



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Assam State MSME Policy



MSME & Startup Committee, ICAI

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Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **CA Himanshu Srivastava** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Assam**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

CA. Sanjay Kumar Agarwal
Vice Chairman
MSME & Startup Committee, ICAI

Industrial & Investment Policy of Assam (IIPA), 2019 (Amended 2023)

1. INTRODUCTION

1.1. Brief State Profile and Policy Rationale

Assam serves as the gateway to South-East Asian markets, giving it a distinct strategic advantage for trade and investment. The state's unique location, combined with abundant natural resources such as oil and gas, tea, limestone, bamboo, and a growing pool of skilled manpower, creates a strong foundation for industrial growth. With steady improvements in connectivity, industrial infrastructure, and investor-friendly policy measures, Assam today offers one of the most promising environments for new and expanding businesses in India.

The Industrial and Investment Policy of Assam (IIPA-2019) modernized the state's incentive framework, building a pipeline for large and mega projects while keeping MSMEs at the core. The 2023 amendments further refined customized incentive packages for mega projects, allowing the government to clear such proposals through cabinet-level approvals. Initiatives launched under Advantage Assam 2.0 have added further momentum to capital expenditure and job creation.

This policy focuses on enhancing the ease of doing business by simplifying procedures, strengthening infrastructure, and nurturing a climate conducive to industry. Priority attention is given to Micro, Small and Medium Enterprises (MSMEs), agro-based industries, and sectors that leverage Assam's geographical position and biodiversity. The state envisions becoming the leading investment hub of the North-East, integrating its industries with both national and global value chains.

1.2. Key Resources

Tea

Assam is the largest tea-producing region, contributing over 50 percent (6,52,950 MT in 2015-16) of India's total tea output (1.23 million MT). The state hosts more than 765 tea gardens across Tinsukia, Dibrugarh, Sivasagar, Jorhat, Golaghat, Nagaon, and Sonitpur. The Guwahati Tea Auction Centre (GTAC) ranks among the largest Crush, Tear, Curl (CTC) tea auction centres globally. Tea grown in Assam carries a Geographical Indication (GI) and is marketed worldwide as "Assam Orthodox Tea."

Oil and Natural Gas

Assam is the third-largest onshore producer of crude oil and the leading producer of natural gas in India. Its refineries at Digboi, Guwahati, Bongaigaon, and Numaligarh have a combined capacity of around 1,50,000 barrels per day. The Assam-Arakan Basin accounts for over 15 percent of India's hydrocarbon reserves, with more than 1.3 billion tonnes of crude oil and 156 billion cubic metres of natural gas. The presence of limestone deposits has also encouraged growth of cement and chemical industries.

Coal

Assam's coal, rich in sulphur, is mainly used in railways, power stations, and river steamers. Major coalfields include Makum and Dilli-Jeypore in Tinsukia and Dibrugarh districts. Smaller reserves

occur in Karbi Anglong and Dima Hasao. The state's proven coal reserve is estimated at around 340 million tonnes.

Limestone

High-grade cement-quality limestone occurs in Karbi Anglong and Dima Hasao, with total reserves of about 670 million tonnes. The China clay found here serves as a major raw material for ceramic industries

Silk

Assam enjoys a global monopoly in Muga (golden) silk, accounting for about 95 percent of world output. It also produces around 65 percent of India's Eri silk. Raw silk production was 3,325 MT in 2015-16 and 1,137 MT by May 2016-17. The Seneh Jori – Assam Silk Outreach Mission aims to produce 1 million kg of Muga silk and 10 million kg of Eri silk by 2025.

Jute

Assam ranks third among India's jute-producing states. Output grew at a 5 percent CAGR (2010-11 to 2015-16) to about 1.48 lakh metric tonnes in 2015-16. Major producing districts include Darrang, Goalpara, Dhubri, Nagaon, and Morigaon. The state hosts seven operational jute mills with a combined annual requirement of about 26,000 MT of raw jute. Ready access to raw material and nearby North-Eastern and ASEAN markets make Assam ideal for jute-processing industries.

