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4/3/13

AGM(AKD)

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Fax : 011-23062626

No.9(2)/2012-DBA.II/NER
Government of India
Ministry of Commerce & Industry
(Deptt. of Industrial Policy & Promotion)
Udyog Bhawan, New Delhi -110 011

Dated: 25th February, 2013

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4/3/13

To,

The Principal Secretary (Industries) / The Commissioner / Secretary (Industries)
Government of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland,
Sikkim and Tripura

Subject: Eligibility of components of Plant & Machinery for subsidy under Central Capital Investment Subsidy Scheme of North East Industrial & Investment Promotion Policy (NEIIPP), 2007.

Sir,

This refers to the Notification issued by this Department for Central Capital Investment Subsidy Scheme (CCISS) 2007 dated 27.7.2007 wherein components of Plant & Machinery (P&M) eligible for subsidy under the scheme are defined. Subsequently, instructions have been issued vide letter No.10(3)/2011-DBA-II/NER dated 2.11.2012 regarding computation of Plant & Machinery on the basis of the Appraisal Report of the financial institution which has funded the project. Claims of subsidy above Rs.1.5 crore have been considered by the Empowered Committee on CCISS for a number of cases. The Committee examined the recommendation of the State Level Committees for grant of subsidy to the unit and observed that different agencies viz., State Govt. Financial Institutions and NEDFi are interpreting the value of P&M differently. The variation in cases considered by the Empowered Committee is tabulated and enclosed as at Annexure-A.

2. The Empowered Committee has largely relied on the value of P&M given in the Appraisal Report of the Financial Institution, subject to the advise of the technical agencies, including the National Council for Cement & Building Materials (NCCBM) for cement plants, and the National Institute of Secondary Steel Technology (NISST) for Steel Rolling Mills.

3. During the recent meetings of the Empowered Committee, the State Governments and NEDFi have requested that the list of items suggested for inclusion in the definition of Plant and Machinery by the technical agencies and relied upon by the Empowered Committees for deciding the value of Plant and Machinery may be conveyed to them to bring uniformity in the assessment of P&M by various agencies.

- (a) While assessing the cost of erection, only the cost of foundation for placing & fixing the productive machinery in its working place is considered as eligible component for the purpose of subsidy under CCISS. Civil structures, other than the above are not considered as eligible component of P&M for the purpose of CCISS.
- (b) While miscellaneous fixed assets are not eligible component of P&M for purpose of CCISS, however, electrical components essential for plant operation, which are connected on the Plant side from the point where electric meter is put up, to the point where finished goods are produced/dispatched and are associated with the manufacturing process, are considered as eligible component of P&M for purposes of CCISS.
- (c) The components of P&M for which payment has been made in cash by the industrial unit are not considered while assessing the value of P&M for the purpose of subsidy under CCISS.

4. Based on the definition of P&M provided in the Scheme notification, subsequent clarifications and recommendations of the technical agencies, comprehensive list of components of P&M to be considered eligible and ineligible for subsidy under CCISS is enclosed at Annexure-B. In addition, the exhaustive list of eligible and ineligible components of P&M for the purpose of CCISS in respect of Cement Plants and Steel Rolling Mills are enclosed at Annexure-C and Annexure-D respectively.

5. Receipt of this communication may be confirmed within seven days.

Yours faithfully,



(Arun Kumar)

Under Secretary to the Government of India

Tel:No.2306 3096

Copy to:

1. Secretary, Ministry of DONER, Vigyan Bhavan Annexe, Maulana Azad Road, New Delhi.
2. Secretary, D/o Expenditure, M/o Finance, North Block, New Delhi.
3. Secretary, Planning Commission, Yojana Bhavan, New Delhi.
4. Directorate of Industries Government of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura

5. CMD, North Eastern Development Finance Corporation Limited, NEDFi House, G.S. Road, Dispur, Guwahati.
6. Chairman, FINER, Guwahati, Swahid Dilip Chakravarty R.G Baruah Road, Guwahati-781005, Assam.
7. Deputy Director General, Confederation of Indian Industry, India Habitat Centre (IHC), Confederation of Indian Industry, Core 4A, 4th Floor, Lodi Road, New Delhi-110003

Copy also to:

1. PSO to SIPP
2. PPS to AS & FA
3. PS to JS (SS)
4. PS to CCA
5. PS to Director (Integrated Finance Wing)
6. Director General, NCCBM
7. Director, NISST

Annexure – A

Value of Plant and machinery assessed by various agencies for the purpose of Central Capital Investment Subsidy Scheme.

