN EXPENSES	
OTHER EXPENSES	
Insurance Charges (Estimate @ 0.5% on fixed assets (such as buildings, civil works, and Plant & machinery, including related contingency expenses of approx. Rs. 7.45 Lakh)	0.89
Miscellaneous Expenses (Stationery, communication, travelling, and other misc. overheads)	3.00
Total	3.89

#### 7.4 Working Capital Requirements

Working capital has been calculated in terms of one month's operating expenses required for the CFC as well as three months' debtor collection period. The operating expenses includes in form of consumables, salaries and utilities.

The working capital requirement of the project for the one month of operation has been considered for utilities and manpower, and 3 months for consumables and debtors. The SPV will contribute the margin money for working capital and rest of working capital will be borrowed from local bank, if required. While calculating the project cost, a minimum of 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. 31.52 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. 33.58 lakh. The corresponding margin money for working capital requirement at 75% & 80% capacity utilization in the first 2 years amounts to Rs. 11.52 lakh and Rs. 13.58 lakh respectively, and the corresponding loan amounts to Rs. 20 lakh.

The details are presented in the table below:

Table 19 Working Capital Requirements

(Rs. In  
Lakh)

WORKING CAPITAL												
S. 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	3 months	0.30	0.32	0.34	0.36	0.38	0.41	0.41	0.41	0.41	0.41
2	Utilities (Power)	1 month	0.19	0.20	0.21	0.22	0.23	0.24	0.24	0.24	0.24	0.24
3	Working Expenses (Manpower )	1 month	1.38	1.44	1.49	1.54	1.60	1.65	1.65	1.65	1.65	1.65
4	Sundry Debtors (Sales Value)	3 months	29.64	31.62	33.60	35.57	37.55	39.53	39.53	39.53	39.53	39.53
5	Working capital (Total expenses)		31.52	33.58	35.64	37.70	39.76	41.82	41.82	41.82	41.82	41.82
6	Working Capital Margin		11.52	13.58	15.64	17.70	19.76	21.82	21.82	21.82	21.82	21.82
7	Working Capital Loan		20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
8	Interest on Working capital loan @11% p.a.		2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
9	Working Cap Margin %age		36.55 %	40.44 %	43.88 %	46.95 %	49.70 %	52.18 %	52.18 %	52.18 %	52.18 %	52.18 %

## 7.5 Depreciation Estimates

Estimates of depreciation are non-cash expenditure and presented in this section on the basis of Written down Value (WDV) methods. 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, depreciation of furniture at 10% per year, and depreciation of miscellaneous fixed assets at the rate of 15% a year. The computation of depreciation as per WDV method is provided in the tables below.

Table 20: Depreciation based on WDV

(Rs. In lakh)

DEPRECIATION (WRITTEN DOWN VALUE METHOD)										
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Land</b>										
Opening Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less : Depreciation	-	-	-	-	-	-	-	-	-	-
Closing Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Building and Civilwork</b>										
Opening Balance	33.82	30.44	27.40	24.66	22.19	19.97	17.98	16.18	14.56	13.10
Less: Depreciation @ 10%	3.38	3.04	2.74	2.47	2.22	2.00	1.80	1.62	1.46	1.31
Closing Balance	30.44	27.40	24.66	22.19	19.97	17.98	16.18	14.56	13.10	11.79
<b>Plant &amp; Machinery</b>										
Opening Balance	143.25	121.77	103.50	87.98	74.78	63.56	54.03	45.92	39.04	33.18
Less: Depreciation @ 15%	21.49	18.26	15.53	13.20	11.22	9.53	8.10	6.89	5.86	4.98
Closing Balance	121.77	103.50	87.98	74.78	63.56	54.03	45.92	39.04	33.18	28.20
<b>Computers</b>										
Opening Balance	0.80	0.32	0.13	0.05	0.02	0.01	0.00	0.00	0.00	0.00
Less: Depreciation @ 60%	0.48	0.19	0.08	0.03	0.01	0.00	0.00	0.00	0.00	0.00

Closing Balance	0.32	0.13	0.05	0.02	0.01	0.00	0.00	0.00	0.00	0.00
Furniture										
Opening Balance	1.50	1.35	1.22	1.09	0.98	0.89	0.80	0.72	0.65	0.58
Less: Depreciation @ 10%	0.15	0.14	0.12	0.11	0.10	0.09	0.08	0.07	0.06	0.06
Closing Balance	1.35	1.22	1.09	0.98	0.89	0.80	0.72	0.65	0.58	0.52
Other Misc. Fixed Assets										
Opening Balance	0.75	0.64	0.57	0.52	0.46	0.42	0.38	0.34	0.30	0.27
Less: Depreciation @ 15%	0.11	0.06	0.06	0.05	0.05	0.04	0.04	0.03	0.03	0.03
Closing Balance	0.64	0.57	0.52	0.46	0.42	0.38	0.34	0.30	0.27	0.25
Total Depreciation	25.61	21.70	18.52	15.85	13.59	11.67	10.02	8.61	7.41	6.37
Depreciated value	154.51	132.81	114.29	98.44	84.85	73.18	63.16	54.55	47.14	40.77

## 7.6 Income/Revenue estimates

The CFC is expected to generate revenue by way of user charges that shall be levied based upon the number of motors received for job work & repairs as well as number of tests conducted. 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 Ambala shall be charged a premium for availing the CFC services. The major income sources for the CFC are envisaged by the way of job work on motors testing facilities.

The user charges have been estimated based upon the operational expenses of the CFC and the prevalent market rates in Ambala. 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 the motor making, repairs and testing.

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																
S. N o.	Machine Name	Producti on per day (units)	Rat e per uni t	Total Reven ue per day (INR)	Reven ue per month (INR in lakh)	Annual Revenu e generati on (INR in lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)
							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	Job work on heavy motor-Mixer/Grinder	1000	40	40000	10.00	120.00	90.00	96.00	102.00	108.00	114.00	120.00	120.00	120.00	120.00	120.00
2	Job work on light motor - Blender	500	22	11000	2.75	33.00	24.75	26.40	28.05	29.70	31.35	33.00	33.00	33.00	33.00	33.00
3	Motor Repair	100	15	1500	0.38	4.50	3.38	3.60	3.83	4.05	4.28	4.50	4.50	4.50	4.50	4.50
S. N o.	Machine Name	No. of tests per day	Rat e per tes t	Total Reven ue per day (INR)	Reven ue per month (INR in lakh)	Annual Revenu e generati on (INR in lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)	Amou nt INR in Lakh)
4	Testing facility	10	20	200	0.05	0.60	0.45	0.48	0.51	0.54	0.57	0.60	0.60	0.60	0.60	0.60
	Total				13.18	158.10	118.58	126.48	134.39	142.29	150.20	158.10	158.10	158.10	158.10	158.10



## 7.7 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. 118.58 lakhs for the first year of operation at an operating capacity of 75%. For projection purposes, operating capacity of 75% is considered during first year, 80% during second year and 100% capacity from 6th year onwards.

The income tax rates have been considered depending upon the announcement made in the Budget 2018 and the tax applicable to a Pvt. Limited Company. Income tax has been considered at 26 per cent on taxable profit inclusive of all the tax components. The incidence of tax ranges from INR 15.90 lakhs in the first year to INR 29.74 lakhs in Year 10.

Table 22: Income and Expenditure Statement

(Rs. In Lakh)

PROFIT & LOSS ACCOUNT										
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 Utilisation in %	75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
A. Income										
(User/ Service Charge)	118.58	126.48	134.39	142.29	150.20	158.10	158.10	158.10	158.10	158.10
B. Cost of Production :										
1. Utilities Power (Fixed + Variable)	2.29	2.41	2.52	2.64	2.76	2.87	2.87	2.87	2.87	2.87
2. Direct labour and wages	9.60	10.24	10.88	11.52	12.16	12.80	12.80	12.80	12.80	12.80
3. Consumable	1.22	1.30	1.38	1.46	1.54	1.62	1.62	1.62	1.62	1.62
4. Repair and Maintenance	3.58	3.82	4.05	4.29	4.53	4.77	4.77	4.77	4.77	4.77
5. Depreciation	25.61	21.70	18.52	15.85	13.59	11.67	10.02	8.61	7.41	6.37
Total Cost of production	42.30	39.46	37.36	35.77	34.58	33.73	32.09	30.68	29.47	28.44



C. Administrative expenses :										
6. Manpower (Indirect)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
7. Land lease rent	1.20	1.32	1.45	1.60	1.76	1.93	2.13	2.34	2.57	2.83
8. Insurance	0.89	0.77	0.66	0.57	0.49	0.42	0.37	0.32	0.27	0.24
9. Misc Expense	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total Administrative Expenses	12.08	12.09	12.11	12.16	12.25	12.35	12.49	12.65	12.84	13.06
D. Financial expenses :										
10. Interest on Working capital loan @ 11% per annum	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Total Financial Expenses	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
E. Total Expenses B+C+D	56.58	53.75	51.67	50.13	49.03	48.29	46.78	45.53	44.52	43.70
F. Profit A - E	62.00	72.73	82.72	92.16	101.17	109.81	111.32	112.57	113.58	114.40
G. P&P Expenses written off	0.86	0.86	0.86	0.86	0.86	0.00	0.00	0.00	0.00	0.00
H. Income before Tax (F-G)	61.14	71.87	81.86	91.30	100.31	109.81	111.32	112.57	113.58	114.40
I. Adjustment of Loss	-	-	-	-	-	-	-	-	-	-
J. Income Tax (@26% for company)	15.90	18.69	21.28	23.74	26.08	28.55	28.94	29.27	29.53	29.74
K. Net Profit /Loss for the year	45.24	53.19	60.57	67.56	74.23	81.26	82.38	83.30	84.05	84.65
L. Cumulative Surplus	45.24	98.43	159.00	226.56	300.79	382.05	464.43	547.73	631.78	716.44

As evident from the table above, the project is financially viable. A cumulative surplus of about Rs. 716.44 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.

