OPERATIONAL GUIDELINES

: Capital Subsidy for Acquisition of Plants and Machinery (CSAPM) For Jute Diversified Products (JDPs):

1. Any JDP manufacturing unit has to intimate NJB through an online Letter of Intent (LOI) in the prescribed format about their intention of upgradation and or modernization by acquiring and installing eligible plants and machinery for setting up of new unit / expansion of existing unit,

2. All the machinery procured under the Scheme should be linked to Bank Credit / Loans from a scheduled Bank. The extent of Bank Loan should be at least 10% of the total cost of machinery procured under the Scheme. No multiple finance for a project is allowed under this Scheme.

3. To submit the claim the following procedure shall be followed:
   a. The purchase and installation of the machinery is to be completed within 9 (nine) months from the date of LoI, whereas the claims, both online and offline should be submitted after prior scrutiny through industry association to NJB within twelve (12) months from the date of submission of LoI respectively. Only in case of force majeure, an additional 6 months will be allowed subject to approval from the Technical Committee of CSAPM, NJB.
   b. Force Majeure will include Act of God, Embargos, Unavoidable casualties, Acts of civil and military authorities, Government orders, Emergency conditions including weather conditions incompatible with safety of good quality workmanship etc., suspension of work / strike etc., Acute shortage of raw material, Delay in Customs clearance.
   c. JDP Manufacturing unit to purchase machinery for modernization out of loan amount drawn only from any scheduled bank. Second hand Machinery will not be eligible for subsidy under the Scheme.
   d. On completion of purchase and installation, JDP manufacturing unit need to submit online Claim application and then approach industry association in person with the claim application, appraisal memo by the bank from which loan has been sanctioned showing the viability of the project & documents supporting sanction & disbursement of loan.
The correspondences may be made referring online acknowledgement number.

e. The authorized officials of industry will scrutinize the claim application cross-checking with a check-list and get them rectified, if necessary.

f. After scrutiny by industry association, the application has to be delivered by JDP manufacturing unit in person to NJB along with fees of Rs. 25,000/- (for Jute Mills having JDP units) or 2% of the claim amount subject to minimum fees of Rs.5,000/- and a maximum of Rs.50,000/- (for JDP manufacturer) towards IJIRA payable at Kolkata every Monday or the immediate next working day in case that Monday is a holiday for verification / vetting by IJIRA or any institute, if authorized.

g. The NJB authorized official shall scrutinize the application and provide a check-list of documents submitted.

h. The claim application to be forwarded to IJIRA or any institute, if authorized for Technical appraisal.

i. IJIRA or any institute, if authorized to prepare the Technical appraisal report and send it back to NJB within 7-10 working days.

j. After receipt of Technical Appraisal Report from IJIRA, Joint Inspection comprising members from NJB, O/o the JC and IJIRA to be conducted and capital subsidy to be disbursed subject to fulfillment of all conditions by the unit, as laid down in the guidelines.

k. The Core Machinery for manufacturing Jute Diversified Products to be purchased from the enlisted vendors as approved by the Technical Committee of CSAPM, NJB.

4. A Technical Committee, the composition of which is given below, will look into all aspects of the scheme including advising NJB on the modus operandi and on implementation of the scheme:

(i) Jute Commissioner - in the Chair
(ii) Secretary, NJB – Convenor
(iii) Representative of O/o Textile Commissioner
(iv) Chairman, IJMA
(v) Director, IJIRA, Kolkata
(vi) Secretary, Jute Shipper’s Council, Cherthala
(vii) Chairman JPDEPC /Representative of JDP Sector
(viii) Representative of JDP manufacturing units/Exporters, Name of Sl. No. (viii) to be recommended by Secretary, NJB.

5. Indicative Check List of claim under CSAPM
   a. Letter of Intent
   b. Highlight of project proposal
   c. Claim Application form with photograph (as per Annexure –A)
   d. Applicant ID proof
   e. Company PAN Card
   f. Company Management details
   g. Existing list of Machinery installed in the unit
   h. IJIRA membership certificate and fees of IJIRA
   i. C.A. Certificate as per Appendix-1 of the claim application form
   j. C.A. certificate in respect of items with value of machinery installed as per Appendix-2
   k. Installation/ Commissioning Certificates by the machine manufacturer/ authorized agent/supplier.
   l. Machine invoice/s
   m. Submission of GST return documents by the vendor (indigenous)
   n. Delivery note / Challan with
      i. Date of delivery
      ii. Place of installation
   o. Bank Sanction letter along with appraisal memo
      i. Date of last disbursement from Bank
      ii. Drawn & disbursement reconcile statement
      iii. Loan Sanction Account No.
      iv. Bank / Branch E-mail ID/ Contact Person/Phone no.
      v. Hypothecation document of the Bank
   p. Payment details/ Bank certified bank statement with date(s) of payment(s) / Summary of payment details
   q. Money Receipts
   r. Production Plan of the Unit indicating all the machinery
   s. Latest Audited Balance Sheet along with Schedule to the Company ACT/ IT ACT.

