

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY PART-I, SECTION-I]

**MINISTRY OF COMMERCE & INDUSTRY  
(Department of Industrial Policy & Promotion)**

**NOTIFICATION**

New Delhi, the 27<sup>th</sup> July, 2007

**F.No.10(3)/2007-DBA-II/NER** – In pursuance of the North East Industrial and Investment Promotion Policy, 2007 (NEIIPP, 2007) issued by the Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) vide O.M. No.10 (3)/2007-DBA-II/NER, dated the 1<sup>st</sup> April, 2007, the Government of India is pleased to make the following Scheme of Capital Investment Subsidy for industrial units in the North Eastern Region (NER) comprising the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura with a view to accelerating the industrial development in the NER.

1. **Short Title:**-This Scheme may be called the ‘**Central Capital Investment Subsidy Scheme, 2007**’.
2. **Commencement and duration:** - It will come into effect from the *1<sup>st</sup> April, 2007* and remain in force upto and inclusive of *31.3.2017*.
3. **Applicability:**- Unless otherwise specified, all new industrial units as well as existing units which go in for substantial expansion and are located anywhere in NER, will be eligible for capital investment subsidy under this Scheme. The Scheme will also be applicable to the following service sector activities/industries: -

I. Service Sector:

- (i) Hotels (not below Two Star category), adventure and leisure sports including ropeways ;
- (ii) Medical and health services in the nature of nursing homes with a minimum capacity of 25 beds and old-age homes ;
- (iii) 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.

II. Bio-technology industry

III. Power Generating Industries:

Power Generating plants upto 10 MW based on both conventional and non-conventional sources.

- 3.(a). The Scheme shall not be applicable to the industries listed in **Annexure-I**

#### 4. Definitions:

- (a) 'Industrial unit' means any industrial undertaking, suitable servicing unit other than that run departmentally by Government.
- (b) 'New industrial unit' means an industrial unit for the setting up of which effective steps were not taken prior to *1.4.2007*
- (c) 'Existing Industrial Unit' means an industrial unit for the setting up of which effective steps were taken prior to *1.4.2007*.
- (d) 'Substantial expansion' means increase in the value of fixed capital investment in plant and machinery of an industrial unit by not less than 25 %, for the purpose of expansion of capacity /modernization and diversification.
- (e) 'Effective steps' means one or more of the following steps:-
  - (i) that 10% or more of the capital issued for the industrial unit has been paid up.
  - (ii) that any part of the factory building has been constructed.
  - (iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
- (f) 'Fixed Capital Investment' means investment in 'plant and machinery', for the purpose of this scheme.

#### 5. Extent of admissible Subsidy

All eligible industrial units located anywhere in the North Eastern Region shall be given capital investment subsidy at the rate of 30% of their investment in Plant and Machinery or additional investment in Plant and Machinery. Such subsidy will be applicable to units in the private sector, joint sector, cooperative sector as well as the units set up by the State Governments concerned of the North Eastern Region. The limit for automatic approval of subsidy at this rate would be Rs.1.5 crore. For grant of capital investment subsidy higher than Rs.1.5 crore but upto a maximum of Rs.30 crore, there will be an Empowered Committee set up vide O.M. F.No.10(3)/2007-DBA-II/NER dated the 21<sup>st</sup> May 2007. **(Annexure-II)**

Proposals which are eligible for a subsidy higher than Rs.30 crore will be placed by Department of Industrial Policy and Promotion before the Union Cabinet for its consideration and approval.

## **6. Plant and Machinery (for manufacturing sector)**

- (i) In calculating the value of plant and machinery, the cost of industrial plant and machinery as erected at site will be taken into account which will include the cost of productive equipments, such as tools, jigs, dies & moulds, insurance premium etc.
- (ii) The amount invested in goods carriers to the extent they are actually utilized for transport of raw materials and marketing of the finished products, will be taken into account.
- (iii) Working capital including raw materials and other consumables stores, will be excluded for computing the value of plant and machinery.

6(a). Definition of 'Plant and Machinery' and 'components' which should be taken in to account for the purpose of this Scheme in respect of Service Sector, Bio-technology industry & Power Generating industries referred to in para 3 (I), (II) & (III) above would be notified separately.

## **7. Designated Agency for disbursement of subsidy**

North Eastern Development Financial Corporation (NEDFi), Guwahati shall be the designated nodal agency for disbursement of capital investment subsidy under the Scheme on the basis of the recommendation of State Level Committee (SLC) of the concerned State Government, the Empowered Committee and the Union Cabinet, as the case may be.

## **8. Procedure for claiming capital investment subsidy**

Industrial units eligible for subsidy under the Scheme will be required to get themselves registered with the State Industry Department concerned prior to taking effective steps for setting up new industrial units or undertaking substantial expansion of existing units and to indicate their assessment of the total new or additional fixed capital likely to be invested by them in the plant and machinery.

## **9. Procedure for disbursement of capital investment subsidy**

Each State Government concerned will set up a State Level Committee (SLC) consisting of a representative of each of the State Finance Department, State Industries Department, State Directorate of Industries, NEDFi and the Financial Institution concerned (if the industrial unit is to be 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.

10. In respect of a new industrial unit set up without assistance from a Financial Institution or the State Government concerned, the subsidy will be disbursed to the unit by NEDFi on the recommendation of the State Government, the Empowered Committee and the Union Cabinet, as the case may be, at the time the unit goes into production. Similarly, in respect of substantial expansion by an existing industrial unit without assistance from the financial institutions or the State Government concerned, the subsidy will be disbursed to the unit by NEDFi on the recommendation of the State Government concerned, the Empowered Committee and the Union Cabinet, as the case may be after substantial expansion has been effected and the unit has commenced enhanced commercial production.

However, in such cases where the concerned State Government is satisfied about the safety of the public funds, not more than half of the amount of the estimated subsidy may be released prior to the unit going into production on the entrepreneur's furnishing a proof of having taken effective steps to the satisfaction of State Director of Industries and the remaining amount be released only after the unit goes into production.

11. In respect of an industrial unit assisted/ to be assisted by a Financial Institution or the State Government concerned, the subsidy will be disbursed to the unit by NEDFI on the recommendation of the State Government concerned, the Empowered Committee and the Union Cabinet, as the case may be. However, in such cases, the contract/agreement to be drawn up between the Financial Institution/ State Government and the unit concerned, may cover mortgage, pledge, hypothecation of the assets upto the amount of the subsidy payable/paid to the units. In respect of new industrial unit or in respect of substantial expansion of an existing industrial unit to be assisted by a financial institution, the subsidy will be disbursed to the unit by NEDFi in as many instalments in which the loan is disbursed by the financial institution and simultaneously claimed by the Financial Institution/State Government from NEDFi.

## 12. **Rights of the Centre/State Government/Financial Institutions**

If the Central Government/State Government/Financial Institution concerned is satisfied that the subsidy to an industrial unit has been obtained by misrepresentation as to an essential fact, furnishing of false information or if the unit goes out of production within 5 years after commencement of commercial production, the Central Government/State Government/NEDFi may ask the unit to refund the grant or subsidy after giving an opportunity to the unit of being heard.

13. Without taking prior approval of the Union Ministry of Commerce & Industry (Department of Industrial Policy and Promotion) /State Government/Financial Institution concerned, no owner of an industrial unit after receiving a part or the whole of the subsidy will be allowed to change the location of the whole or any part of industrial unit or effect any substantial contraction or dispose of a substantial part of its total fixed capital investment within a period of 5 years after its going into commercial production.

