

North East Industrial and Investment Promotion Policy (NEIIPP), 2007

Brief about the Scheme

NOTIFICATION :- NEIIPP, 2007 was notified on 01.04.2007 on revision of erstwhile North East Industrial Policy (NEIP), 1997.

COVERAGE :- Eight North East States recognized under North Eastern Council (NEC)

ELIGIBILITY & DURATION:- All new units as well as existing units which go for industrial expansion located anywhere in North Eastern Region, which commence commercial production within 10 years period from the date of notification of NEIIPP, 2007 will be eligible for incentives for a period of 10 years from the date of commercial production.

Exception are the industries considered hazardous to public health and environment such as tobacco and its substitutes, pan masala, plastics carry bags of less than 20 microns, refinery products etc.

In addition to manufacturing sector, the benefits under NEIIPP, 2007 have for the first time, been extended to service sector, (i.e. Hotels not below Two Star category, adventure and leisure sports including ropeways, nursing homes with a minimum capacity of 25 beds, old-age homes, Vocational training institutes such as institutes for hotel management, catering and food crafts, entrepreneurship development, nursing and para-medical, civil aviation related training, fashion, design and industrial training, Bio-technology industry and Power Generating Industries-upto 10 MW).

SUBSIDY SCHEMES:- The subsidy schemes under NEIIPP, 2007 and their salient features and performance are given below :-

1. **Central Capital Investment Subsidy Scheme:-**

This scheme provides for Capital Investment Subsidy @ 30% of the value of plant and machinery, without any upper ceiling. The limit of automatic approval of subsidy is Rs.1.50 Crore; Rs.1.50 Crore to Rs.30 Crore with the approval of Empowered Committee and above Rs.30 Crore with the approval of the Union Cabinet.

2. **Central Interest Subsidy Scheme:-**

This scheme provides for an Interest Subsidy @ 3% on working capital loan taken by an industrial unit. This loan is provided for a maximum period of 10 (ten) years from the date of commencement of commercial production.

3. **Central Comprehensive Insurance Subsidy Scheme:-**

This scheme provides for 100% reimbursement of insurance premium paid by an industrial unit.

OTHER INCENTIVES/CONCESSIONS:-

Excise duty exemption based on "Value addition" norms specified by the Department of Revenue.

100% Income Tax exemption.

COORDINATION AND MONITORING:- Various committees like High Level Committee, Advisory Committee along with over-sight Committee have been set up for proper Coordination and monitoring of NEIIPP, 2007.

NODAL AGENCY:- The North Eastern Development Finance Corporation Ltd. (NEDFi), Guwahati is the designated agency for disbursement of subsidies under various subsidy schemes of NEIIPP, 2007.

Release under NEIIPP, 2007:- Since inception, Rs.3036.23 Crore has been released to the States of NER. During the FY 2019-20, an amount of Rs.583.52 Crore has been released to the States of NER. In the current FY 2020-21, there is a provision of Rs.200 Crore in BE under NEIIPP, 2007.