

## **FAQs on Industrial & Investment Policy of Assam, 2019**

### **Q. What are the Visions and Objective of the Industrial and Investment Policy of Assam, 2019?**

Ans: - The Vision and Objective of the policy is to encourage and support industrial development in the state via sustainable eco-friendly investment through capital formation, inclusive industrial growth and creation of gainful employment. Through good governance and policy initiative, State Government is envisaging Assam as a preferred destination for investment.

### **Q. What is the period of validity of the policy?**

Ans: -The policy is effective for a period of 5 (five) years from 01-09-2019 to 31-08-2024.

### **Q. What are the thrust areas under the policy?**

Ans: - Government of Assam has identified certain activities as thrust areas for both the Manufacturing and Services sector activities as indicated below: -

#### **Manufacturing sector:**

- a. Food processing Industries, Cold Chain & Cold Storage.
- b. Bamboo Industries
- c. Sugar Industries
- d. Jute Industries
- e. Plastic Industries
- f. Pharmaceuticals
- g. IT- ITES including Hardware, Software development, BPO, Call centre, data processing, website designing, etc.
- h. Textile
- i. Engineering
- j. Rubber
- k. Automobile

#### **Services sector:**

- a. Hotels/Resorts (3 Star and above)
- b. River cruise
- c. Generation of power through green technology

### **Q. Is there any land bank for setting up of Industries in the State?**

Ans: -Yes, Industries & Commerce Department, Govt. of Assam has a dedicated land bank for promotion of industries and is updated on regular basis.

### **Q. What types of Industrial Infrastructures are available in the State?**

Ans: - Industries & Commerce Department, Govt. of Assam has a dedicated Industrial infrastructure in the form of Industrial Areas, Industrial Estates, Industrial Growth Centre, Growth Centre, Commercial Estate, Mini Industrial Estate, Industrial Parks etc. Further, Industries & Commerce Department, Govt. of Assam is pursuing constant efforts for developing

the unused land-plots of closed State PSUs, private lands at the Industrial Corridor, identified government lands, etc. Private developers are also encouraged to develop Industrial Townships, Industrial areas, etc.

**Q. What is Invest Assam?**

Ans: - With an objective to attract investment in a more structured, focused and comprehensive manner, Industries & Commerce Department, Govt. of Assam created a dedicated "Invest Assam Foundation" (IAF) in line with "Invest India", Govt. of India. The agency acts as a first reference point for investors interested in Assam and provides hand holding support and facilitation to investors for setting-up their business. This agency also acts as an image building tool of the state within and outside the country, organizing seminars/ road shows and try to increase significant inflow of investment to the State.

**Q. Who are eligible to apply for benefits under IIP, 2019?**

Ans: - Only new industrial units engaged in manufacturing & specified service sector unless not in negative category as indicated in the policy commencing commercial production/ service rendered on or after 01-09-2019 till 31-08-2024 can apply for benefits under the policy.

**Q. What are the eligibility criteria for availing incentives under IIP, 2019?**

Ans: - The eligibility criteria for availing incentives under the policy are:

- a. Units engaged in manufacture of prohibited list of products (as mentioned in Annexure-1 of the policy) shall not be eligible to receive any incentive under this policy.
- b. In services sector, hotels/resorts having star-rating of 3 and above, river cruise and generation of power through green technology shall only be eligible to receive incentives under the policy.
- c. Units will have to employ minimum of 80% people of Assam in the managerial cadre and minimum 90% people of Assam in non-managerial cadre.
- d. The unit has to apply for issuance of Eligibility Certificate within 12 months from the date of commencement of commercial production in the online portal hosted in the website of Industries & Commerce Department, Govt. of Assam.
- e. Incentives can only be claimed after the Eligibility Certificate is issued by competent authority in favour of the applicant unit.
- f. Payments made in cash for any transaction shall be treated as ineligible amount of investment.
- g. The unit receiving subsidy should be functional at the time of disbursement of subsidy by the government.