14. In respect of all units to whom the subsidy is disbursed by the NEDFi, certificate of utilisation of the subsidy for the purpose for which it was given shall be furnished to the Central Ministry of Industry (Department of Industrial Policy and Promotion) by the financial institution/State Government concerned, within a period of one year from the date of receipt of the last instalment/full amount.

15. After receiving the subsidy, each industrial unit shall submit Annual Progress Report (APR) to the Union Ministry of Industry (Department of Industrial Policy and Promotion)/ State Government concerned, about its working for a period of 5 years after going into production.

16. A High Level Monitoring Committee has been set up as in **Annexure-III** which would monitor implementation of the Scheme.

(N.N.Prasad)  
Joint Secretary

## **ANNEXURE-I**

### **Negative List:**

The following industries will not be eligible for benefits under NEIIPP, 2007:-

- (i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.
- (ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).
- (iii) Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No.S.O. 705(E) dated 02.09.1999 and S.O.698 (E) dated 17.6.2003.
- (iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise tariff Act, 1985 (5 of 1986) produced by petroleum oil or gas refineries.

### **Value Addition**

Benefits under NEIIPP, 2007 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labelling or re-labelling, sorting, alteration of retail sale price etc. take place.

**Empowered Committee:**

(i)	Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India	...	Chairman
(ii)	Secretary, Ministry of Development of North Eastern Region, Government of India.	...	Member
(iii)	Secretary, Department of Expenditure, Ministry of Finance, Government of India.	...	Member
(iv)	Representative of Planning Commission.	...	Member
(v)	Secretary of the concerned Ministry/ Department of Government of India dealing with the subject matter pertaining to the proposal under consideration of the Empowered Committee.	...	Member
(vi)	Chief Secretary/ Secretary (Industry) of the concerned North East State where the claiming unit is located/ proposed to be located.	...	Member
(vii)	Chairman-cum-Managing Director, North Eastern Development Finance Corporation (NEDFi), Guwahati.	...	Member
(viii)	Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.	...	Member Secretary

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**High Level Committee/Advisory Committee**

(i)	Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.	...	Chairman
(ii)	Secretary, Department of Revenue, Ministry of Finance, Government of India.	...	Member
(iii)	Secretary, Department of Banking and Insurance, Ministry of Finance, Government of India.	...	Member
(iv)	Secretary, Ministry of Development of North Eastern Region, Government of India	...	Member
(v)	Adviser (Industry), Planning Commission	...	Member
(vi)	Adviser (NE), Planning Commission	...	Member
(vii)	Chairman-cum-Managing Director, North Eastern Development Finance Corporation (NEDFi), Guwahati.	...	Member
(viii)	Principal Secretary/Secretary (Industry), of all the State Governments of North Eastern Region.	...	Member
(ix)	Development Commissioner, Small Scale Industries, Government of India.	...	Member
(x)	Additional Secretary & Financial Adviser, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.	...	Member

(xi)	Chief Controller of Accounts, Department of Industrial Policy and Promotion, Government of India	...	Member
(xii)	Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India	...	Member Secretary

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**MINISTRY OF COMMERCE & INDUSTRY**  
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**NOTIFICATION**

New Delhi, the 27<sup>th</sup> July, 2007

**No.10(3)/2007-DBA-II/NER**– In pursuance of the North Eastern Industrial and Investment Promotion Policy, 2007(NEIIPP, 2007) issued by Ministry of Commerce and Industry vide O.M. No.10(3)/2007-DBA-II/NER, dated the 1<sup>st</sup> April, 2007, the Government of India is pleased to make the following Scheme of interest subsidy on the working capital loans for industrial units in the North-Eastern Region (NER) comprising the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura with a view to accelerating industrial development in the region.

**1. Short title:** This Scheme may be called **the Central Interest Subsidy Scheme, 2007.**

**2. Commencement and duration:** It will be effective from the 1<sup>st</sup> April, 2007 and remain in force upto and inclusive of 31.3.2017.

**3. Applicability:** Unless otherwise specified, all new industrial units as well as existing units which go in for substantial expansion and are located anywhere in NER, will be eligible for interest subsidy under this Scheme. The Scheme will also be applicable to the following service sector activities/industries: -

II. Service Sector:

- (iv) Hotels (not below Two Star category), adventure and leisure sports including ropeways ;
- (v) Medical and health services in the nature of nursing homes with a minimum capacity of 25 beds and old-age homes ;
- (vi) 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.

II. Bio-technology industry

III. Power Generating Industries:

Power Generating plants upto 10 MW based on both conventional and non-conventional sources.

3.(a). The Scheme shall not be applicable to the industries listed in **Annexure-I**

4. **Definitions:**

- (a) **'Industrial unit'** means any industrial undertaking, suitable servicing unit other than that run departmentally by Government.
- (b) **'New industrial unit'** means an industrial unit for the setting up of which effective steps were not taken prior to 1.4.2007.
- (c) **'Existing Industrial Unit'** means an industrial unit set-up prior to the operative date of the scheme i.e.1.4.2007.
- (d) **'Substantial expansion'** means increase in the value of fixed capital investment in plant and machinery of an industrial unit by not less than 25 % for the purpose of expansion of capacity/modernization and diversification.
- (e) **'Effective steps'** means one or more of the following steps:-
  - (i) that 10% or more of the capital issued for the industrial unit has been paid up.
  - (ii) that any part of the factory building has been constructed.
  - (iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
- (f) **'Fixed Capital Investment'** means investment in land, building and plant and machinery.

Total fixed capital investment will be assessed as follows:

- (A) **Land:** The actual price paid for the land to the extent needed for the purposes of the plant. Charges for the leased land will not be taken into account.
- (B) **Building:** Same as in the case of land. Rent of a hired building will not be taken into account.
- (C) **Plant and machinery** (for manufacturing sector).
  - (a) In calculating the value of plant and machinery, the cost of plant and machinery as erected at site will be taken into account which will include the cost of productive equipment, such as tools, jigs, dies & moulds; transport charges, insurance premium, etc. will also be taken into account.

- (b) The amount invested on goods carriers to the extent they are actually utilized for transport of raw materials and marketing of the finished products, will be taken into account.
- (c) Working capital including raw materials and other consumable stores will be excluded for computing the value of plant and machinery.

(g) **Fixed Capital** represents the depreciated value of fixed assets owned by the factory on the closing day of the accounting year. 'Fixed assets' are those which have a normal productive life of more than one year. 'Fixed capital' covers all types of assets, new or used or own constructed, deployed for production, transportation, living or recreational facilities, hospitals, schools etc. for factory personnel. It includes the fixed assets of the head office allocable to the factory and also the full value of assets taken on hire purchase basis (whether fully paid or not) excluding interest element. It excludes intangible assets and assets solely used for post manufacturing activities such as sale, storage, distribution etc.

(h) **Physical Working Capital** is defined to include all physical inventories owned, held or controlled by the factory as on the closing day of the accounting year such as the materials, fuels & lubricants, stores etc, that enter into products manufactured by the factory itself or supplied by the factory to other for processing. Physical working capital also includes the stock of materials, fuels & stores etc., purchased expressly for re-sale, semi-finished goods and work in progress on account of others and goods made by the factory which are ready for sale at the end of the accounting year. However, it does not include the stock of the materials, fuels, stores etc. supplied by others to the factory for processing. Finished goods processed by others from raw materials supplied by the factory and held by them are included and finished goods processed by the factory from raw materials supplied by others are excluded.

