

Cabinet approves North-East Industrial Development Scheme (NEIDS) 2017

Cabinet

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the North East Industrial Development Scheme (NEIDS), 2017 with financial outlay of Rs.3000 crores upto March, 2020. Government will provide necessary allocations for remaining period of scheme after assessment before March 2020. NEIDS is a combination of the incentives covered under the earlier two schemes with a much larger outlay.

Details:

In order to promote employment in the North East States, Government is incentivizing primarily the MSME Sector through this scheme. Government is also providing specific incentive through the scheme to generate employment.

All eligible industrial units, which are getting benefits of one or more components of other schemes of the Government of India, will also be considered for benefits of other components of this scheme.

Under the Scheme, the following incentives shall be provided to new industrial units set up in the North Eastern States including Sikkim:

Central Capital Investment Incentive for Access to Credit (CCIIAC)	30% of the investment in Plant & Machinery with an upper limit of Rs.5 Crore on the incentive amount per unit.
Central Interest Incentive (CII)	3% on working capital credit advanced by eligible Banks/ Financial institutions for first 5 years from the date of commencement of commercial production by the unit.
Central Comprehensive Insurance Incentive (CCII)	Reimbursement of 100% insurance premium on insurance of building and Plant & Machinery for 5 years from the date of commencement of commercial production by the unit.
Goods and Service Tax (GST) Reimbursement	Reimbursement up to the extent of Central Govt. share of CGST and IGST for 5 Years from the date of commencement of commercial production by the unit.
Income-Tax (IT)	Reimbursement of Centre's share of income tax

Reimbursement	for first 5 years including the year of commencement of commercial production by the unit.
Transport Incentive (TI)	<ul style="list-style-type: none"> • 20% of the cost of transportation including the subsidy currently provided by Railways/ Railway PSU for movement of finished goods by rail. • 20% of cost of transportation for finished goods, for movement through Inland Waterways Authority of India. • 33% of cost of transportation of air freight on perishable goods (as defined by IATA) from the airport nearest to place of production to any airport within the country.
Employment Incentive (EI)	The Government shall pay 3.67% of the employer's contribution to the Employees Provident Fund (EPF) in addition to Government bearing 8.33% Employee Pension Scheme (EPS) contribution of the employer in the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY).

The overall cap for benefits under all components of incentives will be of Rs. 200 crores per unit.

The newly introduced scheme shall promote industrialization in the States of the North Eastern Region and will boost employment and income generation.

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