

**No.10(3)/2011-DBA-II/NER (Pt-II)**  
**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Industrial Policy & Promotion**  
**Udyog Bhawan, New Delhi-110 011**

Dated: 7th May, 2013

To,

The Principal Secretary (Industries)  
Department of Industries,  
State Government of NER,  
Government of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram,  
Nagaland, Sikkim and Tripura

**Subject: Operational Guidelines for Central Capital Investment Subsidy under  
North East Industrial & Investment Promotion Policy (NEIIPP), 2007.**

Sir,

I am to invite reference to Notifications dated 27.07.2007 and 21.09.2007 on Central Capital Investment Subsidy Scheme (CCISS) under NEIIPP, 2007 and to say that a number of circulars/letters have been issued by this Department at various times, clarifying various aspects of CCISS, thereby raising the necessity of updating the General Operational Guidelines circulated earlier vide this Department's letter no. 10(6)/2008-DBA-II/NER dated 21.08.2008.

2. In view of the above, an updated General Operational Guidelines for CCIS, incorporating latest instructions / circulars of this Department is enclosed herewith.

3. It is requested that wide publicity may be given by the concerned State Governments to the updated General Operational Guidelines.

Yours faithfully

(Arun Kumar)

Under Secretary to the Government of India  
Tel.No. 2306 3096

**Copy to:**

Secretary (Industries)/Commissioner (Industries), State Governments of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura

Copy also to:

1. Director (Industries), Directorate of Industries, State Governments of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.
2. CCA, DIPP.
3. Director, IFW, DIPP.
4. CMD, NEDFi.
5. FINER, CII, ASSOCHAM, FICCI.

**NORTH EAST INDUSTRIAL AND INVESTMENT PROMOTION POLICY, 2007**

**GENERAL OPERATIONAL GUIDELINES FOR REGISTRATION OF INDUSTRIAL UNITS AND PROCEDURE FOR HANDLING SUBSIDY CLAIMS UNDER CENTRAL CAPITAL INVESTMENT SUBSIDY (CCIS) SCHEME OF NEIIPP, 2007**

- (i) Industrial unit which wishes to claim subsidy under this Scheme should get registered with the District Industries Centre concerned, prior to the date of commencement of its commercial production for new units or undertaking substantial expansion for existing unit. The application for such registration shall be made in the prescribed Application Form.
- (ii) 'Substantial expansion' means increase in the value of fixed capital investment in plant & machinery of an industrial unit by not less than twenty five percent for the purpose of expansion of capacity/modernization and diversification.
- (iii) The General Manager of the concerned District Industry Center (DIC) shall be the competent authority to issue Registration Certificate.
- (iv) Registration should not be granted by the DIC on the basis of incomplete information/documents.
- (v) It may be ensured that no industrial unit should be registered for benefits under NEIIPP, 2007 if it is covered under Negative List provided under para (x) & (xiii) of the Policy and Annexure -I of the Notification of the respective Schemes.
- (vi) A copy of the registration form and registration certificate should be endorsed to Department of Industrial Policy & Promotion (DIPP) (without enclosures) within 30 days of issuance of the Registration Certificate.
- (vii) The claims for subsidy under CCIS Scheme of NEIIPP, 2007 have to be submitted to the concerned DIC in the prescribed Application Forms within one year from the date of commencement of commercial production. Cases of delayed registration will be dealt as per the clarification provided vide DIPP letter No.10(5)/2008-DBA- II/NER dated 25th August, 2008 and letter No. 10/6/2008-DBA II/NER dated 15th March, 2012. In case of units which do not get themselves registered by 27.07.2007/21.09.2007 due to delayed notifications of the scheme and have subsequently got themselves registered latest by 31.12.2008, claims submitted by these units within one year of registration could be deemed admissible, if State Level Committee (SLC) deems the case fit for condoning the delay. Any other case for subsequent waiver will be dealt on case specific basis by DIPP after the SLC recommends such relaxation, subject to strict proof of commencement of operation/commercial production. In such cases, final decision rests with DIPP.
- (viii) Due diligence must be exercised by the DIC/SLC to establish date of commencement of commercial operation of the industrial unit.
- (ix) The DIC must ensure that the claim Application Form for subsidy is complete in all respect and accompanied by all the requisite documents as per the Check Lists appended herewith. Incomplete applications, without the requisite documents should not be considered under any circumstances.