(i) **Working Capital** is the sum total of the physical working capital as defined in para (h) above and the cash deposits in hand and at bank and the net balance of amounts receivable over amounts payable at the end of the accounting year. Working capital, however, excludes unused overdraft facility, fixed deposits irrespective of duration, advances for acquisition of fixed assets, loans and advances by proprietors and partners irrespective of their purpose and duration, long-term loans including interest thereon and investments.

[*Note: Definition of Plant and Machinery and other components which could be taken into account for the purpose of this Scheme in respect of Service Sector, Bio-Technology industry & Power Generating industries referred to in para 3 (I, II & III) would be notified separately]*

##### 5. **Extent of admissible subsidy:**

All eligible industrial units located anywhere in the North Eastern Region shall be given an interest subsidy to the extent of 3% on the working capital advanced to them by the Scheduled Banks or Central

/State financial institutions, for a maximum period of 10(ten) years from the date of commencement of commercial production.

**6. Norms for Working Capital calculation:**

For the purpose of this Scheme, the minimum working capital requirement of a unit shall be worked out @ 25 % of their annual turnover. Inventory norms may be applied , if necessary, after providing for aforesaid minimum level. In respect of such units for which norms have not been laid down/are not applicable (due to the units coming below the cut off point of Rs.10 lakhs of working capital), the request of working capital should be considered favourably so long as the working capital is not very much above such minimum level. Special norms can also be evolved for inventory and receivables. Working capital below the minimum level may be justified under special circumstances in which the requirement is demonstrably lower, as in the case of ancilliary units in the small scale sector with assured supply of inputs and off-take of output.

**7. Designated Agency for disbursement of Subsidy**

North Eastern Development Financial Corporation (NEDFi), Guwahati shall be the designated agency for disbursement of interest subsidy on the basis of the recommendation of the State Level Committee (SLC) of the concerned State Government.

**8. Procedure for claiming interest subsidy:**

New industrial units eligible for subsidy under the Scheme will be required to get themselves registered with the State Industry Department concerned prior to taking effective steps for setting up. Similarly, existing industrial units undertaking substantial expansion should also get themselves registered with the State Industry Department prior to such expansion. All the units, whether new or existing would be required to indicate their assessment of the total new or additional fixed capital likely to be invested by them in the plant and machinery.

**9. Procedure for disbursement of Interest Subsidy:**

- (i) Each State Government concerned will set up a State Level Committee consisting of a representative each of the State Department concerned, State Finance Department, State Industry Department, State Directorate of Industries, NEDFi and the Financial Institution concerned from where working capital loan has been raised by the unit, to go into each case to decide whether the unit qualifies for the grant of interest subsidy under the scheme and also about the quantum of eligible subsidy under the scheme.
- (10) The subsidy will be disbursed to the industrial unit by NEDFi on the recommendation of the State Level Committee of the State Government concerned.

**11. Rights of the Centre/State Government/Financial Institutions:**

If the Central government/State Government/Financial Institution concerned is satisfied that the subsidy or grant to an industrial unit has been obtained by misrepresentation of the essential facts, furnishing of false information or if the unit goes out of production within 2 years after commencement of commercial production or after having availed the subsidy under the scheme, the Central Government/State Government/Financial Institution concerned, may ask the unit to refund the subsidy after giving opportunity to the concerned to be heard.

12. Without taking prior approval of the Ministry of Industry, Department of Industrial Policy & Promotion/State Government/Financial Institution concerned, no owner of an industrial unit will be allowed to change the location of the whole or any part of the industrial unit or effect any substantial contraction or dispose of a substantial part of its total fixed capital investment within a period of 2 years of receiving a part or the whole of the subsidy under the scheme.

13. In respect of all units to whom the grant or subsidy is disbursed by the NEDFi/State Government, certificate of utilization of the grant or subsidy for the purpose for which it was given shall be furnished to the Central Ministry of Industry (Department of Industrial Policy and Promotion) by the financial institution/State Government concerned within a period of one year from the date of receipt of the last instalment /full amount.

14. After receiving the subsidy, each industrial unit shall submit annual progress report to the Ministry of Industry, Department of Industrial Policy and Promotion/State Government concerned, about its working for a period of 5 years after going into production.

15. A High Level Monitoring Committee has been set up as in **Annexure-II** which would monitor implementation of the Scheme.

(N.N.Prasad)  
Joint Secretary

## **ANNEXURE-I**

### **Negative List:**

The following industries will not be eligible for benefits under NEIIPP, 2007:-

- (i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.
- (ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).
- (iii) Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No.S.O. 705(E) dated 02.09.1999 and S.O.698 (E) dated 17.6.2003.
- (iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise tariff Act, 1985 (5 of 1986) produced by petroleum oil or gas refineries.

### **Value Addition**

Benefits under NEIIPP, 2007 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labelling or re-labelling, sorting, alteration of retail sale price etc. take place.

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**High Level Committee/Advisory Committee**

i.	Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.	...	Chairman
ii.	Secretary, Department of Revenue, Ministry of Finance, Government of India.	...	Member
iii.	Secretary, Department of Banking and Insurance, Ministry of Finance, Government of India.	...	Member
iv.	Secretary, Ministry of Development of North Eastern Region, Government of India.	...	Member
v.	Adviser (Industry), Planning Commission	...	Member
vi.	Adviser (NE), Planning Commission	...	Member
vii.	Chairman-cum-Managing Director, North Eastern Development Finance Corporation (NEDFi), Guwahati.	...	Member
viii.	Principal Secretary/Secretary (Industry), of all the State Governments of North Eastern Region.	...	Member
ix.	Development Commissioner, Small Scale Industries, Government of India.	...	Member
x.	Additional Secretary & Financial Adviser, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.	...	Member
xi.	Chief Controller of Accounts, Department of Industrial Policy and Promotion, Government of India	...	Member

xii.	Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India	...	Member Secretary
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**MINISTRY OF COMMERCE & INDUSTRY**  
**(Department of Industrial Policy and Promotion)**  
**NOTIFICATION**

New Delhi, the 27<sup>th</sup> July, 2007

**No.10(3)/2007-DBA-II/NER**— In pursuance of the North East Industrial and Investment Promotion Policy, 2007 (NEIIPP, 2007) issued by the Ministry of Commerce and Industry (Department of Industrial Policy and Promotion) vide O.M. No.10 (3)/2007-DBA-II/NER, dated the 1<sup>st</sup> April, 2007, the Government of India is pleased to make the following scheme of Comprehensive Insurance Subsidy for industrial units in the North Eastern Region (NER) comprising the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura with a view to accelerating the industrial development in the NER.

1. **Short Title:** This Scheme may be called **Central Comprehensive Insurance Scheme, 2007**.

2. **Commencement and Duration:** It will come into effect from 1st April, 2007 and remain in force upto and inclusive of 31.3.2017.

3. **Applicability:** Unless otherwise specified, all new manufacturing industrial units as well as existing units which go in for substantial expansion and are located anywhere in NER, will be eligible for reimbursement of 100% insurance premium under Comprehensive Insurance Scheme. The Scheme will also be applicable to the following service sector activities/industries: -

III. Service Sector:

- (vii) Hotels (not below Two Star category), adventure and leisure sports including ropeways ;
- (viii) Medical and health services in the nature of nursing homes with a minimum capacity of 25 beds and old-age homes ;
- (ix) 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.

II. Bio-technology industry

III. Power Generating Industries:

Power Generating plants upto 10 MW based on both conventional and non-conventional sources.