## 7.8 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

(Rs in Lakh)

CASH FLOW STATEMENT											
Particulars	Constructi on Period	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>A. Source Funds :</b>											
1. Cash Accruals (Profit Before Tax + Interest Paid)		64.20	74.93	84.92	94.36	103.37	112.01	113.52	114.77	115.78	116.60
2. Increase in capital	46.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Depreciation		25.61	21.70	18.52	15.85	13.59	11.67	10.02	8.61	7.41	6.37
4. Increase in WC Loan		20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5. Increase in Grant-in-aid from GoH	149.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Sources of Funds</b>	<b>195.94</b>	<b>109.81</b>	<b>96.63</b>	<b>103.44</b>	<b>110.21</b>	<b>116.96</b>	<b>123.68</b>	<b>123.54</b>	<b>123.38</b>	<b>123.19</b>	<b>122.97</b>
<b>B. Use of Funds :</b>											
1. P&P Expenses	4.29	-	-	-	-	-	-	-	-	-	-
2. Increase in fixed assets	180.13	-	-	-	-	-	-	-	-	-	-
3. Increase in Loans & Advances		15.00	3.00	3.60	4.32	5.18	6.22	7.46	8.96	10.75	12.90
4. Increase in Sundry Debtors		29.64	1.98	1.98	1.98	1.98	1.98	0.00	0.00	0.00	0.00
5. Increase in Stock of Consumables		0.30	0.02	0.02	0.02	0.02	0.02	0.00	0.00	0.00	0.00
6. Interest paid		2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
7. Taxes paid		15.10	18.55	21.15	23.61	25.96	28.43	28.92	29.25	29.52	29.73
<b>Total Use of Funds</b>	<b>184.42</b>	<b>62.25</b>	<b>25.74</b>	<b>28.95</b>	<b>32.13</b>	<b>35.34</b>	<b>38.84</b>	<b>38.59</b>	<b>40.41</b>	<b>42.47</b>	<b>44.83</b>
<b>C. Net Surplus (A -B)</b>	<b>11.52</b>	<b>47.56</b>	<b>70.89</b>	<b>74.49</b>	<b>78.08</b>	<b>81.62</b>	<b>84.83</b>	<b>84.95</b>	<b>82.97</b>	<b>80.72</b>	<b>78.14</b>

D. Cumulative Surplus	11.52	59.08	129.97	204.46	282.54	364.15	448.99	533.94	616.91	697.64	775.77
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The cash flow statement shows 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 (EPP 2015), therefore it does not have any negative effect on the Cash flow, in terms of interest, etc.

## 7.9 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: Balance Sheet

(Rs in lakh)

PROJECTED BALANCE SHEET											
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	180.13	180.13	154.51	132.81	114.29	98.44	84.85	73.18	63.16	54.55	47.14
Less : Depreciation (WDV)		25.61	21.70	18.52	15.85	13.59	11.67	10.02	8.61	7.41	6.37
Net Block	180.13	154.51	132.81	114.29	98.44	84.85	73.18	63.16	54.55	47.14	40.77
Total Fixed Assets (A)	180.13	154.51	132.81	114.29	98.44	84.85	73.18	63.16	54.55	47.14	40.77
2. Current Assets :											
Cash & bank Surplus (B.F)	11.52	59.08	129.97	204.46	282.54	364.15	448.99	533.94	616.91	697.64	775.77
Sundry Debtors		29.64	31.62	33.60	35.57	37.55	39.53	39.53	39.53	39.53	39.53
Stock of consumables		0.30	0.32	0.34	0.36	0.38	0.41	0.41	0.41	0.41	0.41
Advance Tax		15.10	17.75	20.22	22.55	24.78	27.12	27.50	27.80	28.06	28.26

Other Current Assets		15.00	18.00	21.60	25.92	31.10	37.32	44.79	53.75	64.50	77.40
P&P Exp	4.29	3.44	2.58	1.72	0.86	0.00	0.00	0.00	0.00	0.00	0.00
Total current Assets (B)	15.82	122.57	200.24	281.93	367.80	457.96	553.36	646.16	738.40	830.12	921.36
Total Assets (A+B)	195.94	277.08	333.06	396.23	466.24	542.81	626.54	709.32	792.94	877.26	962.12
3. Current Liabilities :											
Working Capital Loan		20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Provision for Taxation		15.90	18.69	21.28	23.74	26.08	28.55	28.94	29.27	29.53	29.74
Total Current Liabilities (C)		35.90	38.69	41.28	43.74	46.08	48.55	48.94	49.27	49.53	49.74
4. Fixed Liabilities											
Shareholders' Contribution	46.15	46.15	46.15	46.15	46.15	46.15	46.15	46.15	46.15	46.15	46.15
Grant from GoH	149.79	149.79	149.79	149.79	149.79	149.79	149.79	149.79	149.79	149.79	149.79
Reserves and Surplus		45.24	98.43	159.00	226.56	300.79	382.05	464.43	547.73	631.78	716.44
Total Fixed Liabilities (D)	195.94	241.18	294.37	354.94	422.51	496.73	577.99	660.37	743.67	827.73	912.38
Total Liabilities (C+D)	195.94	277.08	333.06	396.23	466.24	542.81	626.54	709.32	792.94	877.26	962.12

### 7.10 Break-even analysis

The break-even (BE) estimates of the project indicate the level of activity at which the total revenues of the project equal the total costs. It also portrays whether the revenue contribution is sufficient to meet the fixed costs. From this point, the project is expected to start generating profits. As per the calculations, the CFC achieves break even in the first year itself as no major interest costs are being incurred. Hence, BE estimates at level of activity relevant to the first year and subsequent years of activity are provided in the table below:

Table 25: Break Even Estimates

(Rs. In Lakh)

BREAKEVEN POINT AT VARIOUS C.U.										
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capacity Utilization	75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
A. Total Earning by way of user charges	118.58	126.48	134.39	142.29	150.20	158.10	158.10	158.10	158.10	158.10
B. Variable costs										
Consumables	1.22	1.30	1.38	1.46	1.54	1.62	1.62	1.62	1.62	1.62
Utilities (power- variable charge)	1.76	1.87	1.99	2.11	2.23	2.34	2.34	2.34	2.34	2.34
Interest on WC Loan	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Repair & Maintenance	3.58	3.82	4.05	4.29	4.53	4.77	4.77	4.77	4.77	4.77
Manpower (Direct)	9.60	10.24	10.88	11.52	12.16	12.80	12.80	12.80	12.80	12.80
Total Variable Cost (B)	18.35	19.43	20.51	21.58	22.66	23.74	23.74	23.74	23.74	23.74
C. Contribution (A-B)	100.22	107.05	113.88	120.71	127.53	134.36	134.36	134.36	134.36	134.36
D. Fixed Overheads (Cash)										
Manpower (Indirect)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Utilities (Power - fixed charges)	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
Rent	1.20	1.32	1.45	1.60	1.76	1.93	2.13	2.34	2.57	2.83
Insurance	0.89	0.77	0.66	0.57	0.49	0.42	0.37	0.32	0.27	0.24
Misc. Expenditure	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sub-total (D)	12.61	12.62	12.64	12.70	12.78	12.88	13.02	13.18	13.37	13.59

E. Fixed Overheads (Non-cash)										
Depreciation	25.61	21.70	18.52	15.85	13.59	11.67	10.02	8.61	7.41	6.37
Preliminary & Pre-operative expenses written off	0.86	0.86	0.86	0.86	0.86	0.00	0.00	0.00	0.00	0.00
Sub-total (E)	26.47	22.56	19.38	16.71	14.45	11.67	10.02	8.61	7.41	6.37
F. Total Fixed Overheads (D+E)	39.08	35.18	32.02	29.41	27.23	24.55	23.04	21.79	20.78	19.97
Breakeven point (F/C)	39.00%	32.86%	28.12%	24.36%	21.35%	18.27%	17.15%	16.22%	15.46%	14.86%

Book break-even is achieved at 39% (of operational capacity at 75 per cent) and at 32.86% (of operational capacity at 80 percent). The operation of the CFC is expected to break-even and realizes profit from 1st year of operations. Therefore, very low risk is involved in the project.

### 7.11 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%)	39.00%
2	Av. ROCE (PAT/CE)	50.53%
3	Internal Rate of Return (IRR)	38.86%
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. 317.92 lacs) at a conservative project life of 10 years
5	Payback period	3.16 years with Grant-in-aid assistance from GOH
6	DSCR	Not Applicable (non-avilment of term loan in this project)

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
ROCE	32.32%	37.80%	42.90%	47.72%	52.31%	57.17%	57.94%	58.57%	59.09%	59.51%	50.53%

The average value of ROCE is 50.53%. This indicates 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, estimated at a discount rate of 10% is Rs. 317.92. 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. Project IRR is high at over 38.86% (at a conservative project life of 10 years). This substantiates the viability of the project.