- (x) All entries in the claim application form should be carefully checked by the dealing officer with reference to the original documents submitted with the claim application. It should also be ensured that entries are not based on wrong information.
- (xi) The subsidy under CCIS schemes of NEIIPP, 2007 should not be disbursed if the claim under that scheme is sub-judice.
- (xii) All transaction in respect of the cost of plant and machinery/project, as the case may be, must be through "A/c payee cheque" or "demand draft" only. No payment in cash would be considered eligible for computation of subsidy.
- (xiii) All expenses must be certified by the registered Chartered Accountant.
- (xiv) The cost of land shall not be taken into account for the purpose of determining the eligibility and quantum of subsidy under the scheme.
- (xv) Subsidy under CCIS scheme of NEIIPP, 2007 shall not be provided on imported second hand capital goods.
- (xvi) The DIC must date-stamp each claim under signature of GM, DIC. GM must date-stamp each page of all the documents required as per the respective Check List-appended therewith.
- (xvii) The authorized official of the DIC must visit the location of each and every unit and physically verify the existence and operation of the industrial unit/substantial expansion undertaken by the unit and submit a report in the prescribed Form. This would be placed before the appropriate Committee and appended to the minutes of its meeting.
- (xviii) The constitution of District Level Committee (DLC) shall be decided by the Industry Department of the concerned State Government.
- (xix) The Director of Industries would designate an officer by post to certify the completeness of the documents forwarded by the DIC.
- (xx) The DI/DIC should ensure that all claims are placed before the appropriate Committee within 180 (One Hundred Eighty) days from the date of receipt of the claims. In exceptional circumstances, if there is delay, then the reason for the same must be provided in writing by the concerned authorities of DIC/DI.
- (xxi) The subsidy claim shall be considered by DLC/ SLC only after the unit has started commercial production unless otherwise provided in the Scheme. A certificate of the unit having started the production must be accompanied with the subsidy claims. This certificate would be issued by the State Govt./Central Govt, as the case may be.
- (xxii) Meeting of DLC/SLC must be held at least once in a quarter to avoid accumulation of cases pertaining to claims under the schemes.
- (xxiii) The DLC is authorized to approve the subsidy claims under the scheme up to a maximum limit of Rs.5 lakh (five lakh) in respect of Central Capital Investment Subsidy. Claims beyond the limit of DLC shall be considered by the SLC.
- (xxiv) The concerned State Government shall set up a State Level Committee (SLC) consisting of at least one representative each from the State Industries Department, State Directorate of Industries, State Finance Department, Central Government (to be

nominated by DIPP), North Eastern Development Financial Corporation Limited (NEDFi) and the Financial Institution concerned (if the industrial unit is being assisted by a financial institution), to go into details of each case to decide whether the unit qualifies for the grant of subsidy and also about the quantum of subsidy.

- (xxv) The notice of the SLC meeting along with the detailed agenda note should be delivered to all concerned at least seven working days before date of the meeting, failing which the meeting shall be adjourned.
- (xxvi) Cases of subsidy claim between Rs. 1.5 crore to Rs. 30 crore will be put up to the Empowered Committee. Cases with claim above Rs 30 crore will be put up to the Union Cabinet thereafter.
- (xxvii) In respect of claims below Rs. 1.5 crore (for service sector only), NEDFi shall scrutinize the details of cost of the project before the SLC/DLC meeting. The DPR approved by the Bank would be the basis of deciding project cost. If necessary, NEDFi can call additional documents/evidence in support of details of expenses incurred by the claimant unit. Findings of such scrutiny shall be placed before the DLC/SLC.
- (xxviii) Usually, the SLC organizes a field visit to the unit before considering its claim. In case of claims under Central Capital Investment Subsidy Schemes of NEIIPP, 2007, requiring approval of Empowered Committee/ Union Cabinet i.e. for claims above Rs.1 .5 crore, the concerned State Government must organize field visit of the unit, by a team consisting of one representative each from (a) State Government concerned (b) each of the Financial Institutions which assisted the unit, (c) Department/ Ministry of the Central Government administering the sector in which the claimant industrial unit falls (an illustrative panel of Administrative Ministries/Departments/Autonomous Bodies is enclosed as Annexure-A) and (d) NEDFi.
- (xxix) The functions of the Field Visit Team shall be broadly as follows:-
- To verify the physical availability of the Plant & Machinery in respect of which claim has been made by the industrial unit.
  - To ascertain whether the components/items of these Plant & Machinery in respect of which subsidy claimed by the industrial unit is as per the provisions of the scheme & subsequent clarifications issued from time to time.
  - To invariably consider the Appraisal Report of the Financial Institution(s) which had assisted the project of the Industrial Unit alongwith other relevant documents while assessing the quantum of the value of plant & machinery.
  - To suitably explain the deviations (if any) in the value of plant & machinery considered eligible for subsidy from the Appraisal Report. The deviation report shall be submitted as per the format given at Annexure-C.
  - To submit field visit report within 10 working days from the date of field visit.
- (xxx) The field visit will take place before the SLC meeting. The report of the field visit team shall be included in the agenda note placed before the SLC meeting.