3(a). The Scheme shall not be applicable to the industries listed in **Annexure-I**

#### 4. Definitions:

- (a) **Industrial Unit** means any industry which is included in Fire Policy 'C' as per All India Fire Tariffs.
- (b) **'New industrial unit'** means an industrial unit for the setting up of which effective steps were not taken prior to 1.4.2007
- (c) **'Existing Industrial Unit'** means an industrial unit for the setting up of which effective steps were taken prior to 1.4.2007.
- (d) **'Substantial expansion'** means increase in the value of fixed capital investment in plant and machinery of an industrial unit by not less than 25 %, for the purpose of expansion of capacity/modernization and diversification

[**Note:** 'Plant and Machinery' and 'other components' which could be taken into account for the purpose of this Scheme in respect of Service Sector, Bio-Technology industry & Power Generating industries referred to in para 3 (I, II & III) would be notified separately]

5. **Fixation of Sum Insured:** The policy shall be issued by the Insurance Company on market valuation to be declared by the proposer.

6. **Designated Agency for disbursement of Subsidy:** North Eastern Development Financial Corporation (NEDFi) Guwahati shall be the designated agency for disbursement of insurance premium on the basis of the recommendations of the State Level Committee (SLC) of the concerned State Government.

7. **Mode of Operation:** The insured party shall pay the initial premium which shall be reimbursed by the nodal agency (NEDFi) out of the revolving fund maintained by it. Funds for this revolving fund shall be contributed by Ministry of Commerce and Industry, Department of Industrial Policy & Promotion. Insurance policies issued by all general insurance companies (private as well as PSU) registered with Insurance Regulatory and Development Authority (IRDA) will be treated as eligible for the benefit under the Scheme.

8. In respect of all units to whom the subsidy is disbursed by the NEDFi/State Government, Certificate of Utilization of subsidy for the purpose for which it was given shall be furnished to the Central Ministry of Industry (Department of Industrial Policy and Promotion) by the financial Institution//State Government concerned within a period of one year from the date of receipt of last installment/full amount.

9. The Insurance policy envisaged under the Scheme will be as indicated in **Annexure-A**.
10. A High Level Monitoring Committee has been set up as in **Annexure-II** which would monitor implementation of the Scheme.

(N.N.Prasad)  
Joint Secretary

## ANNEXURE-A

### COMPREHENSIVE INSURANCE POLICY FOR INDUSTRIAL UNIT IN NORTH EAST REGION

IN CONSIDERATION OF the Insured named in the schedule hereto having paid to the ----- Insurance Company Limited (hereinafter called the company) the premium mentioned in the said schedule, THE COMPANY AGREES, (subject to the conditions and exclusions contained herein or endorsed or otherwise expressed hereon) that if after payment of the premium the property insured described in the said schedule or any part of such property be destroyed or damaged by the following:-

- i. Fire
- ii. Lightning
- iii. Explosion/Implosion but excluding loss of or damage
  - (a) to boilers (other than domestic boilers), economizers or other vessels, machinery or apparatus in which steam is generated or their contents resulting from their own explosion/implosion,
  - (b) caused by centrifugal force.
- iv. Riot, Strike, Malicious and terrorist Damage as per Riot, Strike, Malicious and terrorist Damage clause printed hereon.
- v. Impact by any Rail/Road vehicle or animal.
- vi. Aircraft and other aerial and/or space devices and/or articles dropped therefrom, excluding destruction or damage occasioned by pressure waves caused by such devices,
- vii. Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation.
- viii. Subsidence and Landslide (including Rockslide) resulting in collapse of the entire building or part of .
- ix. Earthquake Fire and Shock.

During the period of insurance named in the said schedule or of any subsequent period in respect of which the insured shall have paid and the Company shall have accepted the premium required for the renewal of the policy, the Company will pay to the Insured the value of the Property at the time of the happening of its destruction or the amount of such damage or at its option reinstate or replace such Property or any part thereof.

PROVIDED that the liability of the Company shall in no case exceed in respect of each item the sums expressed in the said Schedule to be insured thereon or in the whole the total sum insured hereby or such other sum or sums as may be substituted thereof by memorandum hereon or attached hereto signed by or on behalf of the company.”

**RIOT, STRIKE, MALICIOUS AND TERRORIST DAMAGE CLAUSE.**

This Policy covers Riot, Strike Malicious and Terrorist Damage as under:-

- I) Loss of or visible physical damage by external violent means to the property insured directly caused by:
  - 1) The act of any person taking part together with others in any disturbance of the public peace (whether in connection with a strike or lock-out or not) not being an occurrence mentioned in exclusion 7(a), (b).
  - 2) The action of any lawfully constituted authority in suppressing or attempting to suppress any such disturbance or in minimising the consequence of any such disturbance.
  - 3) The willful act of any striker or locked out worker done in furtherance of strike or in resistance to a lock out resulting in visible physical damage by external violent means.
  - 4) The action of any lawfully constituted authority in preventing or attempting to prevent any such act or in minimizing the consequences of any such act.
  - 5) Any malicious act but excluding any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) provided that the Company shall not be liable for any loss or damage arising out of or in the course of burglary, housebreaking, theft or larceny or any attempt by any person taking part therein.
- II) Loss of or Damage to the property insured by explosion or otherwise directly caused by:
  1. An act of terrorism committed by a person or persons acting on behalf of or in connection with any organization.
  2. The action of any lawfully constituted authority in suppressing or attempting to suppress any such act, of terrorism or in minimizing the consequences thereof.  
For the purpose of this clause “terrorism” shall mean the use of violence for political ends and shall include any use of violence for the purpose of putting the public or any section of the public in fear.

## **EXCLUSIONS**

### **THIS INSURANCE DOES NOT COVER**

1. Loss by theft during or after the occurrence of any insured peril except as provided for the Riot, Strike and Malicious Damage Clause.
2. Loss or damage to property occasioned by its undergoing any heating or drying process.
3. Loss or damage occasioned by or through or in consequence of
  - (a) The burning of property on order of any public authority
  - (b) Subterranean fire.
4. Loss of damage directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material.
5. Loss or damage directly or indirectly caused by or arising from or in consequence of or contributed to by ionising radiations or contaminations by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this Exclusion only, combustion shall include any self-sustaining process of nuclear fission.
6. Loss or damage to any electrical machine, apparatus, fixture or fitting ( including electric fans, electric household or domestic appliances, wireless sets etc. television sets and radios) or to any portion of the electrical installation, arising from or occasioned by over-running, excessive pressure, short circuiting, arcing, self-heating or leakage or electricity, from whatever cause (lightning included) provided that this exemption shall apply only to the particular electrical machine, apparatus, fixture, fitting, or portions of the electrical installation so affected and not to other machines, apparatus, fixtures, fittings, or portions of the electrical installation which may be destroyed or damaged by fire so set up.
7. Loss or damage occasioned by or through or in consequence directly or indirectly, of any of the following occurrences, namely,
  - (a) War, invasion, act of foreign enemy hostilities or warlike operations (whether war be declared or not), civil war,
  - (b) Mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power.

In any action, suit or other proceeding where the company alleges that by reason of the provisions of the above exclusions any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the insured.

8. Loss or damage to bullions or unset precious stones, any curios or work of art, for an amount exceeding Rs. 1000/-, manuscripts plans, drawings, patterns, models or moulds, securities, obligations or documents of any kind , stamps, coins or paper money, cheques, books of

account or other business books, computer system records, explosives, unless otherwise expressly stated in the policy.

9. Property insured if removed to any building or place other than in which it is herein stated to be insured except Machinery and Equipments temporarily removed for repairs, cleaning, renovation or other similar purposes for a period not exceeding 60 days.