### 7.12 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.

### 7.13 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 plastic packaging industry 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 of SPV members as articulated in previous chapters; in terms of pursuing several joint efforts, registering the SPV and proceeding towards procurement of land, and securing commitment from members, vis-à-vis progressively mobilizing necessary paid up 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 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%)	39.00%	41.45%	44.23%	47.41%
2	Internal Rate of Return (IRR)	38.86%	36.57%	34.21%	31.77%
3	Av. ROCE (PAT/CE) (with Grant)	50.53%	47.16%	43.73%	40.25%
4	Net Present Value (at a discount rate of 10 per cent) - incorporating viability gap funding (grant) GoH	317.92	286.99	256.07	225.15

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

### 7.14 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. 195.94 Lakh on the basis of estimates and quotations.

2. To finance the project, a total of Rs. 195.94 Lakhs is required. The financing will consist of grant from Government of Haryana and contribution by SPV.

In the financial projections and analysis, year 2018 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 2018.

4. The registered SPV will manage the 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, 85% for third year and 100% from 6<sup>th</sup> year onwards.

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 @ 2% of building cost and 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 is calculated at Rs. 3300/- per kW for a total connected load of 25.58 kW.

11. Fixed charges per kW of electric connection shall be charged @ Rs. 173 and variable charges @ Rs. 7 per unit consumed.

12. Income estimates have been projected most conservatively. The prescribed user charges are competitive vis-à-vis charges for similar services in other regions.

13. Depreciation on fixed assets is calculated on Written Down Value (WDV) method for all purposes.

14. Debtors' collection period is taken at 3 months of calculation of Working Capital Limits.

15. Provision for income tax has been made @ 26% (25% tax plus 1% cess).

16. Profitability estimates in terms of ROCE, NPV, and IRR are computed considering operating results for first 10 years of operation.

# Project Implementation and Monitoring



## 8. Project Implementation and Monitoring

### 8.1 Envisaged Implementation Framework

1. Time frame: Project implementation is envisaged to involve a time-frame of about 12 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	8	9	10	11	12	13
Contribution from SPV members													
Receipt of final sanction from GoH													
E -tender for Building construction													
Construction of building													
Formation of purchase committee													
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													
Monitoring of the project by 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 contribute towards the capital contribution of the SPV. The utilization of the common facility will be in line with the proposed shareholding pattern. 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 Building & Status of Acquisitions: The building will be constructed by the SPV for the proposed CFC in the Ambala district. Area of the building of 1200 square feet has already been purchased by the SPV and a letter establishing the proof of availability of the land has been acquired and attached in Annexure 4.
7. Availability of Requisite Clearances: A building with all required clearances will be leased by the SPV. Electricity is already available in the area and the building is connected to the grid. 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.

## 8.2 Monitoring Mechanism

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

- ▶ Refurbishment 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 building 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.

It is proposed to constitute a governance mechanism in the form of Cluster Development Co-ordination Committee (CDCC) under the chairmanship of Director of Industries, Government of Haryana to oversee all cluster development projects in Haryana. The CDCC will look after the project under State Mini Cluster Development Scheme to be implemented under the state's Enterprise Promotion Policy 2015.

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 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. Director, Industries and Commerce, Government of Haryana (Chairman)
- ii. Concerned Joint Director, Department of Industries and Commerce
- iii. HSIIDC state officer
- iv. HFC general Manager
- v. President of related industry association
- vi. Directors of related SPV
- vii. EY Cluster Development Expert under MSME project

The meeting of CDCC may be held on a quarterly basis to review performance of the clusters. The CDCC will guide monitoring and implementation of the project.

In addition, for implementing the CFC creation for Ambala Kitchen Appliance Cluster, a Project Management Committee (PMC) comprising the Joint Director, DIC, Ambala and representatives of SPV, Corporation Bank, Kurukshetra University 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 CDCC as well as State Level Steering Committee and DIC Ambala.



# Conclusion



## 9. Conclusion

There is high demand for kitchen appliances in both domestic and international markets. The weak areas at cluster level include lack of armature facility within the cluster, which results in units in dependency over manual labour. This increases the 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 recommendations have been detailed out in this DSR.

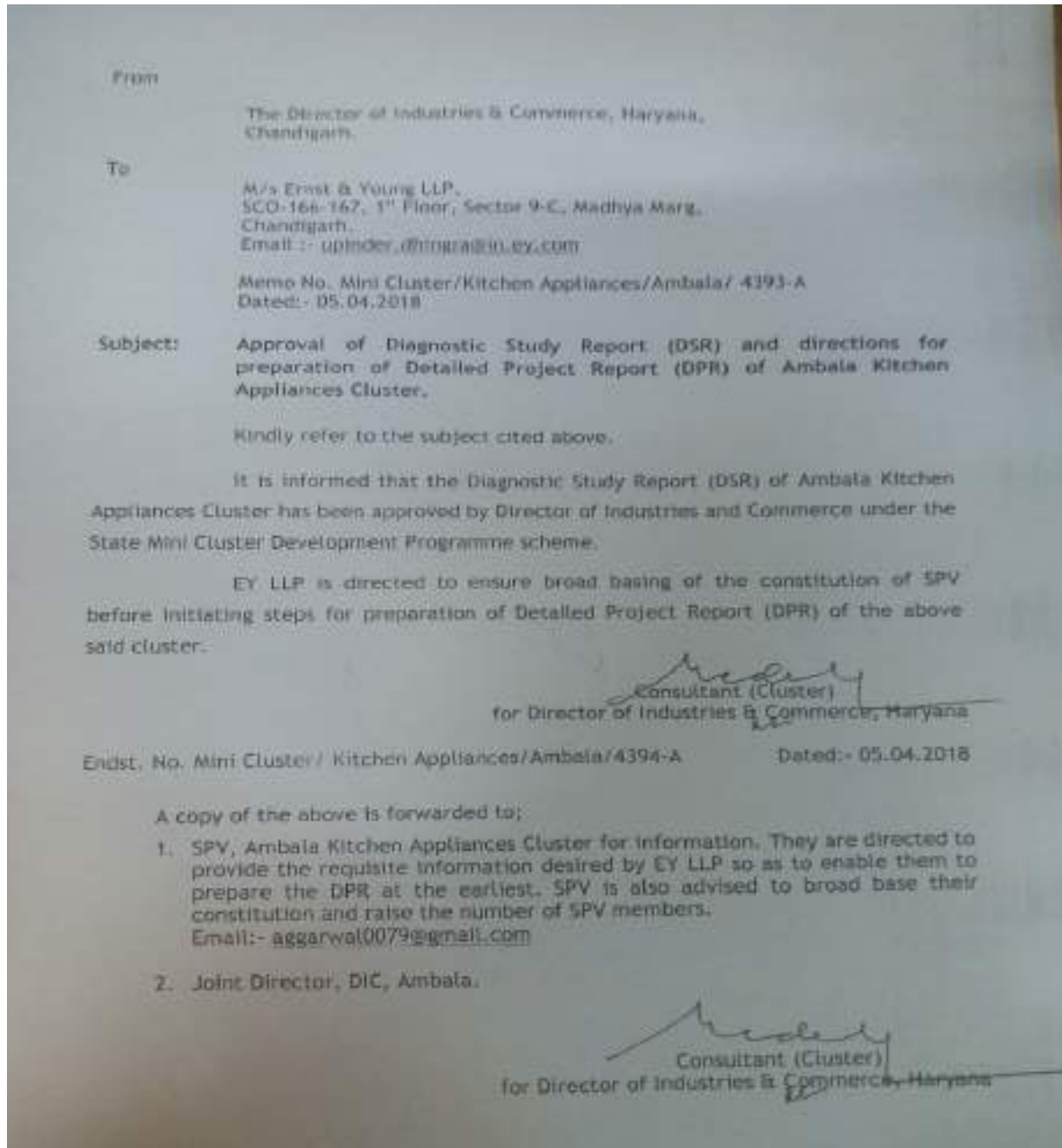
The cost of project, essentially the plant and machinery is estimated to be INR 1.95 Cr. The SPV is in the process of identifying an existing building for the purpose of establishing the CFC. The CFC will be set up by the SPV with support state government (Department of Industries) under the Mini Cluster Scheme. The building for the project will be taken by the SPV on lease over the period of 10 years (or more). The state government is envisaged to provide grant for setting up of the modern technology to upgrade the electronic cluster under the Mini-Cluster scheme.





## 10. Annexures

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



## 2. Certificate of Incorporation



GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS  
Central Registration Centre

### Certificate of Incorporation

[Pursuant to sub-section (2) of section 7 of the Companies Act, 2013 (18 of 2013) and rule 18 of the Companies (Incorporation) Rules, 2014]

I hereby certify that AMBALA KITCHEN APPLIANCES PRIVATE LIMITED is incorporated on this Nineteenth day of April Two thousand eighteen under the Companies Act, 2013 (18 of 2013) and that the company is limited by shares.

The Corporate Identity Number of the company is U31908HR2018PTC073667.

The Permanent Account Number (PAN) of the company is AAQCA8093G

The Tax Deduction and Collection Account Number (TAN) of the company is RTKA13569D

Given under my hand at Manesar this Nineteenth day of April Two thousand eighteen .



