



**MEGA LEATHER, FOOTWEAR &
ACCESSORIES CLUSTER**
A Project of KPILC

Invitation of Expression of Interest
From Prospective Entrepreneurs
For Participation in the proposed Mega
Leather, Footwear & Accessories Cluster
(KPILC) Nellore District, Andhra Pradesh

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1. Background

Historically, the leather industry in India has trend to grow in clusters. Till the beginning of the 1970's, a substantial percentage of hides and skins processed in India were converted into either pickled hides/skins or semi processed leathers called as EI or wet blue. They were partially converted into finished leather by some units employing traditional processing methods with very limited machinery. There was certain amount of interdependency between the processing units in a cluster. In course of time, the leather clusters in Tamilnadu, UP, West Bengal and other States started to grow. They include leather units in Hyderabad and Warangal in Telengana, Vizianagaram in AndhraPradesh, Dindigul, Trichy, Erode, Vaniyambai, Ambur, Pernambur, Ranipet, Chrompet and Pallavaram in Tamilnadu, Bangalore in Karnataka, Kolkata in West Bengal, Kanpur, Unnao, Lucknow and Agra in Uttar Pradesh and Jalandhar in Punjab. Some of these clusters can today boast of the finest tanneries with latest equipment and technology.

A significant percentage of processing done in these clusters is based on chrome tanning. Though these clusters developed in stages in locations which were outside the city or town limits, the rapid urbanization in all these areas has brought the human habitations near the clusters. Interestingly downstream processing facilities for manufacture of a variety of leather products, particularly footwear components, garments and leather goods have also started growing around these locations in eighties. This has further enhanced the interdependency of the processing units in a cluster.

The leather industry in Andhra Pradesh boasts of large range of products for both domestic and international markets and is one of the major producers of hides and skins in the country. Andhra Pradesh is producing sizeable raw materials. Andhra Pradesh accounts for nearly 10% share in buff hides and 16.35% share in sheep skins produced in the country. In addition, the state is endowed with the best quality raw material especially buff hides and red hair sheep skins. As the existing tanneries in the State have limited processing capacity, the major share of raw material is being transported to other states Tamilnadu and West Bengal for processing. The Leather Industry in Andhra Pradesh produces a large range of products for the domestic and international markets. The foregoing analysis clearly indicates that Andhra Pradesh is producing sizeable raw materials.

The small-scale tanneries with limited technical and financial resources in isolated locations with no possibility of linking to a CETP are facing serious problems in several parts of the country due to non-compliance to environmental regulations. This is also true for new tanneries proposed to be set up in small-scale sector. In addition, as per the new Environmental Regulations, the tannery industries can be established or expanded only in organized industrial complexes with appropriate Environmental Protection measures. It is in this context that the leather complex concept with viable Environmental Protection Plan becomes relevant.

The proposed Krishnapatnam International Leather Complex (ILC) at Nellore is promoted by a Special Purpose Vehicle (SPV) called Krishnapatnam International Leather Complex Private Limited (KPIILC) which is jointly promoted by Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) and Leather Industries Development Corporation of Andhra Pradesh (LIDCAP). The project finance is supported by the Government of India, Government of Andhra Pradesh.

2. Site Location:

The site is in Kota Mandal of Nellore District and has an area of about 538 acres. It is located at 500 m to the west of Kothapatnam village and 1.7 km to the west of shoreline. The geographical co-ordinates of the site are 14°6'48.00"N (latitude) and 80°6'36.00"E (longitude).



Kothapatnam, Nellore District		
1	Nearest Urban Centre	Nellore
2	Land Availability	537 acers
3	Road NH	NH16-28km from Guduru& 29 km from Naidupeta
4	Nearest Railway Station	Guduru ~30km
5	Nearest Ports	located about 13 km to the south of Krishnapatnam Port. However, due to the Kandaleru creek flowing between the two, the road access for Site to the Port shall be via SH-67, NH-5 and the four lane Krishnapatnam Port road. The overall distance to the port is therefore 76 km. Chennai:160km
6	Nearest Airport	Tirupati - ~100 Kms; Dagadathi Nellore (GF) - 70 kms, Chennai-150kms
7	Nearest IP's	Krishnapatnam Node, Naidupeta IP/SEZ, MAS Fabric SEZ, SBQ Steel,

Locational Advantage: Situated on the coastline with effective discharge-Healthy environs. Is only 3 hours away from the city of Chennai connected by super express way reaching Airport and Sea Port. Is situated contiguous to the upcoming Krishnapatnam Port – Effective to facilitate import of Hides. Is in the hub of raw material availability and availability of strong labour force. The region also offers low wage levels. Is on the credible oldest hub of leather & Leather Products industry in the world and Strong Government Support.