**This insurance does not cover:**

- (a) Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
- (b) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation or omissions of any kind.
- (c) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority.
- (d) Loss or damage occasioned by permanent or temporary dispossession of any building or plant or unit or machinery resulting from the lawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.

PROVIDED nevertheless that the Company is not relieved under © or (d) above of any liability to the Insured in respect of physical damage to the property insured occurring before dispossession or during temporary dispossession.

**CONDITIONS**

1. THIS POLICY shall be voidable in the event of mis-representation, mis-description or non-disclosure of any material particular.
2. All insurance under this policy shall cease on expiry of seven days from the date of fall or displacement of any building or part thereof or of the whole or any part of any range of building or of any structure of which such building forms part.

PROVIDED such a fall or displacement is not caused by insured perils loss or damage by which is covered this policy or would be covered is such building, range of buildings or structure were insured under this policy. Notwithstanding the above, the company, subject to an express notice being given as soon as possible but not later than 7 days of any such fall or displacement, may agree to continue the insurance subject to revised rates, terms and conditions as may be decided by it and confirmed in writing to this effect.

3. This insurance may be terminated at any time at the request of the insured, in which case the company will retain the premium at customary short period rate for the time the policy has been in force. This insurance may also at any time be terminated at the option of the Company on 15 days notice to that effect being given to the Insured, in which case the company shall be liable to repay on demand a retable proportion of the premium for the un-expired term from the date of the cancellation.
4. (1) On the happening of any loss or damage the insured shall forthwith give notice thereof to the company and shall within 15 days after the loss or damage or such further time as the company may in writing allow in that behalf, deliver to the company.

(a) A claim in writing for the loss or damage containing as particular an account as may be reasonably practicable of all the several articles or items or property damage or destroyed, and of the amount of the loss or damage thereto respectively, having regard to their value at the time of the loss or damage not including profit of any kind.

(b) Particulars of all other insurances, if any.

The insured shall also at all time at his own expense produce, procure and give to the company all such further particulars, plans, specification books, vouchers, invoices, duplicates or copies thereof, documents, investigation reports (internal/external), proofs and information with respect to the claim and origin and cause of the fire and the circumstances under which the loss or damage occurred and any matter touching liability or the amount of the liability of the Company as may be reasonably required by or on behalf of the Company together with a declaration and oath or in other legal form of the truth of the claims and of any matters connected therewith.

No claim under this policy shall be payable unless the terms of this condition have been complied with.

(ii) The Company reserves the right to treat the claim as no claim if no information/documents are submitted by the insured within a period of 6 months from the date of loss.

(iii) In no case whatsoever shall the Company be liable for any loss or damage after the expiration of 12 months from the happening of the loss or damage unless the claim is the subject of pending action or arbitration; it being expressly agreed and declared that if the Company shall disclaim liability for any claim hereunder and such claim shall not within 12 calendar months from the date of the disclaimer have been made the subject matter of a suit in a court of law then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

5. On the happening of loss or damage to any of the property insured by this policy, the Company may:-
  - (a) enter and take and keep possession of the building or premises where the loss or damage has happened.

- (b) take possession of or require to be delivered to it any property of the insured in the building or on the premises at the time of the loss or damage.
- (c) keep possession of any such property and examine, sort, arrange, remove or otherwise deal with the same.
- (d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exercisable by the Company any time until notice in writing is given by the insured that he makes no claim under the policy, or if any claim is made, until such claim is finally determined or withdrawn, and the company shall not by any act done in the exercise or purported exercise of its powers hereunder, incur any liability to the insured or diminish its rights to rely upon any of the conditions of this policy in answer to any claim etc.

If the insured or any person on his behalf shall not comply with the requirements of the Company or shall hinder or obstruct the Company, in the exercise of its powers hereunder, all benefits under this policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Company whether taken possession of by the Company or not.

- 6. If the claim be in any respect fraudulent, or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the insured or any one acting on his behalf to obtain any benefit under the policy or if the loss or damage be occasioned by the willful act, or with the connivance of the insured, all benefits under this policy be forfeited.
- 7. If the company at its option, reinstate or replace the property damaged or destroyed or any part thereof, instead of paying the amount of the loss or damages, or join with any other Company or Insure(s) in so doing, the Company shall not be bound to reinstate exactly or completely but only as circumstances permit and in reasonably sufficient manner, and in no case shall the Company be bound to expend more in reinstatement than it would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage nor more than the sum insured by the Company thereon.

If the Company so elect to reinstate or replace any property, the insured shall at his own expense furnish the Company with such plans. Specifications, measurements, quantities and such other particulars as the Company, may require, and no acts done, or caused to be done, by the company with a view to reinstatement or replacement shall be deemed an election by the company to reinstate or replace.

If in any case the Company shall be unable to reinstate or repair the property hereby insured, because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings or otherwise, the Company shall in every such case, only be liable to pay such sum as would be requisite to reinstate to its former condition.

8. The insured shall at the expense of the Company do and concur in doing, and permit to be done, all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated, upon its paying for or making good any loss or damage under this policy, whether such acts and things shall be or become necessary or required before or after his indemnification by the Company.
9. If at any time of any loss or damage happening to any property hereby insured there be any other subsisting insurance or insurances, whether effected by the insured or by any other person or persons covering the same property, this Company shall not be liable to pay or contribute more than its retable proportion of such loss or damage.
10. If the property hereby insured shall at the breaking out of any insured peril, be collectively of greater value than the sum insured thereon, then the insured shall be considered as being his own insurer for the difference, and shall bear a retable proportion of the loss accordingly. Every item, if more than one of the policy shall be separately subject to this condition.

Provided, however, that if the sum insured hereby on the property insured shall at the operation of any of the perils insured under this Policy or at the commencement of such destruction or damage be not less than 85% (eight-five per cent) of the collective value of the property insured, this condition shall be of no purpose and effect.

11. If any dispute or difference shall arise as to the quantum to be paid under this Policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided, if the company had disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained.

12. At all times during the period of insurance of this policy the insurance cover will be maintained to the full extent of the respective sum insured in consideration of which, upon the settlement of any loss under this policy, pro rata premium for the unexpired period from the date of such

loss to the expiry period of insurance for the amount of such loss shall be payable by the Insured to the Company.

The additional premium referred above shall be deducted from the net claim payable under the policy. This continuous cover to the full extent will be available notwithstanding any previous loss for which the Company may have paid hereunder and irrespective of the fact whether the additional premium as mentioned above has been actually paid or not following such loss. The intention of this condition is to ensure continuity of the cover to the insured subject only to the right of the company for deduction from the claim amount, when settled of pro-rata premium to be calculated from the date of loss till expiry of the policy.

Notwithstanding what is stated above, the Sum Insured shall stand reduced by the amount of loss in case the insured immediately on occurrence of the loss exercises his option not to reinstate the sum insured as above.

## **ANNEXURE-I**

### **Negative List:**

The following industries will not be eligible for benefits under NEIIPP, 2007:-

- (i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.
- (ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).
- (iii) Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No.S.O. 705(E) dated 02.09.1999 and S.O.698 (E) dated 17.6.2003.
- (iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise tariff Act, 1985 (5 of 1986) produced by petroleum oil or gas refineries.