Digital Signature Certificate  
Mr SUHAS PANDURANG SAWANT  
Deputy Registrar Of Companies  
For and on behalf of the Jurisdictional Registrar of Companies  
Registrar of Companies  
Central Registration Centre

Disclaimer: This certificate only evidences incorporation of the company on the basis of documents and declarations of the applicant(s). This certificate is neither a license nor permission to conduct business or solicit deposits or funds from public. Permission of sector regulator is necessary wherever required. Registration status and other details of the company can be verified on [www.mca.gov.in](http://www.mca.gov.in)

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Mailing Address as per record available in Registrar of Companies office:

AMBALA KITCHEN APPLIANCES PRIVATE LIMITED  
958-959/1, KAITH MAJRI, AMBALA CITY, HR, IND, AMBALA,  
Ambala, Haryana, India, 134003



\* as issued by the Income Tax Department

## 3.A Memorandum of Association (MoA)

[Pursuant to Schedule I (see Sections 4 and 5) to the Companies Act, 2013]] FORM NO. DNC-33	<b>SPICE MOA</b> (e-Memorandum of Association)
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MOA language: ☒ English ☐ Hindi

SRN of RUN G80382641 Pre-fill

\* Table applicable to company as notified under schedule I of the companies Act, 2013 A

**Table A- MEMORANDUM OF ASSOCIATION OF A COMPANY LIMITED BY SHARES**

1. The Name of the Company is AMBALA KITCHEN APPLIANCES PRIVATE LIMITED

2. The Registered office of the company will be situated in the state of Haryana-HR

3.(a) The objects to be pursued by the company on its incorporation are

(i) To carry on the business of Kitchen Appliances Industry, for the benefits of its members and industry/concerned stake holders following the guidelines and notifications for Mini Cluster Scheme of Government of Haryana.

(ii) To undertake works/schemes/programs of the Government relating to growth and development of Kitchen Appliances Industry and carry out/conduct soft and hard intervention activities under Mini Cluster Scheme of Government of Haryana.

(iii) To act as a resource centre for development and strengthening network as business development Services related to Technology, Market, Capacity building and Hand holding support for the purpose of growth and development of the Kitchen Appliances Industry under Mini Cluster Scheme of Government of Haryana.

(iv) To make available raw materials to all members of Kitchen Appliances Industry at competitive rates by opening of raw material bank.

(v) To arrange latest technology for upgrading all manufacturing units to provide Quality Certificate to its members.

(vi) To render assistance and encouragement as may be necessary to persons engaged in Kitchen Appliances Industry.

(vii) To undertake and to do training, manufacturing, import, export of all type of Kitchen Appliances and research work in connection with development of Kitchen Appliances Industry.

(viii) To conduct training programs/seminars for capacity building of members and other key stakeholders.

3.(b) Matters which are necessary for furtherance of the objects specified in clause 3(a) 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 objects of the Company.

2. To enter into agreement with any company or persons for obtaining by grant of license 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 establish, provide, maintain and conduct or otherwise, subsidise 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 kinds and to promote studies and research both scientific and technical investigation and invention by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remuneration to scientific and technical professors and teachers and to award, scholarships, prizes, grants 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 objects of the Company.

Page 1 of 4



4. To acquire by concession, grant, purchase, licence or otherwise either absolutely or conditionally and either alone or jointly with others land, buildings, machinery, plants, utensils, works, conveniences and such other movable and immovable properties of any description and any patents, trademarks, concessions, privileges, brevets, d'invention, licences, 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 rights or any such other property and rights purchased or acquired by or for the Company by shares, debentures, debenture stock, bonds or such other securities of the Company or otherwise and manage, develop 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.
5. Subject to the provisions of the Companies Act, 2013 to amalgamate with any other Company having objects altogether or in part similar to those of this Company.
6. To enter into any arrangement with any Government or 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 in particular rights in respect of waterways, roads and highways, which the Company may carry out, exercise and comply therewith.
7. 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.
8. To enter into partnership or into any arrangement for sharing profits, union of interests, 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 authorized to carry on.
9. 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 authorized to carry on or is possessed of rights suitable for the objects of this Company.
10. 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 objects or any of them.
11. 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 or 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.
12. 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.
13. Subject to the provisions of the Companies Act, 2013 including the rules and 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 to 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.
14. 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 security 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.
15. 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 of the Company, in such manner and on such terms as the Company may determine.
16. 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 the Companies Act, 2013.
17. To create any depreciation fund, reserve fund, sinking fund, provident fund, super-annuation fund or any other such special fund, whether for depreciations, repairing, improving, extending or maintaining any of the properties and assets 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 the Company.

18. 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 dwellings or chawls or by grants of money, pensions, allowances, bonus or other such payments or by 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.

19. 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.

20. To procure the incorporation, registration or such other recognition of the Company in the Country, State or place outside India and to establish and maintain local registers and branch places of the main business in any part of the world.

21. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising over the internet or any other electronic media and also in print media in the press by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards or organising exhibitions.

22. The company would obtain approval of the concerned authorities to carry on the objects of the company and the matters which are necessary for furtherance of the objects of the Company as given in this memorandum of association wherever required.

4. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

5. The share capital of the company is

1,000,000.00

rupees, divided into,

100,000.00	Equity	shares of	10.00	rupees each	
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- 6 ☒ We, the several persons, whose names and addresses are subscribed, 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 against our respective names:

S.No.	Subscriber Details					
	Name, Address, Description and Occupation	DIN/PAN/Passport Number	No. of shares taken		DSC	Dated
1	Nitin Aggarwal, S/o Ajay Aggarwal, R/o H. No. 9071/5, Naya Bans, Ambala City, Ambala, Haryana-134003, India Business	AJTPA8167E	9091	Equity	NITIN AGGARWAL <small>Digitally signed by Nitin Aggarwal Date: 2018.04.18 12:22:36 +05'30'</small>	18/04/18
2	Mohan Lal, S/o Kundan Lal, R/o H. No. 1452, Kaith Majra, Ambala City, Haryana-134003, India Business	ABNPL4331K	9091	Equity	MOHAN LAL <small>Digitally signed by Mohan Lal Date: 2018.04.18 12:22:36 +05'30'</small>	18/04/18
Total Shares taken			18,182.00	Equity		
Signed before Me						
	Name	Address, Description and Occupation	DIN/PAN/Passport Number/ Membership Number	DSC	Dated	
ACS	Anshul Shyam S/o Sh. Shyam Sunder	126 A, 1st Floor, Tricity Plaza Peermuchalla, Zirakhpur Teh. Dera Bassi, Distt Sas Nagar Punjab. Company Secretaries	42972	Anshul Shyam <small>Digitally signed by Anshul Shyam Date: 2018.04.18 12:21:52 +05'30'</small>	18/04/18	

## 3.B Article of Association (AoA)

[Pursuant to Schedule I (see Sections 4 and 5) to the Companies Act, 2013] FORM NO. INC-34		<b>SPICE AOA</b> (e-Articles of Association)	
AOA language <input checked="" type="radio"/> English <input type="radio"/> Hindi			
SRN of RUN <input type="text" value="G80382641"/>		<input type="button" value="Prefill"/>	
*Table <input type="text" value="F"/> as notified under schedule I of the companies Act, 2013 is applicable to the company			
<b>AMBALA KITCHEN APPLIANCES PRIVATE LIMITED</b>			
<b>A COMPANY LIMITED BY SHARES</b>			
		<b>Article No</b>	<b>Description</b>
			<i>Interpretation</i>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>I</b>	(1) In these regulations – (a) "the Act" means the Companies Act, 2013; (b) "the seal" means the common seal of the company. (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. (3) The Company is a "private company" within the meaning of Section 2 (68) of the Companies Act, and which by its articles,— (i) restricts the right to transfer its shares; (ii) except in case of One Person Company, limits the number of its members to two hundred: Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member: Provided further that— (A) Persons who are in the employment of the company; and (B) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and (iii) prohibits any invitation to the public to subscribe for any securities of the company;
			<i>Share capital and variation of rights</i>
<input type="checkbox"/>	<input type="checkbox"/>	<b>II 1</b>	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
<input type="checkbox"/>	<input type="checkbox"/>	<b>2</b>	(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, – (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders
<input type="checkbox"/>	<input type="checkbox"/>	<b>3</b>	(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.