View of Project Site conditions, towards North-West side



3. Major Industrial Developments in the Region:

Fuelled by the location and connectivity strengths of the region, several major industrial projects are at various stages of development in the region.

Krishnapatnam Node: The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi approved industrial corridor node at Krishnapatnam under Chennai-Bengaluru Industrial Corridor (CBIC). The construction of Krishnapatnam Industrial Area has got the Cabinet's approval with an estimated cost of Rs 2,139.44 crores.

APIIC's Industrial Parks: There are 12 operational industrial parks of APIIC in the project region

Power Plants: There are approximately 10 power plants proposed in the region which would have a combined capacity of 16000 MW. Among them, 4000 MW of Ultra Mega Power Plant by Reliance Power Ltd., 1600 MW of APGENCO



Thermal Power Station,

1980 MW of Simhapuri Energy Pvt. Ltd., and 2320 MW of Meenakshi Energy Pvt. Ltd are under construction.



Apache SEZ: This is an operational footwear and shoe manufacturing SEZ located in Tada employing over 4500 persons currently.



Sri City SEZ: spread across 2700 acres of industrial land. It is characterized by its strong industrial base, productive workforce, and excellent industrial relations. Several Industrial Units belonging to diverse sectors have their presence in the SEZ.



4. Social Infrastructure:

The nearest urban centre to the sites is Nellore which is the district headquarters. The total population of the town is 4.82 lakh as per 2001 census. The town has 225 primary schools, 61 upper primary schools and 85 high schools. With regard to health and medical facilities, 59 primary health centres, 18 hospitals and 47 dispensaries exist in the city.

The other nearest town to the proposed sites is Gudur which is a town and a municipality in Nellore district situated south of Nellore city. The total population of the town is 1.14 lakh as per 2001 census. There are 78 Primary Schools, 19 Upper primary Schools and 17 High Schools in the town.

Chennai metropolitan city is located approximately 175 km to the south of project region which is a 3-hour drive by road from Nellore.

5. Infrastructure & Clearances:

S.No	Particular	Description
1	Land and Location	Completely owned by Govt so no R&R Issues (537 acres), Good in terms of industry perspective and regional connectivity.
2	Water	10.5MLD Desalination plant is proposed
3	Power	No issues in setting up external power linkages
4	Wastewater Management	Industrial effluent shall be treated to marine discharge standard and dispose to the marine environment due to proximity to coast
5	Environmental Aspects	Got all clearances
6	Other Hindrances	None

Expression of Interest Form

Introduction

Krishnapatnam International Leather Complex Limited (KPILC) is an SPV incorporated by APIIC and LIDCAP. KPILC proposes to develop a 'Mega Leather, Footwear & Accessories Cluster' near Kothapatnam Village, Kota Mandal, SPSR Nellore District, Andhra Pradesh. Land area of 357 acres is in possession of KPILC for developing the cluster. The project is proposed to be developed under the sub-scheme of Indian Footwear, Leather & Accessories Development Programme of Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Govt. of India. KPILC is in advanced stage and obtained required environmental clearances from MoEF & CC, New Delhi. M/s. Grant Thornton Bharat LLP has been appointed as the Project Development Management Consultant (PDMC) by KPILC for the project.

The cluster shall have units dedicated to manufacturing of leather and leather products viz. footwear, footwear components, leather goods (including gloves), bags, leather garments & saddlery & harness items etc. The assistance received from the Govt. of India under the Scheme would be utilized for the project so that the allottees are benefited & Industry is encouraged units proposed to provide common facilities for the allottees which will help in creating an ecosystem for leather industry.

In order to assess the requirements of entrepreneurs for project development, KPILC hereby invites Expression of Interest (EOI) from entrepreneurs interested in establishing their units in the proposed cluster. The information as per the under-mentioned format may be furnished to KPILC:

#	Particulars	Details		
1.	Name of the Applicant (Entrepreneur / Enterprise)			
2.	Educational Qualifications (if any)			
3.	Caste (for incentives purpose or the reservations applicable)			
4.	Nature of the Unit (Sole proprietorship/partnership/Pvt. Ltd./others)			
5.	Proprietor / partnership / Shareholder details with percentages.			
6.	Udyog Aadhar Memorandum (UAM) number			
7.	New Unit/Existing Unit. If existing please mention GST registration No.			
8.	No of years in leather / related industry			
9.	If registered with Council for Leather Exports then registration details			
10.	Turnover and Profit from previous 3 years as per the audited balance sheet and P/L statement	Year	Turnover	Net Profit
		2019-20		
		2018-19		
		2017-18		