**Q. What is meant by Manufacturing Activity?**

Ans: - Manufacturing activity means "an activity which brings about a change in non-living physical object or article or thing"

- i. resulting in transformation of the object or article or thing into a new and distinct object or article or thing having a different name, character and use; or
- ii. bringing into existence of a new and distinct object, article or thing with different chemical composition or integral structure.”

**Q. What is meant by New Industrial Unit?**

Ans: - A New Industrial unit means a unit which has commenced its commercial production in the state of Assam during the validity period of the policy.

**Q. How are Micro, Small and Medium Enterprises classified?**

Ans: - MSMEs are classified under a central legislation – “Micro, Small and Medium Enterprises Development Act, 2006”. As per the latest gazette notification of central government MSMEs under the Act are reclassified as follows:

Classification of Manufacturing and Services rendering Enterprises		
Scale	Composite criteria of classification	
	Investment in Plant and Machinery or Equipment	Turnover
Micro	Not more than Rs 1 crore	Not more than Rs 5 crore
Small	Not more than Rs 5 crore	Not more than Rs 50 crore
Medium	Not more than Rs 50 crore	Not more than Rs 250 crore

**Q. What is a Large Unit?**

Ans: - A large unit means a manufacturing or service enterprise where the Investment in Plant and Machinery or Equipment, as the case may be, is more than Rs.50 crore and turnover is more than Rs. 250 crore.

**Q. What is Fixed Capital Investment?**

Ans: - Fixed Capital Investment means and includes investment in plant and machinery and land and building connected directly with manufacturing process and in case of hotels/ resorts of 3 Star and above category and river cruise, it shall mean and include investment in plant and machinery, land and building directly connected with hotel premises or investment made in river cruise of capital nature.

**Q. What are the tax incentives available under the Industrial and Investment Policy of Assam, 2019?**

Ans:- Nature and amount of tax incentives available to the eligible Industrial units under the policy are indicated below:

**State Goods and Service Tax (SGST) reimbursement:** Reimbursement @ 100% SGST paid through debit in electronic cash ledger account in the term of sub-section (1) of section 49 of Assam GST Act, 2017 as per the following scale:

Category of Enterprises	Limits of Tax Reimbursement	
	For units set up in areas other than special parks (specified in next column)	For units set up in Plastic park, Bamboo Park, Food Park, Tea Park and other parks developed by or in collaboration with State / Central Government
Micro	15 (fifteen) years subject to maximum of 200% of Fixed Capital Investment	15 (Fifteen) years subject to maximum of 250% of Fixed Capital Investment.
Small	15 (Fifteen) years subject to maximum of 150% of Fixed Capital Investment.	15 (Fifteen) years subject to maximum of 180% of Fixed Capital Investment
Medium & Large	15 (Fifteen) years subject to maximum of 150% of Fixed Capital Investment	15 (Fifteen) years subject to maximum of 150% of Fixed Capital Investment

In case of a Mega unit to which customized/ special incentives are given, the quantum of monetary ceiling that may be allowed shall not exceed 200 % of fixed capital investment.

The benefit of tax reimbursement under the policy is subject to the condition that the unit after having availed the benefit shall continue its production or operation at least for the next 5 (five) years and utilise 75% of the production capacity for the preceding 5 (five) years.

In case the unit violates the condition laid down above, it shall be liable to make, the full amount of tax availed of by it during the period of eligibility, as if no tax reimbursement was ever available to it:

Provided that the provision of this clause shall not come into play if the loss in production is explained to the satisfaction of the authority concerned as being due to the reasons beyond the control of the unit: Provided further that a unit shall not be called upon to pay any sum under this clause without having been given reasonable opportunity of being heard.

**Q. What are the other incentives available under the Industrial and Investment Policy of Assam, 2019?**

Ans: - The incentives other than the Fiscal Incentives indicated above available under IIP, 2019 are-

- a. Power subsidy
- b. Subsidy on Generating set
- c. Stamp duty reimbursement
- d. Technology Transfer and quality certification
- e. Interest subsidy on working capital loan
- f. Financial Assistance in MSME listed in Stock Exchange
- g. Assistance for Environmental Compliance
- h. Incentive to Private Sector Infrastructure Developers. The aggregate / overall incentives from all these components shall not exceed 100 % of the fixed capital investment.
- i. Incentive for to eligible units for local employment as per State Finance Minister's Budget speech of 2019-20.