<input type="checkbox"/>	<input type="checkbox"/>	4	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
<input type="checkbox"/>	<input type="checkbox"/>	5	(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
<input type="checkbox"/>	<input type="checkbox"/>	6	(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
<input type="checkbox"/>	<input type="checkbox"/>	7	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
<input type="checkbox"/>	<input type="checkbox"/>	8	Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
			<i>Lien</i>
<input type="checkbox"/>	<input type="checkbox"/>	9	(i) The company shall have a first and paramount lien – (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company; Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
<input type="checkbox"/>	<input type="checkbox"/>	10	The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made – (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
<input type="checkbox"/>	<input type="checkbox"/>	11	(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
<input type="checkbox"/>	<input type="checkbox"/>	12	(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
			<i>Calls on shares</i>
<input type="checkbox"/>	<input type="checkbox"/>		(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one

		13	month from the date fixed for the payment of the last preceding call. (II) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. (III) A call may be revoked or postponed at the discretion of the Board.
<input type="checkbox"/>	<input type="checkbox"/>	14	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
<input type="checkbox"/>	<input type="checkbox"/>	15	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
<input type="checkbox"/>	<input type="checkbox"/>	16	(I) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. (II) The Board shall be at liberty to waive payment of any such interest wholly or in part.
<input type="checkbox"/>	<input type="checkbox"/>	17	(I) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (II) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
<input type="checkbox"/>	<input type="checkbox"/>	18	The Board – (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
			<i>Transfer of shares</i>
<input type="checkbox"/>	<input type="checkbox"/>	19	(I) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. (II) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
<input type="checkbox"/>	<input type="checkbox"/>	20	The Board may, subject to the right of appeal conferred by section 58 decline to register – (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the company has a lien.
<input type="checkbox"/>	<input type="checkbox"/>	21	The Board may decline to recognise any instrument of transfer unless – (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.
<input type="checkbox"/>	<input type="checkbox"/>	22	On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
			<i>Transmission of shares</i>
<input type="checkbox"/>	<input type="checkbox"/>	23	(I) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares (II) Nothing in clause (I) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
<input type="checkbox"/>	<input type="checkbox"/>		(I) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

		24	(a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made.  (II) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
<input type="checkbox"/>	<input type="checkbox"/>	25	(I) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.  (II) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.  (III) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
<input type="checkbox"/>	<input type="checkbox"/>	26	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:  Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
			<i>Forfeiture of shares</i>
<input type="checkbox"/>	<input type="checkbox"/>	27	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
<input type="checkbox"/>	<input type="checkbox"/>	28	The notice aforesaid shall --  (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and  (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
<input type="checkbox"/>	<input type="checkbox"/>	29	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
<input type="checkbox"/>	<input type="checkbox"/>	30	(I) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  (II) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
<input type="checkbox"/>	<input type="checkbox"/>	31	(I) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.  (II) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
<input type="checkbox"/>	<input type="checkbox"/>	32	(I) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;  (II) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;  (III) The transferee shall thereupon be registered as the holder of the share; and  (IV) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.



			<p>allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p> <p>(II) The Board shall have power –</p> <p>39 (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(III) Any agreement made under such authority shall be effective and binding on such members.</p>
			<b>Buy-back of shares</b>
<input type="checkbox"/>	<input type="checkbox"/>	40	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
			<b>General meetings</b>
<input type="checkbox"/>	<input type="checkbox"/>	41	All general meetings other than annual general meeting shall be called extraordinary general meeting.
<input type="checkbox"/>	<input type="checkbox"/>	42	<p>(I) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(II) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, 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.</p>
			<b>Proceedings at general meetings</b>
<input type="checkbox"/>	<input type="checkbox"/>	43	<p>(I) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>(II) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p>
<input type="checkbox"/>	<input type="checkbox"/>	44	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
<input type="checkbox"/>	<input type="checkbox"/>	45	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
<input type="checkbox"/>	<input type="checkbox"/>	46	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
			<b>Adjournment of meeting</b>
<input type="checkbox"/>	<input type="checkbox"/>	47	<p>(I) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(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.</p> <p>(III) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(IV) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>
			<b>Voting rights</b>
<input type="checkbox"/>	<input type="checkbox"/>	48	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares, –</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>

<input type="checkbox"/>	<input type="checkbox"/>	49	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
<input type="checkbox"/>	<input type="checkbox"/>	50	(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
<input type="checkbox"/>	<input type="checkbox"/>	51	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
<input type="checkbox"/>	<input type="checkbox"/>	52	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
<input type="checkbox"/>	<input type="checkbox"/>	53	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
<input type="checkbox"/>	<input type="checkbox"/>	54	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
			<b>Proxy</b>
<input type="checkbox"/>	<input type="checkbox"/>	55	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
<input type="checkbox"/>	<input type="checkbox"/>	56	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
<input type="checkbox"/>	<input type="checkbox"/>	57	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
			<b>Board of Directors</b>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	58	The number of Directors of the Company shall not be less than Two (2). The First Directors of the company shall be: a) Mr. Nitin Aggarwal b) Mr. Mohan Lal
<input type="checkbox"/>	<input type="checkbox"/>	59	(i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them -- (a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) In connection with the business of the company.
<input type="checkbox"/>	<input type="checkbox"/>	60	The Board may pay all expenses incurred in getting up and registering the company.
<input type="checkbox"/>	<input type="checkbox"/>	61	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
<input type="checkbox"/>	<input type="checkbox"/>	62	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
<input type="checkbox"/>	<input type="checkbox"/>	63	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

<input type="checkbox"/>	<input type="checkbox"/>	64	(I) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. (II) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.
			<i>Proceedings of the Board</i>
<input type="checkbox"/>	<input type="checkbox"/>	65	(I) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (II) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
<input type="checkbox"/>	<input type="checkbox"/>	66	(I) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (II) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
<input type="checkbox"/>	<input type="checkbox"/>	67	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
<input type="checkbox"/>	<input type="checkbox"/>	68	(I) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (II) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
<input type="checkbox"/>	<input type="checkbox"/>	69	(I) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. (II) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
<input type="checkbox"/>	<input type="checkbox"/>	70	(I) A committee may elect a Chairperson of its meetings. (II) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
<input type="checkbox"/>	<input type="checkbox"/>	71	(I) A committee may meet and adjourn as it thinks fit. (II) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
<input type="checkbox"/>	<input type="checkbox"/>	72	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
<input type="checkbox"/>	<input type="checkbox"/>	73	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
			<i>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</i>
<input type="checkbox"/>	<input type="checkbox"/>	74	Subject to the provisions of the Act, — (I) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (II) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
<input type="checkbox"/>	<input type="checkbox"/>	75	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

			<b>The Seal</b>
<input type="checkbox"/>	<input type="checkbox"/>	76	(i) The Board shall provide for the safe custody of the seal.  (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
			<b>Dividends and Reserve</b>
<input type="checkbox"/>	<input type="checkbox"/>	77	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
<input type="checkbox"/>	<input type="checkbox"/>	78	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
<input type="checkbox"/>	<input type="checkbox"/>	79	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.  (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
<input type="checkbox"/>	<input type="checkbox"/>	80	(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
<input type="checkbox"/>	<input type="checkbox"/>	81	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
<input type="checkbox"/>	<input type="checkbox"/>	82	(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.  (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
<input type="checkbox"/>	<input type="checkbox"/>	83	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
<input type="checkbox"/>	<input type="checkbox"/>	84	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
<input type="checkbox"/>	<input type="checkbox"/>	85	No dividend shall bear interest against the company.
			<b>Accounts</b>
<input type="checkbox"/>	<input type="checkbox"/>	86	(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.  (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.
			<b>Winding up</b>



<input type="checkbox"/>	<input type="checkbox"/>	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder –</p> <p>(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 kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>87 (II) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(III) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
		<i>Indemnity</i>
<input type="checkbox"/>	<input type="checkbox"/>	<p>88 Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p>
<input type="checkbox"/>		



Subscriber Details						
S. NO	Name, Address, Description and Occupation	DIN/PAN/Passport Number	Place	DSC	Dated	
1	Nitin Aggarwal, S/o Ajay Aggarwal, R/o H. No. 9071/3, Naya Bana, Ambala City, Ambala, Haryana-134003, India Business	AJTPA8167E	Ambala	NITIN AGGARWAL	18/04/2018	
2	Mohan Lal, S/o Kundan Lal, R/o H. No. 1452, Kaith Majri, Ambala City, Haryana-134003, India Business	ABNPL4331K	Ambala	MOHAN LAL	18/04/2018	
Signed Before Me						
Name		Address, Description and Occupation	DIN/PAN/Passport Number/ Membership Number	Place	DSC	Dated
ACG	Anshul Shyam S/o Sh. Shyam Sunder	126 A, 1st Floor, Tricity Plaza Peermuchalla, Zirakhpur Teh. Dera Bassi, Distt Sas Nagar Punjab. Company Secretaries	42972	Panchkula	Anshul Shyam	18/04/2018

Checkform

Modify

## 4. Verification of units by DIC, Ambala

29  
8.2.2018

From: The Joint Director  
District Industries Centre  
Ambala

To: The Director of Industries & Commerce, Haryana  
Chandigarh (Cluster)

Classified  
Memo No. DIC/ 173  
Dated Ambala, the 24-1-18

Subject: **Application for Mini Cluster- Kitchen Appliances, Ambala.**

In continuation of this office letter no. 2454, dated- 05/12/2017, the revised application form for Kitchen Appliances submitted by Ambala Electrical Appliances Manufacturers Association, and the list of proposed SPVs members for further action please. The following information/ document attached herewith:

- I. All the 11 units have been verified & have filled UAM also.
- II. The common facility centre being proposed as part of the hard intervention will be setup in confirming zone.
- III. The application submitted by the SPV has been duly checked for completeness and the information contained therein has been verified.
- IV. List of product 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 policy guidelines.

Joint Director,  
District Industries Centre,  
Ambala.