11.	Proposed activity to be carried within the Mega Leather, footwear & Accessories Cluster (envisaged production /day)	(please state in number of hides/skins/pieces/ pairs / sq.ft. of leather per day to indicate production capacity)																	
12.	Type of Activities	1. Raw Unit (Raw to Wet blue or Veg tannin) <input type="checkbox"/> 2. Semi finish leather to finished leather <input type="checkbox"/> a. Chrome Tanning b. Vegetable Tanning c. Wet White Tanning 3. Garment unit <input type="checkbox"/> 4. Leather Goods Unit <input type="checkbox"/> 5. Foot Wear Unit <input type="checkbox"/>																	
13.	Machines proposed in the unit with Capacities	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4b0082; color: white;"> <th style="width: 70%;">Machine (Type and Number)</th> <th style="width: 30%;">Capacity/day</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>		Machine (Type and Number)	Capacity/day														
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14.	Environment Protection (Tanning)	Plant and Machinery proposed to be established in tanning unit for environment management: <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4b0082; color: white;"> <th style="width: 70%;">Plant and Machinery for Environment Protection</th> <th style="width: 30%;">Capacity/day</th> </tr> </thead> <tbody> <tr><td>Chrome recovery Plant</td><td> </td></tr> <tr><td>Solid Sludge Equipment</td><td> </td></tr> <tr><td>Salt Recovery</td><td> </td></tr> <tr><td>R.O</td><td> </td></tr> <tr><td>Any Other</td><td> </td></tr> </tbody> </table>		Plant and Machinery for Environment Protection	Capacity/day	Chrome recovery Plant		Solid Sludge Equipment		Salt Recovery		R.O		Any Other					
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15.	Likely Turnover of the proposed unit (INR / Annum)	Exports Domestic																	
16.	Likely Investment in the proposed unit (INR)	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4b0082; color: white;"> <th style="width: 70%;">Particulars</th> <th style="width: 30%;">INR (Lakhs)</th> </tr> </thead> <tbody> <tr><td>Plant and machinery</td><td> </td></tr> <tr><td>Building</td><td> </td></tr> <tr><td>Misc. Fixed Asset</td><td> </td></tr> <tr><td>Prelm. and pre-operative expenses</td><td> </td></tr> <tr><td>Margin money for working Capital</td><td> </td></tr> </tbody> </table>		Particulars	INR (Lakhs)	Plant and machinery		Building		Misc. Fixed Asset		Prelm. and pre-operative expenses		Margin money for working Capital					
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17.	Plot Area Required (in acres/Sq. Mts.)															
18.	Estimated Built up area for the proposed unit (in Sq. Ft.)															
19.	Utilization of Land sought for allotment with break up.															
20.	Is the unit interested in setting up its own factory or opts for pre-fabricated sheds															
21.	Utilities Required:	<table border="1"> <thead> <tr> <th>Utilities</th> <th>Requirement</th> </tr> </thead> <tbody> <tr> <td>Power (Maximum Requirement)</td> <td>_____ In Kw</td> </tr> <tr> <td>Water Industrial</td> <td>_____ KL/Day</td> </tr> <tr> <td>Water Potable</td> <td>_____ KL/Day</td> </tr> <tr> <td>Effluent Treatment</td> <td>_____ KL/Day</td> </tr> <tr> <td>Solid Waste Disposal</td> <td></td> </tr> <tr> <td>Land Fill</td> <td></td> </tr> </tbody> </table> <p>Kw- KiloWatt KL- KiloLitre</p>	Utilities	Requirement	Power (Maximum Requirement)	_____ In Kw	Water Industrial	_____ KL/Day	Water Potable	_____ KL/Day	Effluent Treatment	_____ KL/Day	Solid Waste Disposal		Land Fill	
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Solid Waste Disposal																
Land Fill																
22.	Employment Details	Direct: In-Direct:														
23.	Details of the Existing Enterprise/ Unit	To be provided as per formats attached as Annexure -1 and 1A.														