(xxxix) While recommending/approving a claim under the scheme, the SLC shall consider the following:-

- Date of commencement of commercial operation
- Physical Verification Report of the DIC
- Assessment Report of Field Visit Team (must for claims above Rs.1.50 crore)
- The documents pertaining to the proof of existence of the industrial unit
- Production figures of the unit
- Detailed Project Report (DPR)/Techno-Economic Feasibility Report (TEFR) of the industrial unit
- Whether payment for procuring/acquiring these Plant & Machinery has been made through A/c Payee Cheque/Drafts/NEFT/RTGS.
- Appraisal Report of the Financial Institution(s) which had assisted the project of the Industrial unit.
- Clarifications on the eligible components of P&M provided by DIPP from time to time. The latest clarification provided vide letter dated 25.02.2013 is enclosed as Annexure-B.
- Representatives of Financial Institutions must be invited to the SLC meeting in respect of units funded by them.
- In addition to the above, SLC can also stipulate the requirement of any other documents/reports which in its opinion are essential for ascertaining the genuineness of the claims made by the industrial units.

(xxxix) Detailed deliberations and justifications for recommending/approving/rejecting a particular claim shall be duly recorded in the minutes of the relevant SLC meeting. Any deviation in this list from the items of P & M considered in the Appraisal Report of the Financial Institution(s) which had assisted the project of the Industrial unit and in the Assessment Report of the technical team should be suitably explained/justified by the SLC in the deviation report (enclosed as Annexure-C).

(xl) In case of self-financed projects both for service and manufacture sector, SLC will get the investment claims appraised by any (i) public sector bank or (ii) SIDBI or (iii) National productivity Council before considering such projects.

(xli) All the cases of subsidy claims approved/recommended by the DLC/SLC shall be subjected to pre-scrutiny. The concerned State Government shall send request for such pre-scrutiny to DIPP, who will arrange for deputing a Pre-scrutiny team. Pre-scrutiny will be carried out at NEDFi office at Guwahati/concerned State Capital.

(xlii) Pre-scrutiny team shall submit its report to DIPP. Such report shall be forwarded to the concerned State Government by DIPP.

(xliii) In the cases cleared by Pre-scrutiny team, where the capital investment subsidy claim is more than Rs.1.5 crore, the complete case file of the unit along with the minutes of the SLC must be forwarded to DIPP (for the consideration of Empowered

Committee/Cabinet, as the case may be & for rest of the cases, a copy of the minutes of the meeting must be sent invariably to DIPP.

- (xxxvii) At least 10% of the claims shall be subject to post audit by NEDFi.
- (xxxviii) The unit shall be required to furnish Annual Progress Report (APR) as per the prescribed format to the Directorate of Industries with a copy to DIPP.
- (xxxix) The quantum of subsidy payable to an industrial unit should be worked out/calculated on the eligible components as laid down in the schemes and subsequent instruction/clarification issued by DIPP from time to time. In case of any doubt in this regard, the matter may be referred to DIPP for clarification. The decision of DIPP will be final in this regard.
- (xl) Agenda items pertaining to TSS and FSS claims should be listed separately in the agenda.

**Prescribed Forms/Formats/Proforma for Claims under Central  
Capital Investment Subsidy Scheme of NEIIPP. 2007**

S.No.	Purpose	Form Number
1.	Application form for registration of NEW UNITS under NEIIPP,2007(All schemes under single registration).	1A
2.	Check list (Certified /Attested photocopies of the documents required to be submitted by NEW UNITS along with the application form for registration under NEIIPP, 2007).	1A(i)
3.	Registration Certificate (for NEW UNITS).	1A.1
4.	Application form for registration of EXISTING UNIT under NEIIPP,2007(A11 schemes under single registration).	1B
5.	Check list (Certified /Attested photocopies of the documents required to be submitted by EXISTING UNIT along with the application form for registration under NEIIPP, 2007).	1B(i)
6.	Registration Certificate (for EXISTING UNIT).	1B.1
7.	Claim Application form for Central Capital Investment Subsidy	1C
8.	Check list (Certified / attested photocopies of the documents to be submitted along with the application form for claiming Capital Investment subsidy under NEIIPP, 2007).	1C(i)
9.	Statement of Investment on Plant & machinery.	1C(A)
10.	Certificate from Registered Chartered Accountant (for NEW UNITS)	1C.(B)(i)
11.	Certificate from Registered Chartered Accountant (for EXISTING UNIT)	1C.(B)(ii)