1292  
1-1-2018

	Contact Person	Company Name	Contact No.	Address of Unit	UAM No.	Products	Signature
	Sh. Ajay Aggarwal	Supriya Electricals	9215215117	Old Jain School, Ambala City	HR01A0000618	Mixer, Grinder and Home Appliances	Ajay
2.	Sh. Rakesh Kumar	Sarvesh Engineering Works	9416613195	552-A/1, near Manji Sahib Gurudwara, Ambala City	HR01A0000635	Mixer, Grinder and Home Appliances	Rakesh Kumar
3.	Sh. Sartaj Alam	Saffi Engineering Works	9416140709	24, Industrial Area, Ambala City	HR01A0000920	Mixer, Grinder and Home Appliances	Sartaj Alam
4.	Sh. Gulshan Kalra	Kalra Sales Corporation	9996123999	Shree Vishwakarma Mandir road, Ambala City	HR01A0000617	Washing Machines, Vacuum Cleaners, mixers & Grinders	Gulshan
5.	Sh. Kuldeep Ahuja	Deep Plastic Works	8950012346	1491/2, Kaziwara, Near Nahani house, Ambala City	HR01A0000623	Mixer, Grinder and Home Appliances	Kuldeep Ahuja
6.	Sh. Mohan Lal	Fatini Enterprises	9896948980	958-59, Vishwakarma Road, Ambala City	HR01A0000616	Mixer, Grinder and Home Appliances	Mohan Lal
7.	Ms. Babita Aggarwal	Priya Home Appliances	9416172731	Basant Vihar, Ambala City	HR01A0000915	Mixer, Grinder and Home Appliances	Babita
8.	Sh. Harvinder Singh	Harnam Enterprises	9896367795	Basant Vihar, Ambala City	HR01A0000916	Mixer, Grinder and Home Appliances	Harvinder Singh
9.	Sh. Sunny Singla	Monex Appliances	9729090039	Near Gurudwara Manji Sahib, Ambala City	HR01A0000911	Mixer, Grinder and Home Appliances	Sunny Singla
10.	Sh. Virender Kumar	Ishu Enterprises	9416155807	Vishwakarma Road, Ambala City	HR01A0000914	Mixer, Grinder and Home Appliances	Virender Kumar
11.	Sh. Chander Parkash	Shri Ram Chander Parkash	9896260037	Spatu road, Ambala City	HR01B0000917	Mixer, Grinder and Home Appliances	Chander Parkash

## 5. Building Plan Estimates

**Detailed Cost Estimate**

Detailed Estimate for Proposed Construction of Single Storied building on industrial plots at village Lohgarh, Distt. Ambala City.

Proposed Covered area:- Ground floor = 3366.0 sft.  
(as per proposed map)

S.No.	Description of work	Units	Qty.	Rate	Amount
1	Earth work in excavation in foundations in trenches in all kinds of soil up to 2.0 meter depth as per HSR item No. 6.6	cum	143.0	11.08	1584.44
2	Cement concrete (1:8:16) with brick ballast 40mm nominal size in the foundations as per HSR item no. 10.2	cum	21.45	300.2	6439.29
3	First class brick work in cement sand mortar (1:6) in foundations & plinth including boundary walls as per HSR item no. 11.20	cum	98.67	393.45	38821.71
4	Damp proof course of 40mm thick (1:2:4) with two coats of bitumen as per HSR item No. 10.114	sm.	32.89	35.05	1152.79
5	First class brick work in cement sand mortar in superstructure up to 4.0 mt. above as per HSR item no. 11.8 including parapet wall.	cum	131.82	428.6	56498.05
6	Cement concrete (1:2:4) with stone aggregates 20mm nominal size in beams, lintels etc. excluding steel reinforcement but including shuttering as per HSR item no. 10.81	cum	13.23	1101.9	14578.13
7	Cement concrete (1:2:4) with stone aggregate 20mm nominal size of R.C.C. work in slab excluding steel reinforcement but including shuttering as per HSR item no.10.82	cum	47.38	997.05	47240.23



SCO-41, 2nd Floor, Sector 5, Swastik Vihar, Mansa Devi Complex, Panchkula-134 109  
Tel : +91 172 4679112 chargedvoids@gmail.com www.chargedvoids.com

8	Cold twisted deformed bars for R.C.C. works which are not included for the complete rate of R.C.C. as per HSR item No. 18.22	qnts.	84.97	917.05	77521.73
<b>CHARGED VOIDS</b>					
9	Chowkats of commercial hard wood other than teak conforming to I.S.I. specifications including iron iron hold fasts complete fixed in position as per HSR item no. 17.12	cum.	0.70	11647	8152.9
10	First class teak wooden work in doors and windows 40mm thick ply including labour complete fixed in position as per HSR item no.17.37	sm.	18.65	365.5	6816.57
11	Base course of floors as per HSR item no.14.1 (in the whole Building)	sm.	392.1	36.95	14488.09
12	Marble flooring 20,25 mm thick slap including matching grains of marble strips laid in any pattern including grinding and polishing as per HSR item no. 14.49 (as stated above).	sm.	51.22	285.35	14584.23
13	12 mm thick cement sand plaster on walls and ceiling as per HSR item no.16.6	sm.	858.53	11.6	9959.18
14	Tile terracing at roof level Laid to slope over mud fukka with two coats of bitumen As per HSR item no.13.13	sm.	312.82	52.95	16556.40
	Add 600% premium on brick work on Rs.111876.16			Rs.	671256.96
	Add 500% premium on cement concrete on Rs.77523.63			Rs.	387618.15
	Add 250% premium on wooden work on Rs.14969.47			Rs.	37423.67
	Add 500% premium on earth work on Rs.1584.44			Rs.	7922.20
	Add 150% premium on marble flooring on Rs.14584.44			Rs.	21876.34
	Add 500% premium on steel work on Rs.77921.73			Rs.	389608.65
	<b>Total</b>			Rs.	<b>1880289.61</b>



SCO 41, 2nd Floor, Sector 5, Swastik Vihar, Mansa Devi Complex, Panchkula-134 109  
Tel : +91 172 4679112 chargedvoids@gmail.com www.chargedvoids.com

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Add 25% of Total Cost for fittings of water supply, sanitary, electricity etc.

Add for cement conc flooring in hall & front open & rear open 4450 x 65 rs/- per sq ft

Add for rolling shutters

Add for toilet & pantry wall tiles

Add for staircase granite with hand railing

Add for wooden work in office and reception area.

Add for POP down ceiling in office block

Add for gate, grills & parapet MS railing in balconies & at terrace level.

Add for coloring on walls & polish work on wooden doors & windows.

Rs.



### CHARGED VOIDS

Rs. 289250.00

Rs. 60000.00

Rs. 45000.00

Rs. 80000.00

Rs. 150000.00

Rs. 80000.00

Rs. 70000.00

Rs. 90000.00

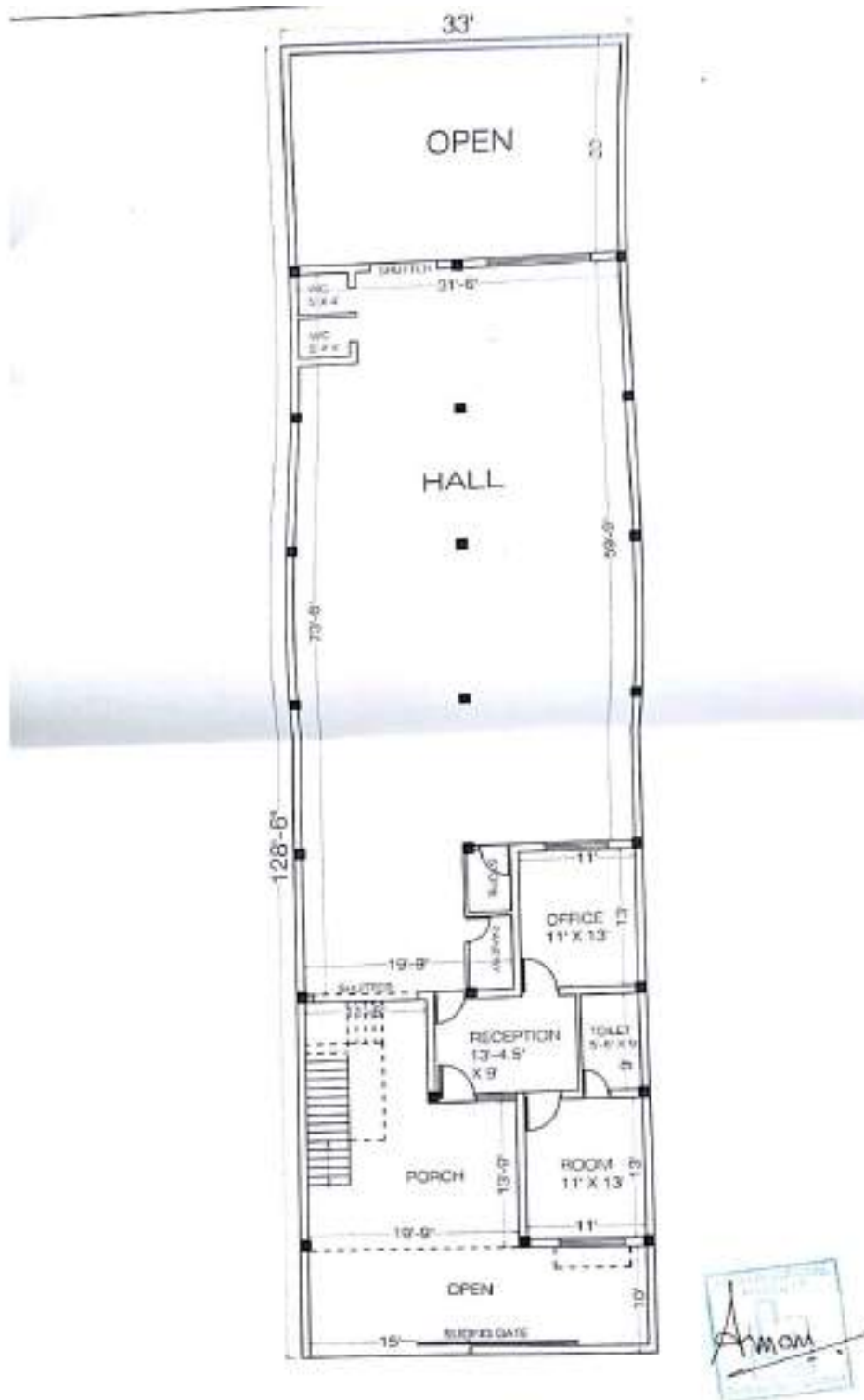
G.Total Rs. 3120597.48

or say Rs. 31,20,000.00

It is certified that the Estimated cost of the above said works is Rs.31,20,000/- (Rs. **Thirty One lac twenty thousand only**) which is the probable cost worked on the basis of Haryana Schedule of Rates HSR-P.W.D. and the sanctioned ceiling premium is up to date.