**Q. What is the subsidy on power consumption?**

Ans: - Subsidy at Rs. 2.00 per unit power consumed will be provided for a period of 5 (five) years from the date of commencement of commercial production subject to a maximum Rs. 50 (fifty) lakhs per annum not exceeding 100% of total investment made in plant & machinery, whichever is lower. This shall be available only to the units having power connection with APDCL only and shall not eligible any consumption from other sources like open access, captive generation, etc. The industrial unit should fulfill the conditions indicated below:

- a. The concerned units will have to pay the bills raised by APDCL and submit their claims to Industries and Commerce Department periodically for necessary reimbursement.
- b. Power subsidy shall be calculated on total unit consumed during the period at applicable rate per unit and will be exclusive of all other charges, viz. Load security, interest, taxes, etc.
- c. Regular and timely payment to APDCL is a pre-requisite for availing the subsidy under this policy. The overall ceiling does not include subsidy accruing to the unit from the SGST reimbursement.

**Q. What is the subsidy on Generating set?**

Ans: - Government will extend subsidy at 50% subject to a limit of Rs. 20 lakhs on the cost of generating set, taxes and transportation only. However, the capacity of the DG set should be equivalent to the power sanction to the unit by the competent authority.

**Q. What is the subsidy on Stamp Duty Reimbursement?**

Ans: - Government will reimburse at 100% stamp duty subject to a monetary ceiling of Rs.25 lakhs only for such parcel of land which is exclusively used for setting up of the manufacturing facilities or Hotel as specified in the Assam Industries (Tax Reimbursement for Eligible unit)

scheme 2017 & not to the agricultural land and land in urban areas used for manufacturing activities.

The overall ceiling does not include subsidy accruing to the unit from the SGST reimbursement.

**Q. What is Subsidy Technology Transfer and Quality Certification, ZED Certification?**

Ans:- Subsidy up to the extent of 75% of fee payable will be extended to eligible units for obtaining BIS/ ISO/ FSSAI/ AGMARK/ HALLMARK/ SILK MARK/ ZED Certification etc. from any recognized national/ international research laboratories/ Technical Institutes/ University, Institutions like CFTRI, CIPET, etc. subject to a ceiling of Rs.10.00 lakhs per unit. The overall ceiling does not include subsidy accruing to the unit from the SGST reimbursement.

**Q. What is the subsidy on the interest component of working capital loan?**

Ans: - Subsidy at 2% on the outstanding working capital loan for a period of five years from the date of commencement of commercial production/ service rendered subject to a ceiling of Rs. 50 lakh (Rupees Fifty lakhs) and not exceeding 100% of investment in plant and machinery. Interest subsidy shall be available only on outstanding working capital loan availed from Bank/Financial Institution.

The overall ceiling does not include subsidy accruing to the unit from the SGST reimbursement

**Q. How much is the financial assistance to MSMEs listed in Stock Exchange?**

Ans: - To encourage MSMEs to be listed in BSE &NSE, government will provide subsidy at 30% of the cost of Public Issue expenses, subject to maximum limit of Rs. 5 lakhs.

The overall ceiling does not include subsidy accruing to the unit from the SGST reimbursement.

**Q. What is the subsidy on assistance for Environmental Compliance?**

Ans: - Subsidy at 50% on capital cost for setting up of effluent treatment plant will be provided to eligible units subject to maximum ceiling of Rs. 25 lakh per unit. However, this incentive is not available for hotel industries.

**Q. What incentive is provided to private sector infrastructure developer?**

Ans: - Eligible private sector infrastructure developers will be provided subsidy at 30% excluding value of land, subject to a ceiling of Rs. 3 cr to encourage the private investors for creation of industrial infrastructure where the land area is not below 30 acres. The amount shall be released to the developer only after completion of the project with 30% occupancy of the Industrial Park.