(Rs. in crore)

Sl. No.	Name of the Unit	Financial Institutions.	District Industries Centre.	State Level Committee.	Empowered Committee.
1	M/s. JUD Cements Ltd., Meghalaya	81.22	147.5147	147.5147	81.72
2	M/s. Brahmaputra Rolling Mills, Assam	15.73	26.8947	17.2837	17.2837
3	M/s. Griha Shakti Pvt. Ltd., Assam	4.6621	5.4734	5.3912	5.3912
4	M/s. North East Roofing Pvt. Ltd., Assam	12.7335	15.9142	10.8363	10.8363
5.	M/s. Satyam Ispat North East Ltd., Arunachal Pradesh	19.74	38.4552	31.7291	20.5225
6.	M/s. Virgo Cements Ltd., Meghalaya	18.29	40.0293	40.0293	15.1737
7.	M/s. Green Valliey Industries Ltd., Meghalaya	94.45	174.7483	174.7483	94.62
8.	M/s. Adhunik Cement Ltd., Meghalaya	288.38	526.6424	526.6424	286.991

Annexure - B

A. Components to be included for computing the value of Plant & Machinery under CCIS 2007:

- i. Cost of Industrial Plant & Machinery including taxes and duties i.e. cost of mother production equipment used for carrying out manufacturing activities.
- ii. Cost of Productive equipment such as tools, jigs, dyes and moulds, insurance premium etc including taxes and duties.
- iii. Electrical components necessary for plant operation on the plant side from where meter is installed up to the point where finished goods is to be produced/dispatched (i.e. H.T. Motors, L.T. Motors, Switch Boards, Panels, Capacitors, Relay, Circuit Breakers, Panel Boards, Switchgears).
- iv. Freight charges paid for bringing Plant & Machinery and equipment from the supplier's premises to the location of the unit.
- v. Transit Insurance premium paid.
- vi. The amount invested in goods carriers to the extent they are actually utilized for transport of raw materials and marketing of the finished products.

B. Components which will not be considered for computing the value of Plant & Machinery under CCIS 2007:

- i. Loading and unloading charges
- ii. Sheds/buildings for Plant & Machinery.
- iii. Miscellaneous fixed assets such as DG sets, Excavation / Mining equipments, Handling equipments, electrical components other than those mentioned at A (iii) above.

- iv. Working Capital including Raw Material and other consumable stores.
- v. Commissioning cost.
- vi. Captive Power Plants
- vii. Storage equipments
- viii. Weigh bridge, Laboratory testing equipment

C. Admissibility of erection and installation charges.

Erection and installation charges will be payable on actual basis and will be restricted to the cost indicated in the Appraisal Note of the Financial Institutions which provided loan to the industrial unit.

PLANT & MACHINERY FOR A TYPICAL CEMENT PLANT

A. Limestone crushing section

1. Limestone crusher
2. All crusher auxiliaries like feeder below limestone hopper, belt conveyor, dedusting equipments like cyclone & bag filters, screen etc.
3. Limestone stacker & Reclaimer with belt conveyor, Additive(s) crusher & belt conveyor (as required) feeding to Raw Mill Hoppers

B. Raw Material grinding section

1. Raw mill (Ball Mill/VRM/Roller Press & Ball Mill)
2. All raw mill auxiliaries like weigh feeder below hopper, separator, fans, bucket elevator, rotary air lock, air slides, magnetic separator, metal detector, FK Pump, Fluxo Pump, dedusting equipments like cyclone, bag filters, Bag house/ ESP (common for kiln & mill) with fan etc.

C. Raw meal extraction/kiln feed section

1. All slide with blowers before & after raw meal silo, solid flow meter.
2. Kiln feed bucket elevator/airlift

D. Pyro processing section

1. Rotary kiln with preheater cyclones & calciner.
2. All auxiliary equipments like preheater fan, shell cooling fans, blowers, down comer duct and other ducts for carrying hot gases, fresh air dampers etc.
3. Burner for Kiln & Calciner, Gas analysers, Temperature & pressure measuring equipment etc.
4. Clinker Cooler.
5. All cooler auxiliaries equipments like cooling fans, ESP & ESP fan, clinker crusher etc.
6. Clinker conveying equipment like Deep pan conveyor (DPC)
7. Coal crusher with all auxiliaries like bag filters, belt conveyor etc.
8. Staker & Reclaimer for Coal including belt conveyor feeding to coal hopper
9. Fuel Grinding Mill (Ball Mill/ VRM) for Coal/petcoke/lignite/alternate fuels
10. All coal mill/Fuel grinding mill auxiliaries including weigh feeder below raw coal hopper, separator, bucket elevator, rotary air lock, air slides, bag house, bag

house fan booster fan, belt conveyor & screw conveyor, inertisation system etc. This also includes system for other fuel alternate fuel.