12.	Affidavit	1C(C)
13.	Certificate from Financial Institution/Bank.	1C(D)
14.	Enquiry Report of DIC for Central Capital Investment Subsidy.	1C(E)
15.	Certificate from Chartered Accountant regarding sources of Finance.	1C(F)
16.	Certificate from Registered Architect on Civil Construction for service sector (for NEW UNITS).	1C(G)(i)
17.	Certificate from Registered Architect on Civil Construction for service sector (for EXISTING UNIT)	1C(G)(ii)
18.	Pro forma of Agenda note for SLC/DLC for all schemes.	Monitoring Form: 1
19.	Proforma to be submitted to NEDFi by SLC for Disbursement of subsidy.	Monitoring Form: 2
20.	Proforma for Agreement.	Monitoring Form: 3
21.	Annual Progress Report (APR) to be submitted by the unit.	Monitoring Form: 4

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## CHECKLIST

Certified / attested photocopies of the documents to be submitted along with the application form for claiming Capital Investment subsidy under NEIIPP, 2007.

1. Constitution of the unit
  - a. In case of Private Limited / Public Limited company
    - (i) Registration Certificate under Companies Act
    - (ii) Memorandum and Article of Association
    - (iii) Name & Address of the Director with their PAN no
  - b. In case of Partnership unit
    - (i) Deed of partnership
    - (ii) General Power of Attorney
    - (iii) Name & Address of the Partners with their PAN no
  - c. In case of Co-operative Society
    - (i) Registration Certificate from the Jt. Register of Co-operative Society
    - (ii) Article of Memorandum of Association
    - (iii) Resolution of the general Body for registration of the unit.
2. Registration
  - a. In case of proposed/new unit  
Entrepreneurs Memorandum Part I & Part II/IEM/LOI/IL (as applicable)
  - b. In case of existing unit undergoing expansion:  
PMT regn ./Entrepreneurs Memorandum Part II/IEM/LOI/IL (as applicable)
3. Land & Building
  - a. In case of own land
    - (i) Purchase deed / gift deed/any other document to establish the ownership (ii) Upto date non-incumbent certificate (iii) Jamabandi copy and trace map
  - b. In case of Industrial land allotted by any Government Agency
    - (i) Deed of agreement
    - (ii) Up to date rent payment receipt
  - c. In case of Industrial shed allotted by any Government Agency



- (i) Deed of agreement
  - (ii) Up to date rent payment receipt
- d. In case of leasehold land from a private owner
  - Lease deed agreement
- e. In case of Government land/plot allotted by Government
  - (i) Allotment letter
  - (ii) Premium payment receipt
- 4. Statement of Plant and Machinery as per Form :IC(A)
- 5. Certified copies of all bills, vouchers & money receipt of plant and machinery
- 6. Certificate of fixed capital investment from a Chartered Accountant as per Form: IC(B)(i)/Form: IC(B)(ii)
- 7. Certificate from Financial Institution/Bank, regarding disbursement, vide Form: IC(D)
- 8. Sanction letter from the financial Institution / Banks for term loan & working capital
- 9. Certificate from a Chartered Accountant regarding Sources of Finance as per Form:IC(F)
- 10. Certificate from Registered Architect on Civil Construction, as per . Form:IC(G)(i)/Form:IC(G)(ii)
- 11. Detailed Project Report (DPR)/Techno-Economic Feasibility Report (TEFR)
- 12. Appraisal Report of the lending Bank(s)/Financial Institution(s)
- 13. Power sanction letter and first bill from State Electricity Board/ Competent Authority/Competent Department.
- 14. No objection certificate from local body/authority
- 15. NOC/Consent for operation from Pollution Control Board
- 16. First bill(s)/money receipt of purchase of raw material
- 17. Challan against first sale of finished product(s)/service rendered.
- 18. Affidavit as per Form: IC(C)
- 19. List of employees with name, address and designation
- 20. Balance sheets for last three accounting years (in case of existing units undergoing expansion).
- 21. Tea Board registration in case of a Tea Factory
- 22. Registration certificate under NEIIPP, 2007 issued by D1C
- 23. PAN Card of the industrial unit/ Directors/Proprietors/Partners
- 24. Sales tax/VAT, Central excise clearance certificate

25. (a) Letter of the Industrial Unit, intimating the Central Excise Authority about the date of commencement of commercial production, the receipt of which should be duly acknowledged by the Central Excise Authority, (in case of manufacturing sector units).
- (b) Certificate of the unit having become functional/operational indicating date of commencement of function/operation from the concerned department as applicable (in case of service sector units)
26. Report of NEDFi on the scrutiny of the details of the cost of project (in case of service sector units).
27. Any other document that may be required as per direction of State Government/ Directorate of Industries /NEDFi.