**Q. What incentive is included as per the Budget Speech of 2019-20?**

Ans: - Over and above GST incentive and other incentives provisions in the policy and to encourage employment to local youths, incentive indicated in the budget speech 2019-20 is also a part of the policy viz.-

**Incentives for employment generation, entrepreneurship:** One-time reimbursement at Rs. 10000 (Rupees Ten thousand only) to the employer against each local youth employed by the unit.

**Q. What is an Eligibility Certificate under Industrial and Investment Policy of Assam, 2019?**

Ans: An Eligibility Certificate (EC) is a document issued in favour of eligible industrial units on the strength of which such units can claim incentive(s) which they have applied for under the Industrial and Investment Policy of Assam, 2019.

The General Manager, District Industries and Commerce Centre is the competent authority to issue EC in case of Micro units. For units other than Micro units, the Commissioner, Industries and Commerce is the issuing authority.

**Q. How can I apply for Eligibility Certificate?**

Ans: The procedure of filing of application for EC is indicated below:

**A. In case of Proposed Unit:**

The proposed industrial unit has to submit an online Investment of Intention through the web-based application software for implementation of IIP, 2019.

**B. In case the unit has Commenced Commercial production/ Service:**

The unit has to apply online for EC within one-year (12 months) from the date of commencement of Commercial Production/ Service through the web-based application software for implementation of IIP, 2019.

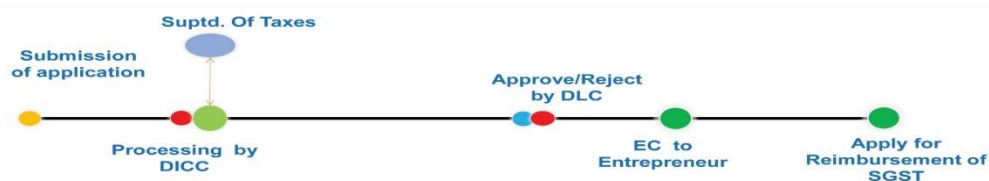
**Q. How can I access the web-based application software for IIP, 2019?**

Ans: The web-based application software <https://aiinvestmentpolicy.assam.gov.in/> can be accessed either directly or by clicking on “Highlighting Tab” “AIP, 2019” available on the home page of <https://industriescom.assam.gov.in/>

**Q. How are the claim proposals for EC under IIP, 2019 processed?**

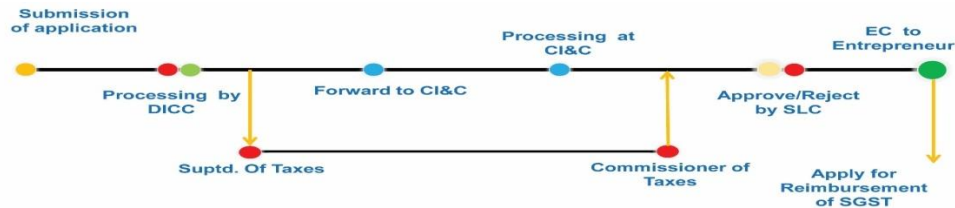
Ans: The claim proposals for EC will be processed online for all units. Steps followed are indicated below:

**a. Micro Units:**



**b. Other than Micro Units:**





### Q. What is DLC & SLC?

**Ans:** To consider the proposals of Micro Units, a **District Level Committee (DLC)** is constituted with the following officials:

- Deputy Commissioner/ District Development Commissioner of the district: **Chairman**
- Additional Director of Industries & Commerce (Zonal): **Vice Chairman**
- Deputy Commissioner of Taxes (in charge of the district): **Member**
- District Employment Officer: **Member**
- District Agriculture Officer: **Member**
- Lead District Manager: **Member**
- Representatives of lending banks: **Member**
- General Manager, District Industries & Commerce Centre: **Member-Secretary**

And to consider the proposals of other than Micro Units, a **State Level Committee (SLC)** is constituted with the following officials:

- Sr. most Secretary to the Govt. of Assam, Industries & Commerce Department: **Chairman**
- Secretary to the Govt. of Assam, Finance Department: **Member**
- Secretary to the Govt. of Assam, Revenue & DM Department: **Member**
- Secretary to the Govt. of Assam, Agriculture Department: **Member**
- Commissioner of Industries & Commerce, Assam: **Member**
- Commissioner of Taxes, Assam: **Member**
- Managing Director, APDCL: **Member**
- Director of Employment & Craftsmen Training, Assam: **Member**
- Member Secretary, Pollution Control Board: **Member**
- Managing Director, AIDC Ltd: **Member**
- Managing Director, ASIDC Ltd: **Member**
- Managing Director, AIIDC: **Member**
- Representatives of lending banks: **Member**
- Concerned Additional Director of Industries & Commerce: **Member- Secretary**

### Q. What are the Terms of reference of the Committee/s under IIP, 2019?

**Ans:** - The Terms of reference of the Committee/s under IIP 2019 are as under:

- a. The Committee scrutinizes the application/s and considers the deserving proposals to issuance of Eligibility Certificate for all the fiscal and tax incentives under the policy.
- b. The Committee also scrutinizes and considers the proposals for fiscal incentives.  
The Committee meets as and when necessary and at least once in a quarter
- c. The Chairman of the Committee may co-opt any expert/s, Officer for specific proposals.
- d. At least five members including Chairman, Member Secretary and Commissioner Taxes shall be necessary for any sitting of the committee.



- e. The Member Secretary shall submit a report to the Government about the holding of meeting/s.
- f. The Committee may also review the implementation of various incentives in the State and may suggest remedial measures to the higher authority as and when felt necessary.

**Q. What are the rights of the Industries & Commerce Department, Government of Assam as per IIP, 2019?**

Ans: - As per the IIP, 2019, the Industries & Commerce Department, Government of Assam reserves the following rights:

- to amend any provision (s) including amendment or withdraw any of the incentives/ subsidies as and when necessary for development of industries and in the interest of the general people of the State from time to time under the provision of the Policy.
- to review the matter regarding sanction/ disbursement of subsidies/ incentives to the eligible industrial unit(s) and in this connection, the State Government's decision shall be final and binding.
- to modify the non-eligible list of the industries, include or delete activities under thrust sector, as and when required in the interest of overall economic growth of the State and preservation of environment and ecology. In case of modification of the same Industry and Commerce Department will consult Finance, Department and move accordingly.
- to make / amend the necessary rules for implementation of this policy as and when required.
- The decision of the Industries & Commerce Department, Government of Assam in regards to interpretation of any clause of the policy shall be final and binding.

**Q. What are the industrial activities ineligible to avail benefits under IIP, 2019?**

Ans: - The following activities will not qualify for incentives under the policy:

- 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
- Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986)
- 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
- Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) produced by petroleum or gas refineries
- In order to ensure genuine industrial activities, benefits under this policy will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operation, packing, re-packing, labeling or re-labeling, sorting, alternation of retail sale price etc. takes place.
- Coke

- Saw Mill
- Tea
- Galvanization, corrugation of sheet or both.
- Marble and decorative stone cutting from slabs/sheets and polishing unit.
- Paper cutting from roll paper
- Coal to wash coal, sized coal
- Conversion of plain rod to tor rod
- Refining and/or packaging of any type of edible oil. However, a unit which undertakes manufacturing of edible oil instead of mere refining and packaging shall continue to get the incentive.
- Refining of engine oil
- Purification and/or packaging of drinking water
- Production of cooked food, sweet meat and namkins, if the investment in plant and machinery in a unit is less than Rs. 1 crore.
- Conversion of coal to coke and Coke (including Calcined PetroleumCoke) .

**Q. Whom shall I contact for further details?**

Ans: Concerned General Manager, District Industries & Commerce Centre may be contacted for further details. Further, web-based application software <https://aiinvestmentpolicy.assam.gov.in/> may be visited for Policy Document. Operational Guidelines etc. also can be reached through email - [commissioner@dicassam.com](mailto:commissioner@dicassam.com) or can call 0361-2550242 / 2550717.