### **Value Addition**

**Benefits under NEIIPP, 2007 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labelling or re-labelling, sorting, alteration of retail sale price etc. take place.**

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## High Level Committee/Advisory Committee

i.	<b>Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.</b>	...	<b>Chairman</b>
ii.	<b>Secretary, Department of Revenue, Ministry of Finance, Government of India.</b>	...	<b>Member</b>
iii.	<b>Secretary, Department of Banking and Insurance, Ministry of Finance, Government of India.</b>	...	<b>Member</b>
iv.	<b>Secretary, Ministry of Development of North Eastern Region, Government of India</b>	...	<b>Member</b>
v.	<b>Adviser (Industry), Planning Commission</b>	...	<b>Member</b>

vi.	<b>Adviser (NE), Planning Commission</b>	...	<b>Member</b>
vii.	<b>Chairman-cum-Managing Director, North Eastern Development Finance Corporation (NEDFi), Guwahati.</b>	...	<b>Member</b>
viii.	<b>Principal Secretary/Secretary (Industry), of all the State Governments of North Eastern Region.</b>	...	<b>Member</b>
ix.	<b>Development Commissioner, Small Scale Industries, Government of India.</b>	...	<b>Member</b>
x.	<b>Additional Secretary &amp; Financial Adviser, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.</b>	...	<b>Member</b>
xi.	<b>Chief Controller of Accounts, Department of Industrial Policy and Promotion, Government of India</b>	...	<b>Member</b>

xii.	<b>Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India</b>	...	<b>Member Secretary</b>
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2. The terms of reference of this Committee will be as under:

**The Committee would monitor the following:-**

- (i) **Notification of various Schemes under NEIIPP, 2007 in a timely manner.**
- (ii) **Monitoring of various Schemes/measures under NEIIPP, 2007 including release and utilisation of funds.**
- (iii) **To overcome the difficulties in implementation of NEIIPP, 2007, which may arise from time to time.**

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(To be published in the Gazettee of India, Extraordinary, Part-1, Section -1)

**MINISTRY OF COMMERCE AND INDUSTRY  
(Department of Industrial Policy and Promotion)**

**NOTIFICATION**

**New Delhi, the 21<sup>st</sup> September, 2007**

**No. 10(3)/2007-DBA-II/NER.** The Central Government hereby notifies the following Addenda in the Government of India Notification No.10(3)/2007-DBA-II/NER dated the 27<sup>th</sup> July, 2007 titled 'Central Capital Investment Subsidy Scheme, 2007'.

2. Under para 4 titled 'Definitions', sub-para (g) shall be inserted as under:

- (g) For the purpose of this Scheme, all units falling under Service Sectors, Bio-technology and Power Generation Industries mentioned in para 3 I, II and III will be treated as 'industrial units'. Since these units are not engaged in any manufacturing activity, the date of their being operational/functional will be treated as the date of commencement of commercial production for the purpose of their eligibility for benefits/incentives under this Scheme.

3. Under para 4 titled 'Definitions', sub-para (h) shall be inserted as under:

- (h) For the purpose of this Scheme in respect of Service Sector, Bio-technology Industry and Power Generating Industries referred to in para 3 I, II and III, the 'components'/ 'items' as indicated below against each sector will be taken into account for determining the eligible amount of subsidy, if any, under this Scheme :

**I. SERVICE SECTORS**

- (i) **Hotels (Not below 'Two Star' category):** The cost of construction of building (excluding land) and all the items, except consumables and disposables, which are basic to the running of a hotel.
- (ii) **Adventure and leisure sports including ropeways:** The entire cost of items/components (excluding land) essential for commissioning the project.
- (iii) **Nursing Homes (with a minimum capacity of 25 beds):** The cost of construction of building (excluding land) and other equipments relating to emergency services, general surgery, maternity facilities, pathology, radiology, E.C.G., ambulance, except consumables and disposables.
- (iv) **Oldage homes:** The cost of construction of building (excluding land) and other equipments for medical care like oxygen cylinders, suction apparatus, wheel chairs, equipments for entertainment like television, video players, computers with internet connections, books, sport-activity items like tennis, table tennis, billiards, card tables etc.

(v) **Vocational Training Institutes for :**

- hotel management :
- catering and foodcrafts:
- entrepreneurship development:
- nursing and paramedical:
- civil aviation related training:
- fashion:
- design:
- industrial training

For all these Vocational Training Institutes, the cost of construction of building (excluding land) all instruments, office machines and such other electro-mechanical or electronic appliances/equipments which are directly related to the service rendered including class room equipments, machine room equipments, laboratory equipments and essential furniture and fixtures but excluding consumables & disposable items/components, will be taken in account.

**II. BIOTECHNOLOGY INDUSTRY:**

Equipment, accessories, spares essential for carrying out biotechnical process (s) at laboratory, pilot or commercial scale and the civil infrastructure necessary to adequately have the same shall collectively be defined as “Plant & Machinery” (except the cost of land). It, however, does not include the solvents, chemicals, reagents and other consumables and disposables, required for biotechnology process (s).

**III. POWER GENERATING INDUSTRIES:**

In calculating the value of generating plant and machinery of a power station, the cost of plant and machinery as erected at site and required for plant operation will be taken into account which will include the cost of main plant, any building associated systems, auxiliary equipment, tools and initial spares but excluding the cost of land.

- (a) The amount invested in step-up transformer, switch-gear, switch yard, cables or other appurtenant equipment, if any, will be taken into account but does not include any sub-station.
- (b) The amount invested in ash disposal system, railway siding at site or merry-go-round system for transport of raw material/fuel or the carrier to the extent they are actually utilized for transport of ash or raw material/fuel or other appurtenant equipment if any, will be taken into account where electricity is generated by a thermal power generation unit.
- (c) The amount invested in dam & reservoir regulating system (hoists and gates etc) head and tail water conductor system or EOT crane or other appurtenant equipment if any, will be taken into account where electricity is generated by using water power in a power generating unit.

- (d) Working capital including cost of raw material/fuel and other consumables will be excluded for computing the value of plant and machinery.

**[Only essential items in the Service Sector, Bio-technology Industry and Power Generating Industries would be admissible for determining the eligible amount of subsidy]**

**(NOTE:**

- (1) All transactions in respect of the cost of the project must be through cheque/demand draft.
- (2) All expenses/cost of the project submitted by the unit must be certified by a registered Chartered Accountant.
- (3) The building plan and the cost of construction of building must be certified by a registered Architect.
- (4) The cost of construction of the building should be relatable to the CPWD rates/norms as prescribed from time to time.
- (5) The building should not be in violation of the prescribed norms/guidelines by the concerned authority.
- (6) If the structure of a particular unit is carved out of a building already existing, only that structure will be taken into account for the purpose of determining the quantum of subsidy. In such cases, the cost of building will not be taken into account. However, expenditure incurred only on the required renovation/conversion of such structure will be taken into account.
- (7) Minimum standards prescribed by the concerned authorities should be strictly adhered to for setting up of the units.
- (8) All the units under service sectors, bio-technology and power generation must be registered under the relevant Act/Rules etc. of the State concern e.g. Factory Act, Shop and Establishment Act etc.) and will be governed by the relevant guidelines in force in the Centre/States.
- (9) Before submission of the claims to SLC, NEDFi shall scrutinize the details of the cost of the project to facilitate consideration of the project in SLC meetings. If necessary, NEDFi can call for additional documents/evidence in support of the details of expenses.
- (10) The subsidy claims will be considered by SLC only after the unit has become operational/functional. A certificate of the unit having become functional/operational must be accompanied with the subsidy claims. The State Government will undertake physical verification of the unit before considering the claims.
- (11) In case there is a dispute about an item/ component of the project being 'essential', the matter would be referred to the Department of Industrial Policy and Promotion who will decide the matter in consultation with the concerned Central Ministry/Department and such decision will be final.