**Illustrative Panel for representative from Administrative Ministries/  
Departments/ Autonomous Bodies for Field Visit Team**

**1. Steel Industry**

National Institute of Secondary Steel technology (NISST),  
Established by Ministry of Steel, Government of India.  
Address: Post Box No. 92, GT Road, Mandi Gobindgarh, Dist - Fatehgarh Sahib,  
Punjab-147 301 Tel: 01765-258080, 259532, 252558, 259367, 250574 Fax:01765-258079  
e-mail: nisst@dataone  
Website: www.nisst.org Contact person - Director & Secretary to the Board, NISST

**2. Cement & Building Material Industry**

National Council for Cement and Building Materials (NCCBM),  
An Autonomous Body under Department of Industrial Policy & Promotion,  
Ministry of Commerce & Industry, Government of India.  
Address: 34 Stone, Delhi-Mathura Road (NH 2), Balabgarh, Haryana- 121 004.  
Phone: 0129-2242051, 4192222  
Fax: 0129-2242100,2246175  
e-mail: nccbm@ncbindia.com,  
info@ncbindia.com Website: www.ncbindia.com Contact person: Director General, NCCBM

**3. Industries for Building Material not falling under the domain of NCCBM**

Building Materials & Technology Promotion Council (BMTPC),  
Ministry of Housing & Urban Poverty Alleviation, Government of India.  
Address: Core 5-A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi - 110 003.  
Phone:011-24636705  
Fax: 011-24642849  
e-mail: bmtpc @ del2.vsnl.net.in,  
Website: www.bmtpc.org  
Contact person: Executive Director, BMTPC

**4. Paper & plywood Industry.**

Central Pulp & Paper Research Institute (CPPRI),  
An Autonomous Body under Department of Industrial Policy & Promotion,  
Ministry of Commerce & Industry, Government of India.  
Address: Post Box 174, Paper Mill Road, Himmat Nagar, Saharanpur - 247 001.  
Phone: 0132-2714050, 2714061,2714062,2714059  
Fax:0132-2714052  
e-mail: director@cppri.org.in.  
Info@cppri.org.in  
Website: www.cppri.org.in Contact person: Director, CPPRI

**5. Pharmaceutical Industry**

Department of Pharmaceuticals,  
Ministry of Chemicals & Fertilizers, Government of India.  
Address: Shastri Bhawan, New Delhi - 110 001.

**6. Food & Beverages Industry**

National Horticulture Board,  
Ministry of Agriculture, Government of India.  
Address: Plot No. 85, Sector-18, Industrial Area, Gurgaon- 122 015 (Haryana).  
Phone: 0124 - 2342991, 2341225.  
Tele/Fax: 0124-2342992.  
Website: [www.nhb.gov.in](http://www.nhb.gov.in)  
Contact Person: Managing Director.

**7. Hotels/Resorts**

Central Public Works Department (CPWD),  
Ministry of Urban Development, Government of India.  
Address: A-Wing, Room No. 111, Nirman Bhawan, New Delhi - 110011  
Phone:011-23063154  
Fax:011-23061122  
e-mail: [cpwd-dgw@nic.in](mailto:cpwd-dgw@nic.in)  
Website: [www.cpwd.gov.in](http://www.cpwd.gov.in)  
Contact Person: Director General, CPWD

**8. Hospitals/Nursing Homes**

(i) Department of Health and Family Welfare (North East Division),  
Ministry of Health and Family Welfare, Government of India.  
Address: Nirman Bhawan, Maulana Azad Marg, New Delhi - 110011

and

(ii) Central Public Works Department (CPWD),  
Ministry of Urban Development, Government of India.  
Address: A-Wing, Room No. 111, Nirman Bhawan, New Delhi - 110011  
Phone:011-23063154 Fax:011-23061122  
e-mail: [cpwd-dgw@nic.in](mailto:cpwd-dgw@nic.in)  
Website: [www.cpwd.gov.in](http://www.cpwd.gov.in)  
Contact Person: Director General, CPWD