6. The intending JDP manufacturing unit acquiring and installing core machinery for upgradation and / or modernization shall have to procure
such machinery / equipment from a vendor, enlisted in the list of vendors approved by the ‘Technical Committee’ from time to time.

7. Interested vendors will have to make application in following formats, as may be applicable and on behalf of NJB, the application will be evaluated by IJIRA or any other technical institution as directed by the Technical Committee:
   (i) Format for Enlistment of Indian Machine Manufacturers
   (ii) Format for Enlistment of Foreign Machine Manufacturers
   (iii) Format for Enlistment for authorized distributors / selling agents of Indian / Foreign Manufacturers

8. Embossing/engraving of identification code (model no., manufacturing serial no. year of manufacturing, manufacturer’s name, scheme etc.) on brass plate on each plant / machine for which subsidy has been claimed will be made other than the machine manufacturer’s plate as fixed with the machines.

9. A team comprising members from National Jute Board, O/o Jute Commissioner, IJIRA or any other agency to be identified by the Technical Committee will inspect such acquisition and installation.

10. The claimant shall furnish an undertaking that they will not dispose any item of plant / machinery / equipment for which the incentive has been received within a period of 5 years from the date of receipt of the incentive, except with the prior approval of NJB.

11. A department wise board in the prescribed format displaying all the machines for which subsidy / incentive has been provided by NJB in the last 5 years, if any should be erected in the respective department.

12. Captive Power Generation Machines, transformers and generator are not considered for incentive under the scheme.

13. NJB will have the power, even after the disbursement of the subsidy to inspect, if the unit has received the plant / machinery / equipment against taking incentive & those are in operation and not disposed of within the stipulated period of the scheme.

14. The subsidy will be disbursed, on availability of fund for the purpose, on ‘first receipt of valid application in Annexure - A first serve’ basis.

15. The units are permitted to avail of benefits of State Government’s Scheme, an addition to the benefit provided under this Scheme.
16. In case of merger of the entities or take-over of an entity by other, the new entity will be entitled to get the subsidy, if due, under the Scheme subject to the condition that the merger/ take-over is either permitted by the Registrar of the Companies or by an order of the Court and the new entity has taken over all the liabilities and assets of the merged/ taken over entity and the respective bank has also transferred the term loan of the earlier entity in the name of the existing entity which has taken over. In such cases, the new entity shall submit a request in the prescribed format (as per annexure-B) with all the supporting documents to NJB for changing the profile.

17. Maximum limit of assistance will be capped at Rs. 1.50 Cr. / unit during the entire tenure of the Scheme.

GUIDELINES FOR VENDOR SELECTION

Vendors/ supplier of machinery to be selected for JDP manufacturing unit/ Jute Geo-Textile (JGT)/ Other Technical Textiles of Jute to be allowed as per decision of the Technical Committee to sanction the subsidy.

Three sets of application formats have been devised by NJB for registration as follows:

(i) Format for Enlistment of Indian Machine Manufacturers (Form-1)
(ii) Format for Enlistment of Foreign Manufacturers (Form-2)
(iii) Format for Enlistment of authorized distributor / selling agents of India / Foreign Manufacturers (Form-3)

Specific financial & technical criteria including past performance for machinery manufacturers are prescribed as follows:

A. At least three years’ experience in related field.
B. Investment in plant & machinery should not be less than Rs.1.00 Crore for major machinery as per last audited balance sheet of the unit.
C. Investment in plant & machinery should not be less than Rs.20 lakhs for all other machinery as per last audited balance sheet of the unit.
D. Average turnover of last three years related to manufacturing activities should not be less than Rs.1.5 crore in case of machinery listed at para B above as per last audited balance sheet of the unit.
E. Average turnover of last three years related to manufacturing activities should not be less than Rs.20 lakh in case of machinery listed at para C above as per last audited balance sheet of the unit.

F. Each machine that is to be enlisted is also to be commercially run in at least one JDP manufacturing unit in India and must also have a report from a technical institute such as IJIRA or any institute, if authorized confirming its performance.

The above criteria will be applied in general. However, for fresh inclusion and De Novo registration of vendors, the above financial parameters will be reviewed by the TC and will be notified later.