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PROPOSED PLAN OF INDUSTRIAL PLOT  
AT VILLAGE LOHGARH, AMBALA CITY.

Scanned by CamScanner

## 6. Machinery Quotations

**Shree Siddhivinayak Industries.**

Village-Brahman Majra, Nalagarh, Distt-Solan, Himachal Pradesh.

**ARMATURE MANUFACTURING PLANT & MACHINERY**

MIXER MOTORS

DATE- 26 /06/2018

GSTIN 02AFDPM7666J1Z9

QUATATION/PRICE LIST

MANUFACTURES OF ARMATURE WINDING MACHINES,DYNAMIC BALANCING MACHINE,HOT STAKING MACHINES,AND ALL TYPES OF TESTING INSTRUMENTS &amp; ARMATURE MANUFACTURING PLANTS.

M/S AMBALA KITCHEN APPLIANCES PVT LTD

AMBALA CITY HARYANA

KIND ATTENTION MR.

SNO	Description PLANT FOR MOTORS	Capacity Per Shour	NO OF MACHI	Rate	AMOUNT
1.	ARMATURE COMMUTATORFUSING MACHINE FULLY AUTOMATIC WITH STAPER MOTOR CONTROLLER PLC OPERATED WITH HMI ALL MECHANICAL ELECTRICAL PARTS WITH AUTO INDEXING(FLOOR TYPE)	800	2	350000	750000
2.	ARMATURE TRICKLE PLANT 5 STATION FULLY AUTO HEAT CONTROLLER RESISTANCE HEATING WITH ALL ELECTRICAL MECHANICAL PARTS (FLOOR TYPE)	800	6	100000	600000
3	COIL WELDING MACHINE WITH ALL ELECTRICAL PARTS	1500 SETS	2	12500	25000
4	COMMUTATOR MICA UNDER CUTTING MACHINE MANUAL TYPE WITH MOTOR WITH CENTERS	800	2	65000	130000
	SUB TOTAL 1 TO 4				
	GST @18 %				1505000
	TOTAL SEVENTEEN LACS				270900
	SEVENTY FIVE THOUSAND NINE HUNDRED ONLY				1775900
	VALID 2 MONTHS ONLY				

E mail- [mehranaksh1968@gmail.com](mailto:mehranaksh1968@gmail.com) MOB-: 09736878002

A CONCERN DEVOTED TO MIXER MOTORS,&amp; ARMATURE TECHNOLOGY



TIN NO 03431071715

OFFICE 0161-3026517

CELL - 09815602427

09779920001

REF.....

DATE 5.4.2018

## H.R MACHINE TOOLS

#8679, ST NO 18, KOT MANGAL SINGH, LUDHIANA 141003

MNR OF :- CYLINDRICAL GRINDER , CENTERLESS GRINDER, TOOL'N'CUTTER GRINDER

An ISO 9001:2008 co.

### QUOTATION

TO

AMBALA KITCHEN APPLIANCE PVT LTD  
AMBALA

DEAR SIR,

WITH REFERENCE TO YOUR VALUED INQUIRY VIDE MANUEL CYLINDRICAL GRINDER 300mm, 1/2 inch capacity Drill Machine, 4-1/2 ft lath, 3ft adda , SURFACE GRINDER 10\*20 , CENTERLESS GRINDER HR CG 75mm , 200pound Compresher WITH COLLANT PUMP AND WATER TANK and INTERNAL ATTACHMENT . WE ARE PLEASED TO QUOTE HERE UNDER OUR LOWEST POSSIBLE PRICE OF THE FOLLOWINGS FOR YOUR KIND CONSIDERATION.

Centrifugal GRINDER MACHINE -300MM light	- RS. 5,00,000/-
CENTERLESS GRINDER MACHINE HRCG 75mm	- RS. 2,70,000/-
SURFACE GRINDER MACHINE 20*4 MANURL -	RS. 1,60,000/-
1/2 INCH CAPACITY DRILL MACHINE	- RS. 14,000/-
3FT TURNING ADDA	- RS. 85,000/-
4-1/2 FT LATH MACHINE	- RS. 1,20,000/-
200 POUND AIR COMPRESHER	- RS. 20,500/-

PACKING , GST, INSHURENCE , FORWARDING CHARGES EXTRA.

**Optional accessories and attachments :-**

DELIVERY WITH IN 2 OR 3 WEEK AFTER CONFIRMATION OF ORDER WITH 25% ADVANCE

PAYMENTS ----- 25%ADVANCE , BALANCE AT THE TIME OF DELIVERY .

GUARANTEE ----- OUR MACHINES ARE GUARANTEED AGAINST MANUFACTURING DEFECTS FOR ONE YEAR.

S.DAVINDER SINGH DEVGAN

H.R MACHINE TOOLS

H.R GRINDERS INDIA

EMAIL- [hari@hrgindets.com](mailto:hari@hrgindets.com)  
[devdevgan86@yahoo.com](mailto:devdevgan86@yahoo.com)

TIN No. : 09266116319C

**QUOTATION**Phone : +91-120-2868919  
Mobile : +91-9899735797  
+91-9818599638**OMME ELECTROMECH PVT. LTD.****Mfr. of : S.P.M., Testing Equipments, Control Panels and All Kinds of Gauges & Fixtures**B-87, Panchsheel Colony, Chipanya Bujurg, Lal Kuan, G.B. Nagar (U.P.) PIN-201309  
E-mail : osingh@ommachines.com Website : www.ommachines.com

GST No. 09AACCO2872P1ZT

REF. No.: OMME158-150318

Date:- 16<sup>th</sup>, Mar. 2018M/s Supriya Electrical  
Old Jain School, Anaj Mandi  
Ambala City.  
India.**SUB.- Motor Line Machines****Kind Attn.- Purchase**

This has reference to as per discussion with you we here by quote for the same.

S. No.	Description	Prices (INR)
1	Pneumatic Cylinder 100x100mm operated commutator pressing machine with MS painted frame size 600x600mm, 12mm MS plated machine base plate and commutator and core align fixture	65000/-
2	Automatic insulation paper inserting machine for mixer motor with MS frame, 12mm Base plate, Air operated paper feeding system with paper bending, Air operated rotor indexing and paper cutting, PLC Based control panel, SMC make all pneumatic items	215000/-
3	Pneumatic Cylinder 100x100mm operated fan pressing machine with MS painted frame size 600x600mm, 12mm MS plated machine base plate and fanand core align fixture	65000/-
4	Hyd. Pneumatic based Rocker plate riveting machine with 4 ton Hyd. Pneumatic press, riveting fixture	110000/-
5	Motor resting Jig with 6 Motors for Motor running conveyor 8 nos.	264000/-
6	Universal Motor running conveyor with 20 feet long running sound proof enclose chamber with Glass top door , both side	340000/-

	loading and unloading Station. 1hp 3 ph. Induction motor with reduction gear box.	
7	Motor Life testing Panel with 600mmx600mmx300mm BCH Panel box, 6 nos. Selec make timer model XT546, 3 nos. AE make 10 Amp Dimmer, 3 nos. Time totalize Signal Make Model CT-56-6D, 3 nos. Power relay, 3 nos. Power monitor YOKIN make, 6 nos. SP MCB, 1 no 4 pole MCB and wiring material	95000/-
8	Motor testing Panel with 600mmx600mmx400mm BCH Panel box, sequence Timer to run all the test automatic one by one, programmable ON time for all test, 1) Imported IR and HV tester ( IR at 500VDC range 0 to 20 M ohm) , (HV 0 to 5KV), 2) Leakage current tester at 230 VAC, 3)Power monitor YOKIN make to check Voltage, current, wattage, frequency, 4) RPM Meter with sensor, 5) Dimmer 8 Amp to adjust the test voltage from 0 to 270VAC in Put 230VAC, 6) 3 nos. SP MCB, 1 no 2Pole MCB and wiring material	325000/-
9	Pre testing panel with 500x500x200mm BCH make panel box, Digital Volt Meter, Amp. Meter, Watt Meter, Frequency meter, RPM meter, 8 amp, Dimmer to adjust the out put voltage from 0 to 230VAC.	40000/-

**GENERAL TERMS & CONDITIONS:-**

**PRICES:** Prices offered are Ex-Work, OMME Electromech Pvt Ltd. The order should be placed to OMME Electromech Pvt.Ltd.,B-67,PANCHSHEEL COLONY, CHIPYANA BUJURG, LAL KUAN G.B.Nagar (U.P.).All charge toward freight Insurance, VAT,TAX etc are applicable extra.