E. Cement grinding section

1. Cement mill (Ball Mill/VRM/Roller Press & Ball Mill)
2. Cement Mill auxiliaries like weigh feeder below hopper, separator, bucket elevator, rotary air lock, air slides, FK Pump, Fluxo Pump, solid flow meter, bag house, Bag house fan, conveyors, Material extraction gates below Silo/ stockpile, Gypsum crusher, Pneumatic Handling system for Flyash/ Mechanical handling system for slag etc.

F. Packing Section

1. Packer & its auxiliaries such as belt conveyor, belt diverter, bucket elevator, screen etc.
2. Truck loader & Wagon loader (if applicable), Bulk Loading & Packaging arrangement.

G. Others

1. Blowers, Pumps, compressors etc.
2. Belt Coveyors (for all sections)
3. De-dusting bag filters (across transfer points) with fans.
4. Samplers
5. Hot Air Generator if any
6. Electrical and Control & instrumentation equipment alongwith software for plant operation (plant PLC) including HT & LT Motors, Dc Motors, Thyristor Panels, SPRS System, Capacitors etc.
7. Foundation for all machinery/Equipment.

H. Exclusions:-

1. Workshop equipment
2. Laboratory equipments
3. Equipment for power distribution other than those at G (6) above
4. Equipment for water supply
5. Fire Fighting Equipment
6. Mining machinery
7. D.G. Sets for Plant/captive power plant
8. Weigh Bridge, Railway Siding, Locomotives, Truck Trippers etc.

9. Plant Building (like crusher building, mill house etc.), Auxiliary building (like MCC rooms, compressor house etc) and Non Plant Buildings (like Store, Administrative building, canteen etc.)
10. Storage Building like Silo, Hoppers, Stockpiles.

PLANT & MACHINERY FOR A STEEL AND A ROLLING MILL (SECTION WISE)

A. MELTING SECTION

1. Induction Furnaces & Electric Arc Furnaces with all electrical installations, gadgets, control panels, meters, cables, busbars, emergency water system, main water cooling system etc
2. Casting Section: Ladles, oil burners, gas purging system, ladle refining furnace, if any, vacuum degassing units, if any, continuous casting unit with motors, pumps, withdrawal system, DM water system, water treatment plant, conveyor belts, etc.
3. Auxiliary Equipments & Cranes.
4. Workshop Machines
5. Electrical Equipments (HT Motor, LT motor, Switch Board, Cap acitors, Relay Circuit Breakers, Panel Boards, Switch Gears).
6. Site Fabrication

B. ROLLING MILLS

1. RHF (Re-heating Furnance)- all items including Sheets, Refractory, Pusher Motors, Burners, Chimney, recuperator, APCD etc. as defined in Plant & Machinery.
2. Roughing Stand including motors, repeaters (if any), mechanization (if any), bearings, cooling systems etc. which are defined as Plant & Machinery.
3. Intermediate stands (as above)
4. Finishing stands (as above)
5. Quenching system (for TMT)
6. Shears, Pinch Roll
7. Cooling Bed Systems
8. Crane

9. Workshop Machines (Lathe, Shaper, Drills, Grinders, Milling Machine, Templates, measuring equipments like screw gauge, vernier etc.)
10. Auxiliary equipments (included as Plant Machinery)
11. Electrical equipments (Current transformers, circuit breakers, panel boards, motors, reactors, Relay panels, switch gears, starters, digital meters, etc.)
12. Other material handling equipments (within the Rolling Mills furnace area for hot metal transfer) – (Conveyor which lead to mechanization/automation, chain pulley blocks etc.)
13. Water System equipments and towers- (Water settle tanks for removal of metallic contamination, oil, grease, etc., DM water plant, if any. Water pumping units, water cooling power/system etc.
14. Coal Pulverizer system including Pipeline for delivery
15. Site fabrication