Requirement for Common Facilities by your unit

#	Common Facility	Requirement												
1.	Secured Common Warehouse (Raw material and Finished Goods)	_____ Sq. Ft.												
2.	Training Centre	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4b4b9b; color: white;"> <th style="width: 60%;">Type of Manpower</th> <th style="width: 40%;">Requirement</th> </tr> </thead> <tbody> <tr> <td>Stichers/Tailors etc.</td> <td>_____ persons</td> </tr> <tr> <td>Clickers</td> <td>_____ persons</td> </tr> <tr> <td>Embossing</td> <td>_____ persons</td> </tr> <tr> <td>Supervisors</td> <td>_____ persons</td> </tr> <tr> <td>Others (Please specify)</td> <td></td> </tr> </tbody> </table>	Type of Manpower	Requirement	Stichers/Tailors etc.	_____ persons	Clickers	_____ persons	Embossing	_____ persons	Supervisors	_____ persons	Others (Please specify)	
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Supervisors	_____ persons													
Others (Please specify)														
3.	Trade/Display/Exhibition/Convention / Information Centre	Yes/No If Yes, area required : _____ Sq.ft												
4.	Fire Station	Yes/No												
5.	Health Care and Primary School	Yes/No												
6.	Canteen	Yes/No If Yes, for how many workers: _____												
7.	Others (Please specify)													
8.	Common Facility Centre (Please suggest equipment and capacity required by you)	Testing <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Type of Equipment</th> <th style="width: 40%;">Capacity required (Per day)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Type of Equipment	Capacity required (Per day)										
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		Job working	
		Type of Equipment	Capacity required (Per day)
		Fleshing Machine	
		Wet Measuring Machine	
		Wet Drums	
		Dry Drums	
		Samming Machine	
		Splitting Machine	
		Shaving Machine	
		Steel drums for dyeing	
		Setting Machine	
		Conveyer hooking	
		Molisa Machine	
		Through feed Buffing Machine	
		Auto Spray	
		Hand Spray	
		Embossing / Plating Machine	
		Roller pressing Machine	
		Nano pressing Machine	
		Area Measurement	
		Others, mention	
		Design	
		Type of Equipment / Software	Capacity required (Per day)
		IT & Others	
		Type of Equipment	Capacity required (Per day)

#	Common Facility	Requirement
9.	Please indicate your willingness for the mentioned facilities (only for tanneries)	<p>1. Is the unit interested in taking recovered chrome liquor from common chrome facility?</p> <p>Yes_____. No_____</p> <p>2. Is the unit interested in taking recovered salt from common effluent treatment plant?</p> <p>Yes_____. No_____</p> <p>3. Is the unit interested in installing primary effluent treatment plant in its premises or will discharge the entire effluent into the drainage system to the common effluent treatment plant after segregating the solid waste?</p> <p>Yes_____. No_____</p>

Annexure 1: Profile/Background of the Applicant (Details of the New/ Existing Enterprise)

#	Particulars	Details								
1.	Name of the Enterprise									
2.	Name of the Entrepreneur (s)									
3.	Location/Address with phone No. & E-mail details									
4.	Year of Incorporation/Registration along with the registration number									
5.	Present Activity (Type of Unit)									
6.	Present Net-Worth of the Enterprise (INR)									
7.	GST Registration number									
8.	Turnover of the existing enterprise	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4b0082; color: white;">Year</th> <th style="background-color: #4b0082; color: white;">Amount (INR)</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td></td> </tr> <tr> <td>2018-19</td> <td></td> </tr> <tr> <td>2017-18</td> <td></td> </tr> </tbody> </table>	Year	Amount (INR)	2019-20		2018-19		2017-18	
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2019-20										
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9.	Net-Profit of the existing enterprise	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4b0082; color: white;">Year</th> <th style="background-color: #4b0082; color: white;">Amount (INR)</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td></td> </tr> <tr> <td>2018-19</td> <td></td> </tr> <tr> <td>2017-18</td> <td></td> </tr> </tbody> </table>	Year	Amount (INR)	2019-20		2018-19		2017-18	
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Annexure 1 (A): Credit Profile of the Existing Enterprise of the Applicant

Availed loans from Banks/ FIs	(Yes / No)			
If yes, Nature of Loan (Term / CC)				
Outstanding Loan (1)		Name of Bank/FI		Security Offered
Outstanding Loan (2)		Name of Bank/FI		Security Offered
Any private borrowings, unsecured loans				If yes, amount of loan outstanding

Queries/Clarifications, if any may be forwarded to
P. Ratnakar, M.Sc.
Chief Executive Officer,
KPILC
Email- kpilp.lp@gmail.com
Cont: 0863-2381850, Extension No: 218

Dully filled application shall be submitted (soft copy) through email and physical copy can be sent to below address:

To,
The Chief Executive Officer,
Krishnapatnam International Leather Complex Ltd,
9th Floor, APIIC Towers, IT Park, Mangalagiri, Guntur Dist., A.P – 522503

Note:

- Expression of Interest may be submitted on or before 31st January, 2021.
- No late applications will be entertained.
- The Proposal of EoI can be cancelled / modified at any time at the sole discretion of KPILC.
- This is only an EoI & will not create any right in favour of applicant for allotment etc.