4. The footnote under Para 6(a) of the Notification dated 27<sup>th</sup> July, 2007, shall stand deleted.

(N.N. Prasad)  
Joint Secretary to the Government of India

(To be published in the Gazettee of India, Extraordinary, Part-1, Section -1)

**MINISTRY OF COMMERCE AND INDUSTRY  
(Department of Industrial Policy and Promotion)**

**NOTIFICATION**

**New Delhi, the 21<sup>st</sup> September, 2007**

**No. 10(3)/2007-DBA-II/NER.** The Central Government hereby notifies the following Addenda in the Government of India Notification No.10(3)/2007-DBA-II/NER dated the 27<sup>th</sup> July, 2007 titled 'Central Interest Subsidy Scheme, 2007'.

2. Under para 4 titled 'Definitions', sub-para (f) (D) shall be inserted as under:

4(f)(D) For the purpose of this Scheme, all units falling under Service Sectors, Bio-technology and Power Generation Industries mentioned in para 3 I, II and III will be treated as 'industrial units'. Since these units are not engaged in any manufacturing activity, the date of their being operational/functional will be treated as the date of commencement of commercial production for the purpose of their eligibility for benefits/incentives under this Scheme.

3. Under para 4 titled 'Definitions', sub-para (f) (E) shall be inserted as under:

4(f)(E) For the purpose of this Scheme in respect of Service Sector, Bio-technology Industry and Power Generating Industries referred to in para 3 I, II and III, the 'components'/ 'items' as indicated below against each sector will be taken into account for determining the eligible amount of subsidy, if any, under this Scheme :

**I. SERVICE SECTORS**

- i. **Hotels (Not below 'Two Star' category):** The cost of construction of building (excluding land) and all the items, except consumables and disposables, which are basic to the running of a hotel.
- ii. **Adventure and leisure sports including ropeways:** The entire cost of items/components (excluding land) essential for commissioning the project.
- iii. **Nursing Homes (with a minimum capacity of 25 beds):** The cost of construction of building (excluding land) and other equipments relating to emergency services, general surgery, maternity facilities, pathology, radiology, E.C.G., ambulance, except consumables and disposables.
- iv. **Oldage homes:** The cost of construction of building (excluding land) and other equipments for medical care like oxygen cylinders, suction apparatus, wheel chairs, equipments for entertainment like television, video players, computers with internet connections, books, sport-activity items like tennis, table tennis, billiards, card tables etc.

v. **Vocational Training Institutes for :**

- hotel management :
- catering and foodcrafts:
- entrepreneurship development:
- nursing and paramedical:
- civil aviation related training:
- fashion:
- design:
- industrial training

For all these Vocational Training Institutes, the cost of construction of building (excluding land) all instruments, office machines and such other electro-mechanical or electronic appliances/equipments which are directly related to the service rendered including class room equipments, machine room equipments, laboratory equipments and essential furniture and fixtures but excluding disposable items/components, will be taken in account.

**II. BIOTECHNOLOGY INDUSTRY:**

Equipment, accessories, spares essential for carrying out biotechnical process (s) at laboratory, pilot or commercial scale and the civil infrastructure necessary to adequately have the same shall collectively be defined as “Plant & Machinery” (except the cost of land). It, however, does not include the solvents, chemicals, reagents and other consumables, required for biotechnology process (s).

**III. POWER GENERATING INDUSTRIES:**

In calculating the value of generating plant and machinery of a power station, the cost of plant and machinery as erected at site and required for plant operation will be taken into account which will include the cost of main plant, any building associated systems, auxiliary equipment, tools and initial spares but excluding the cost of land.

- (a) The amount invested in step-up transformer, switch-gear, switch yard, cables or other appurtenant equipment, if any, will be taken into account but does not include any sub-station.
- (b) The amount invested in ash disposal system, railway siding at site or merry-go-round system for transport of raw material/fuel or the carriers to the extent they are actually utilized for transport of ash or raw material/fuel or other appurtenant equipment if any, will be taken into account where electricity is generated by a thermal power generation unit.
- (c) The amount invested in dam & reservoir regulating system (hoists and gates etc) head and tail water conductor system or EOT crane or other appurtenant equipment if any, will be taken into account where electricity is generated by using water power in a power generating unit.

- (d) Working capital including cost of raw material/fuel and other consumables will be excluded for computing the value of plant and machinery.

**[Only essential items in the Service Sector, Bio-technology Industry and Power Generating Industries would be admissible for determining the eligible amount of subsidy]**

**(NOTE:**

- (1) All transactions in respect of the cost of the project must be through cheque/demand draft.
- (2) All expenses/cost of the project submitted by the unit must be certified by a registered Chartered Accountant.
- (3) The building plan and the cost of construction of building must be certified by a registered Architect.
- (4) The cost of construction of the building should be relatable to the CPWD rates/norms as prescribed from time to time.
- (5) The building should not be in violation of the prescribed norms/guidelines by the concerned authority.
- (6) If the structure of a particular unit is carved out of a building already existing, only that structure will be taken into account for the purpose of determining the quantum of subsidy. In such cases, the cost of building will not be taken into account. However, expenditure incurred only on the required renovation/conversion of such structure will be taken into account.
- (7) Minimum standards prescribed by the concerned authorities should be strictly adhered to for setting up of the units.
- (8) All the units under service sectors, bio-technology and power generation must be registered under the relevant Act/Rules etc. of the State concern e.g. Factory Act, Shop and Establishment Act etc.) and will be governed by the relevant guidelines in force in the Centre/States.
- (9) Before submission of the claims to SLC, NEDFi shall scrutinize the details of the cost of the project to facilitate consideration of the project in SLC meetings. If necessary, NEDFi can call for additional documents/evidence in support of the details of expenses.
- (10) The subsidy claims will be considered by SLC only after the unit has become operational/functional. A certificate of the unit having become functional/operational must be accompanied with the subsidy claims. The State Government will undertake physical verification of the unit before considering the claims.
- (11) In case there is a dispute about an item/ component of the project being 'essential', the matter would be referred to the Department of Industrial Policy and Promotion who will decide the matter in consultation with the concerned Central Ministry/Department and such decision will be final.

4. The footnote under sub para (i) of para 4 titled 'Definitions', shall stand deleted.

(N.N. Prasad)  
Joint Secretary to the Government of India

(To be published in the Gazettee of India, Extraordinary, Part-1, Section -1)

**MINISTRY OF COMMERCE AND INDUSTRY  
(Department of Industrial Policy and Promotion)**

**NOTIFICATION**

**New Delhi, the 21<sup>st</sup> September, 2007**

**No. 10(3)/2007-DBA-II/NER.** The Central Government hereby notifies the following Addenda in the Government of India Notification No.10(3)/2007-DBA-II/NER dated the 27<sup>th</sup> July, 2007 titled 'Central Comprehensive Insurance Scheme, 2007'.