**PAYMENT TERMS:** 60% advance and balance against delivery

**DELIVERY:** 8 to 10weeks from the date of receipt of technically and Commercially clear purchase order along with pre-payment from you.

**PACKING & FORWARDER:** AS EXTRA

**VALIDITY:** This offer is valid for One month.

**COMMISSIONING:** Installation and commissioning charge extra.

## **Shree Siddhivinayak Industries.**

*Village-Brahman Majra, Nalagarh, Distt-Solan, Himachal Pradesh.*

### **ARMATURE MANUFACTURING PLANT & MACHINERY**

**MIXER MOTORS**

DATE- 26 /03/2018

TIN no 02036301154

#### **QUOTATION/PRICE LIST**

MANUFACTURES OF ARMATURE WINDING MACHINES,DYNAMIC BALANCING MACHINE,HOT STAKING MACHINES,AND ALL TYPES OF TESTING INSTRUMENTS & ARMATURE MANUFACTURING PLANTS.

**M/S NALAGARH HIMCHAL PARSSESH VALID FOR 1 MONTH ONLY  
SHIV KAPORJI**

SNO	Description PLANT FOR MOTORS	Capacity Per 8hour	NO OF MACHI	Rate	AMOUNT
1	HYDRAULIC PRESS 3-TON WITHOUT OIL, WITH 5 HP MOTOR ALL ELECTRICAL MECHANICAL PARTS MILLER TYPE MULTI USE	1000	1	95000	95000
2	ARMATURE WINDING MACHINE fabricated BODY WITH DIE HEAD SINGL HEAD MANUAL TYPE  OR	200	2	75000	150000
3	ARMATURE WINDING MACHINE SEMI-AUTO DOUBLE FLAYER ARMATURE LOADING UNLOADING MANUAL LOOPING MANUAL SUTABLE FOR ALL TYPE COMMUTATOR HOOK AND WITHOUT	300	1	320000	320000
4	ARMATURE TRICKLE PLANT 5 STATION RESISTANCE HEATING ALL ELECTRICAL AND MECHANICAL PARTS.	800	1	70000	70000
5	TRICKLE PLANT 12 FEET LENGTH WITH CONYER ALL ELECTRICAL AND MECHANICAL PARTS WITH INFRARED HEATING CONTROL PANEL EPOXY WITH PARAELESTIC PUMP	3000		475000	

E mail- [mehranaksh1968@gmail.com](mailto:mehranaksh1968@gmail.com) MOB.: 09736878002

**A CONCERN DEVOTED TO MIXER MOTORS.& ARMATURE TECHNOLOGY**

## **Shree Siddhivinayak Industries.**

*Village-Brahman Majra, Nalagarh, Distt-Solan, Himachal Pradesh.*

### **ARMATURE MANUFACTURING PLANT & MACHINERY**

**MIXER MOTORS**

DATE- 26 /03/2018

TIN no 02036391154

#### **QUOTATION/PRICE LIST**

**MANUFACTURES OF ARMATURE WINDING MACHINES,DYNAMIC BALANCING MACHINE,HOT STAKING MACHINES,AND ALL TYPES OF TESTING INSTRUMENTS & ARMATURE MANUFACTURING PLANTS.**

**M/S NALAGARH HIMCHAL PARSSESH VALID FOR 1 MONTH ONLY  
SHIV KAPORJI**

6	HOT STAKING MACHINE ORDINARY WITH THYRISTOR HEAT CONTROL AND TIME CONTROL MANUAL TYPE	400	1	55000	55000
7	HOTSTAKING FULLY AUTOMATIC ARMATURE LOADING AND UNLOADING MANUAL PLC CONTROLLED SECONDARY COMPENSATION WITH ALL ELECTRICAL AND MECHANICAL PARTS CNC	800	1	275000	275000
8	ARMATURE BALANCING FOR POWER TOOLS ARMATURE ALL ELECTRICAL AND MECHANICAL PARTS MIXER MOTORS	350	2	35000	70000
9	OR ARMATURE BALANCING MACHINE WITH DOUBLE CONTROL PANEL WITH MOVING COIL FOR BETTER ACCURACY	350		85000	
10	COMMUTATOR PRESSING PRESS PNEUMATIC PARTS	500	3	18000	54000

E mail- [mehrarakesh1968@gmail.com](mailto:mehrarakesh1968@gmail.com) MOB.: 09736878002

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## **Shree Siddhivinayak Industries.**

*Village-Brahman Majra, Nalagarh, Distt-Solan, Himachal Pradesh.*

### **ARMATURE MANUFACTURING PLANT & MACHINERY**

**MOYER MOTORS**

DATE- 26 /03/2018

TIN no 02936391154

#### **QUOTATION/PRICE LIST**

**MANUFACTURES OF ARMATURE WINDING MACHINES,DYNAMIC BALANCING MACHINE,HOT STAKING MACHINES,AND ALL TYPES OF TESTING INSTRUMENTS & ARMATURE MANUFACTURING PLANTS.**

**M/S NALAGARH HIMCHAL PARSSESH VALID FOR 1 MONTH ONLY  
SHIV KAPORJI**

11	COMMUTATOR TURNING MACHINE CNC WITH 3 AXIS LIKE X Y TURNING TOTAL PLC CONTROL WITH ALL ELECTRICAL AND MECHANICAL PARTS AND COMMUTATOR TURNING WITH SINGLE OPERATION	3000	1	280000	280000
12	HIGH VOLTAGE BREAK DOWN TESTER 5 KV DIGITAL	DIFFERENT OPERATIONS	3	8000	24000
13	V.A.W TESTER FOR MOTOR TESTING WITHOUT RPM TESTING	500	1	20000	20000
14	PICK AND PLACE ATTACHMENT WITH GRIPER TWO AXIS ONLY WITH STAPPER MOTOR ALL CONTROL WITH CNC CONTROL			NO	
15	PAPER CUTTING CNC CONTROL WITH PNEUMATIC CUTTING PRESSING ALL ELECTRICAL AND MECHANICAL PARTS WITH DIE	1000 MOTORS	1	170000	170000
16	PILLER SET FOR SHAFT PRESSING TOTAL DIE STEEL GUIDE AND BUSH PLATES M/S 3 PLATE SYSTEME	1000	2	20000	40000
17	COIL LOOPING WELDING MACHINE VARIABLE CONTROL	500 SETS	1	15000	15000

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**A CONCERN DEVOTED TO MIXER MOTORS.& ARMATURE TECHNOLOGY**

## **Shree Siddhivinayak Industries.**

*Village-Brahman Majra, Nalagarh, Distt-Solan, Himachal Pradesh.*

### **ARMATURE MANUFACTURING PLANT & MACHINERY**

**MIXER MOTORS**

DATE- 26 /03/2018

TIN no 02036391154

QUOTATION/PRICE LIST

MANUFACTURES OF ARMATURE WINDING MACHINES,DYNAMIC BALANCING MACHINE,HOT STAKING MACHINES,AND ALL TYPES OF TESTING INSTRUMENTS & ARMATURE MANUFACTURING PLANTS.

**M/S NALAGARH HIMCHAL PARSSESH VALID FOR 1 MONTH ONLY  
SHIV KAPORJI**

18	EXTRA DIE HEAD FOR ARMATURE WINDING OPTIONAL		2	7000	14000
19	PNEUMATIC PRESS PILLER TYPE FOR COIL BENDING <b>ALSO FOR FAN PRESSING</b>	350	1	20000	20000
20	ARMATURE BALANCING REMOVING ATTACHMENT VERTICAL TYPE WITH MOTOR AND GRIPER ALL ELECTRICAL PARTS			NO	
21	ARMATURE WINDING SINGLE FLAYER ARMATURE FOR H TYPE INDEXING WITH STAPPER MOTOR FOR ODSLOT ARMATURES	NO		NO	
22	COIL WINDING MACHINE MANUAL TYPE 10 FORMER ONE TIME COUNTER CONTROL	350 SET		65000	65000
23	COIL WINDING CNC FULLY AUTOMATIC WITH 4 SPOOLE TYPE 20 COIL AT A TIME	500 SET		250000	
24	SURGE COMPARISON TESTER 3 KV FOR TEST ARMATURE FIELD COIL	2 STAGE		52000	52000

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25	AIR COMPRESSOR WITH TANK WITH MOTOR 5 HP 4 FEET TANK FOR TOTAL PLANT	ALL PLANT	1	55000	55000
26	POLISH ADDA FOR SHAFT POLISHING ARMATURES DRILL CHUCK TYPE WITH MOTOR	500	1	12000	12000
27	OVEN ELECTRIC 2.5 KW SIZE APROX 2 FEET SQUARE	ALL 2 pcsPLANT	2	MARK T	36000
28	CONYER 16 FEET BELT TYPE	ALL PLANT	1	MARK	350000
29	ARMATURE WINDING MACHINEORDARNAY CENTER TOCENTER TO CENTER PUNJA TYPE TOTAL CGST/SGST/ 18 %  50 % ADVANCE WITH PO.  DELIVERY EXWORKS AT NALAGARH  TRANSPORTATION WL PAID BY PARTY REQUIRED FOR 2 PERSON	ALL PLANT 200		32000	2242000

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## Ernst & Young LLP

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