**PROCEDURE OF VENDOR SELECTION (for indigenous machine)**

For Core Jute Machinery:

a) The machinery manufacturers would apply in an appropriate format showing their details of manufacturing capacity, business performance, financial background etc. The applicants are required to mention about the performance of the machines already supplied and working in any / some JDP manufacturing unit along with the clientele list in jute sector. They have also to deposit Rs.10,000/- as application fee in the name of IJIRA or any institute, if authorized, the technical institute engaged by NJB for assessment and inspection.

b) Indian Jute Industries’ Research Association (IJIRA), Department of Jute & Fibre Technology (DJFT), similar institution having mechanical and electrical engineering divisions shall be approached by NJB to assess infrastructural facilities, capability and capacity of the vendor / machinery manufactures.

c) If the application is found prima facie eligible for enlistment as vendor of the approved machines, IJIRA or similar institution having mechanical and electrical engineering divisions will conduct spot physical inspection of manufacturing units to confirm their manufacturing capacity, verification of original records and other technical parameters mentioned in their applications.

d) The recommendation of IJIRA or similar institutions will be placed before the Technical Committee which will consider enlistment of vendor.
For Non-Jute Processing Machinery used in JDP manufacturing units:

Since a number of renowned manufacturers / vendors are in the field in supplying non-jute processing plants / machines viz. material handling machines like Fork Lift, EOT Crane etc., testing equipments and are not jute processing specific, enlistment of the vendors for non-core jute machinery are not considered necessary under the scheme.
APPLICATION FORM

CAPITAL SUBSIDY SCHEME FOR ACQUISITION OF PLANTS AND MACHINERY SCHEME (CSAPM)

To
The Secretary
National Jute Board

Sir,

I……………………………………………………………………………………………………………………………………………………………………….Son
/Daughter of……………………………………………………………………………………………………………………………………………………………..Proprietor/Partner/Director
Managing Director/chairman/authorized Signatory on behalf of the JDP manufacturing unit known
As……………………………………………………………hereby apply to grant of Incentive for Modernization of Jute Industry under Acquisition of
Plants and Machinery Scheme as follows:

(i) Cost of eligible machinery / equipment acquired and installed for modernization and / or upgradation
(Rs…………………………………………………………………………………………..as per details in appendix – 2)
(Rupees…………………………………………………………………………………………..only)

(ii) Incentive under “Acquisition of Plants and Machinery Scheme”
@ 30% of (i) above Rs…………………………………………………………………………………………..
(Rupees……………………………………………………………………………………………..)

The necessary particulars are furnished below:

A. Particulars of the applicant JDP manufacturing unit:
   a) (i) Name of the JDP manufacturing unit:
      (ii) Address:
      Telephone:
      FAX:
      E. Mail:

   (i) Constitution: Private Limited Company / Public Limited Company (Please tick the applicable) Co-operative
      /Partnership/ Sole Proprietorship.

B. Details for upgradation and or modernization proposed to be undertaken in JDP manufacturing unit:
   i) Name of plant / machinery acquired and installed for
      upgradation and /or modernization
   ii) If the plant / machinery is / are covered under the
      eligible items, the serial number of the item(s) in the
      list of eligible items
   iii) Name and Address of the Vendor supplying the
      eligible item(s) of plant / machinery
   iv) Date(s) of placing orders for procurement
   v) Date of acquiring
   vi) Date of completion of installation
   vii) Place of installation (complete address)
   viii) How the item of new machinery is / are acquired
        (Please tick the appropriate clause)
        I) Domestic Purchase
        II) Import
   ix) Date on and from which the machinery acquired
      for upgradation and / or Modernization put to
operation.
(additional sheets may be attached for details, if necessary)

(x) Source/s of Finance for acquiring and installation of the plant / machinery

(please tick the appropriate clause and provide details)

(a) Bank.............
(b) Financial institution......
(c) Others.............
(d) Own sources..........

C. If the source of funding is other than own sources provide the following information

(i) Name of the Bank / Financial or other Institution
(ii) Name and address of the branch sanctioning/ disbursing the fund.
(iii) Amount of fund sanctioned
(iv) Sanction letter details
    (Copy of the Sanction letter and the techno-
    financial appraisal of the Bank
    to be attached)
(v) Details of fund drawn against the sanction
(vi) Details of payment to the vendor

Rs.............
Sanctioning Authority:
No. & Date:
Terms of Repayment:
Terms of Sanction, if any:
Cheque/DD no. & Date:
Vendor Name, Amount (Rs):
Cheque/DD no. & Date:
Amount (Rs): 

I/ We hereby declare that I/ we have not availed of or shall avail of any assistance under Technology Upgradation Fund Scheme or any other scheme of the Ministry of Textiles, Government of India for the same plant / machinery for which incentive has been claimed hereinafter.