2. Under para 4 titled 'Definitions', sub-paras (e) & (f) shall be inserted as under:

- (e) For the purpose of this Scheme, all units falling under Service Sectors, Bio-technology and Power Generation Industries mentioned in para 3 I, II and III will be treated as 'industrial units'. Since these units are not engaged in any manufacturing activity, the date of their being operational/functional will be treated as the date of commencement of commercial production for the purpose of their eligibility for benefits/incentives under this Scheme.
- (f) For the purpose of this Scheme in respect of Service Sector, Bio-technology Industry and Power Generating Industries referred to in para 3 I, II and III, the 'components'/ 'items' as indicated below against each sector will be taken into account for determining the eligible amount of subsidy, if any, under this Scheme :

**I. SERVICE SECTORS**

- (i) **Hotels (Not below 'Two Star' category):** The cost of construction of building (excluding land) and all the items, except consumables and disposables, which are basic to the running of the hotel.
- (ii) **Adventure and leisure sports including ropeways:** The entire cost of items/components (excluding land) essential for commissioning the project.
- (iii) **Nursing Homes (with a minimum capacity of 25 beds):** The cost of construction of building (excluding land) and other equipments relating to emergency services, general surgery, maternity facilities, pathology, radiology, E.C.G., ambulance, except consumables and disposables.
- (iv) **Oldage homes:** The cost of construction of building (excluding land) and other equipments for medical care like oxygen cylinders, suction apparatus, wheel chairs, equipments for entertainment like television, video players, computers with internet connections, books, sport-activity items like tennis, table tennis, billiards, card tables etc.
- (v) **Vocational Training Institutes for :**

- hotel management :
- catering and foodcrafts:
- entrepreneurship development:
- nursing and paramedical:
- civil aviation related training:
- fashion:
- design:
- industrial training

For all these Vocational Training Institutes, the cost of construction of building (excluding land) all instruments, office machines and such other electro-mechanical or electronic appliances/equipments which are directly related to the service rendered including class room equipments, machine room equipments, laboratory equipments and essential furniture and fixtures but excluding disposable items/components, will be taken in account.

## **II. BIOTECHNOLOGY INDUSTRY:**

Equipment, accessories, spares essential for carrying out biotechnical process (s) at laboratory, pilot or commercial scale and the civil infrastructure necessary to adequately have the same shall collectively be defined as “Plant & Machinery” (except the cost of land). It, however, does not include the solvents, chemicals, reagents and other consumables, required for biotechnology process (s).

## **III. POWER GENERATING INDUSTRIES:**

In calculating the value of generating plant and machinery of a power station, the cost of plant and machinery as erected at site and required for plant operation will be taken into account which will include the cost of main plant, any building associated systems, auxiliary equipment, tools and initial spares but excluding the cost of land.

- i. The amount invested in step-up transformer, switch-gear, switch yard, cables or other appurtenant equipment, if any, will be taken into account but does not include any sub-station.
- ii. The amount invested in ash disposal system, railway siding at site or merry-go-round system for transport of raw material/fuel or the carriers to the extent they are actually utilized for transport of ash or raw material/fuel or other appurtenant equipment if any, will be taken into account where electricity is generated by a thermal power generation unit.
- iii. The amount invested in dam & reservoir regulating system (hoists and gates etc) head and tail water conductor system or EOT crane or other appurtenant equipment if any, will be taken into account where electricity is generated by using water power in a power generating unit.

- iv. Working capital including cost of raw material/fuel and other consumables will be excluded for computing the value of plant and machinery.

**[Only essential items in the Service Sector, Bio-technology Industry and Power Generating Industries would be admissible for determining the eligible amount of subsidy]**

**(NOTE:**

- (1) All transactions in respect of the cost of the project must be through cheque/demand draft.
- (2) All expenses/cost of the project submitted by the unit must be certified by a registered Chartered Accountant.
- (3) The building plan and the cost of construction of building must be certified by a registered Architect.
- (4) The cost of construction of the building should be relatable to the CPWD rates/norms as prescribed from time to time.
- (5) The building should not be in violation of the prescribed norms/guidelines by the concerned authority.
- (6) If the structure of a particular unit is carved out of a building already existing, only that structure will be taken into account for the purpose of determining the quantum of subsidy. In such cases, the cost of building will not be taken into account. However, expenditure incurred only on the required renovation/conversion of such structure will be taken into account.
- (7) Minimum standards prescribed by the concerned authorities should be strictly adhered to for setting up of the units.
- (8) All the units under service sectors, bio-technology and power generation must be registered under the relevant Act/Rules etc. of the State concern e.g. Factory Act, Shop and Establishment Act etc.) and will be governed by the relevant guidelines in force in the Centre/ States.
- (9) Before submission of the claims to SLC, NEDFi shall scrutinize the details of the cost of the project to facilitate consideration of the project in SLC meetings. If necessary, NEDFi can call for additional documents/evidence in support of the details of expenses. This procedure would apply on those projects the cost of which exceeds Rs. 1 crore but does not exceed Rs. 30 crore.
- (10) The subsidy claims will be considered by SLC only after the unit has become operational/functional. A certificate of the unit having become functional/operational must be accompanied with the subsidy claims. The State Government will undertake physical verification of the unit before considering the claims.
- (11) In case there is a dispute about an item/ component of the project being 'essential', the matter would be referred to the Department of Industrial Policy and Promotion who will decide the matter in consultation with the concerned Central Ministry/Department and such decision will be final.

4. The footnote under para 4 titled 'Definitions', shall stand deleted.

(N.N. Prasad)  
Joint Secretary to the Government of India

(To be published in the Gazettee of India, Extraordinary, Part –I, Section-1)

**MINISTRY OF COMMERCE AND INDUSTRY  
(Department of Industrial Policy and Promotion)**

**NOTIFICATION**

**New Delhi, the 13<sup>th</sup> September, 2007**

**No.10(3)/2007-DBA-II/NER.-** The Central Government hereby makes the following amendments in the Government of India Notification No.10(3)/2007-DBA-II/NER dated the 27<sup>th</sup> July, 2007 titled **‘Central Capital Investment Subsidy Scheme, 2007’**.

2. In place of existing sub-para (b) and (c) under para 4 thereof titled ‘Definitions’, the following shall be substituted:

**“4. Definitions:**

- (b) **‘New industrial unit’** means an industrial unit which commences commercial production on or after the first day of April, 2007 but not later than 31<sup>st</sup> day of March, 2017.
- (c) **‘Existing industrial unit’** means an industrial unit which commenced commercial production before 1.4.2007.”

(N.N. Prasad)  
Joint Secretary to the Government of India

(To be published in the Gazettee of India, Extraordinary, Part –I, Section-1)

**MINISTRY OF COMMERCE AND INDUSTRY  
(Department of Industrial Policy and Promotion)**

**NOTIFICATION**

**New Delhi, the 13<sup>th</sup> September, 2007**

**No.10(3)/2007-DBA-II/NER.-** The Central Government hereby makes the following amendments in the Government of India Notification No.10(3)/2007-DBA-II/NER dated the 27<sup>th</sup> July, 2007 titled **‘Central Interest Subsidy Scheme, 2007’**.

2. In place of existing sub-para (b) and (c) under para 4 thereof titled ‘Definitions’, the following shall be substituted:

**“4. Definitions:**

(b) **‘New industrial unit’** means an industrial unit which commences commercial production on or after the first day of April, 2007 but not later than 31<sup>st</sup> day of March, 2017.

(c) **‘Existing industrial unit’** means an industrial unit which commenced commercial production before 1.4.2007.”

(N.N. Prasad)  
Joint Secretary to the Government of India

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**No.10(3)/2007-DBA-II/NER.-** The Central Government hereby makes the following amendments in the Government of India Notification No.10(3)/2007-DBA-II/NER dated the 27<sup>th</sup> July, 2007 titled **‘Central Comprehensive Insurance Scheme, 2007’.**

2. In place of existing sub-para (b) and (c) under para 4 thereof titled ‘Definitions’, the following shall be substituted:

**“4. Definitions:**

- (b) **‘New industrial unit’** means an industrial unit which commences commercial production on or after the first day of April, 2007 but not later than 31<sup>st</sup> day of March, 2017.
- (c) **‘Existing industrial unit’** means an industrial unit which commenced commercial production before 1.4.2007.”

(N.N. Prasad)  
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