I/ we hereby undertake to submit any further documents / information as may be required by the appropriate authorities.

I/ we hereby undertake not to dispose of the machinery / equipments for which subsidy has been claimed within a period of 5 years from the date of receipt of incentive except with the prior approval of NJB.

I/ we hereby agree that in case it is found that the incentive has been availed of on the basis of any false information, we shall forthwith refund the incentive availed of to NJB along with interest to be charged, as per Scheme, from the date of disbursal to the date of refund.

I/ we hereby further agree that I/ we shall forthwith repay the amount disbursed to me / us under the scheme, if the amount of incentive is found to have been disbursed in excess of the amount actually admissible for whatsoever reason and shall be liable to pay interest at such rate as may be prescribed on such amount and such other charges / expenses which may be payable by us.

Full Signature of the Applicant

Name and Designation of the Authorized Signatory

Affix Recent Passport Size Photograph
Address Proof (Personal)
Copy of the PAN Card (Personal & Company)
Full Name & address with full signature of witness
Date & Place:
Seal of the Company:
Documents enclosed:
As per Para no. 5 of the Operational Guidelines of the Scheme.

N.B.: All the submitted documents should be signed by the Director of the Company along with DIN in case of Company. Other units / mills may submit the proof of registration like registered partnership deed, Proprietorship registration etc.
Appendix-1

Certificate to be issued by a Chartered Accountant

I/We hereby confirm that I/we have examined the claim papers, books of account and the prescribed documents in respect of the claim of M/s. ... ... ... ... ... ... ... ... ... ... ... ... ... ... ... ... ... ... and hereby certify that the statements made and particulars furnished in Form No. ... ... ... annexed here to be correct according the books of operation.

Neither I/we nor any of our partners is a Partner/Director or an employee of the above named entity or its associated concerns.

I fully understand that any submission made in this certificate if prove incorrect or false will render me/us liable to face any penal action or other consequences as may be in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory--------------------

Name -------------------------------

Membership No. -------------------------------

Full Address -------------------------------

Name and address of the Institution where registered.

Sign & Stamp of CA

Date:

Place:
**Appendix-2**

Certificate to be given by the JDP manufacturing unit.

Scheduled of fixed assets (machinery) create as on ........................................ by M/s ........................................
........................................address: ........................................

**Break up of Costs Included in the value of Asset/s:**

<table>
<thead>
<tr>
<th>SI No</th>
<th>Description of the plant / machinery (item wise)</th>
<th>Quantity</th>
<th>Date of order</th>
<th>Name of the vendor with address</th>
<th>Date of installation / Erection</th>
<th>Bill No. &amp; Date</th>
<th>Paid up value of the assets created erected Rs.</th>
<th>Bill value of the assets created Rs.</th>
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</table>

<table>
<thead>
<tr>
<th>Basic Value (CIF/FOB)</th>
<th>Customs / Excise Duty</th>
<th>Freight, Insurance and Handling Charges</th>
<th>GST</th>
<th>Erection / Installation Cost</th>
<th>Other, if any specify</th>
<th>Total</th>
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Certified that the assets enlisted in the schedule of fixed assets (machinery) are created in position at site as on ........................................ and put into operation on ........................................

Full Signature (with seal) of
Managing Director / Director / Secretary / Authorized Signatory of the Company

1. We hereby certify that we have checked the above statement of fixed assets (machinery) with the books of accounts, the invoices and other records maintained by M/s ...........................................
............................................. as produced, and the information and explanation given, and found the same to be true and in accordance therewith.

2. We also certify that M/s ........................................... have acquired and installed the above mentioned assets (machinery during the period from ........................................... to ...........................................)

3. We further certify that the value of aforesaid items of fixed assets (machinery) have the extent paid for up to ........................................... from ........................................... to ........................................... and exhibited in the relevant books of the Company

Full Signature of the Chartered Accountant
Name of the Firm
Date & Place
Registration no.
(Seal of the Chartered Accountant)
**ANNEXURE -B**

**Merger/ Take-over of Management of the Entity**

<table>
<thead>
<tr>
<th>Name of the Entity</th>
<th>Old Management</th>
<th>New Management</th>
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<tbody>
<tr>
<td>CIN No.</td>
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<tr>
<th>Details of Promoters</th>
<th>Name</th>
<th>PAN No.</th>
<th>DIN No.</th>
<th>Aadhar No.</th>
<th>Name</th>
<th>PAN No.</th>
<th>DIN No.</th>
<th>Aadhar No.</th>
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<tr>
<th>Loan Account No.</th>
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<td>Name of the Bank</td>
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<td>IFSC Code of the Bank</td>
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Encl.: Copy of the all relevant papers/ documents.