Rubber

Assam is the second-largest rubber producer in the North-East after Tripura, recording 16,418 tonnes in 2015-16. It contributes about 40 percent of the region's rubber-planted area, covering nearly 55,990 hectares. Key producing districts include Goalpara, Karbi Anglong, and Karimganj. The state's location provides a strategic link to neighbouring rubber-producing zones

Agro and Food processing industries

The state has vast untapped potential in agro and food processing. Horticulture production in 2015-16 reached 77 lakh MT, with rice at 5,123 thousand MT, pulses at 195 thousand MT, and oilseeds at 13 thousand MT. High-yield crops include pineapple, banana, cauliflower, broccoli, rose, and bougainvillea, besides traditional fruits like carambola, leteku, paniyal thekera, and au tenga. Tezpur Litchi and Karbi-Anglong Ginger hold GI tags, highlighting their local authenticity.

Medicinal Herbs and Plants

Assam is home to around 300 medicinal plant species, with the Brahmaputra Valley alone housing about 150 commercially valuable varieties. Only a small share (5–10 percent) has been commercially used so far, leaving scope for expansion. The state is among India's top producers of citronella, lemongrass, and agar oils.

Bamboo

The North-Eastern Region holds about 60 percent of India's bamboo resources, and Assam offers strong potential for bamboo-based industries such as paper and wood substitutes. The state government aims to make bamboo the "timber of the 21st century." Forests cover nearly

one-third of Assam’s area, supplying valuable resources like timber, bamboo, stone, and cane.

Other Resources

Assam’s climate supports crops such as jute, sugarcane, spices, and coconut, driving rapid industrialization. The state also has five national parks and fifteen wildlife sanctuaries, including the Kaziranga National Park, home to the largest population of one-horned rhinoceros and a high density of tigers, and the Manas National Park, a UNESCO World Heritage Site known for its rare flora and fauna. These natural assets enhance opportunities in eco-tourism, wildlife tourism, and adventure tourism.

Assam's Key Resources

Tea
Assam is the largest tea-producing region in India, contributing over 50 percent of the country's total output.

Oil and Natural Gas
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Coal
Assam’s coal, rich in sulphur, is mainly used in railways, power stations, and river steamers.

Silk
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Jute
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Rubber
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Agro and Food Processing
The state has vast untapped potential in agro and food processing, with high-yield crops and GI-tagged products.

Medicinal Herbs and Plants
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Bamboo
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1.3. Key Highlights

- Implemented by the Government of Assam on 1st September 2019, valid for five years.
- Replaced the earlier Industrial and Investment Policy of Assam, 2014.
- Aims to ensure sustainable industrial growth, employment generation, and attraction of large-scale investments..
- Promotes ease of doing business through single-window clearances and digital facilitation.
- Identifies thrust sectors including food processing, bamboo, jute, plastics, pharmaceuticals, textiles, engineering, IT/ITES, rubber, Sugar industry and automobiles.
- Extends benefits to selected service sectors such as tourism (hotels, resorts, river cruises) and renewable energy.
- Offers capital investment subsidy and SGST reimbursement for new or expanding industrial units.
- Provides employment incentives for hiring local youth to strengthen livelihoods.
- Includes power, land, and stamp-duty subsidies to reduce project costs
- Supports creation of industrial parks, estates, and logistics hubs.
- Provision of interest subsidy, quality certification support, and technology upgradation assistance for MSMEs.
- Introduces Customized Incentive Packages (2023 Amendment) for mega projects with large investment and job potential.
- Ensures a streamlined single-window system for timely approvals and continued use of the IIPA framework for new projects in 2025.

1.4. Vision & Objective of the Policy

Assam represents a land of Potentiality, Possibility, and Prosperity (3 Ps). Industrial development is a top priority, and the Government is committed to sustainable, eco-friendly investment that drives capital formation, inclusive growth, and gainful employment.

Through good governance, policy innovation, and efficient implementation, Assam envisions positioning itself as the preferred destination for investors in Eastern India and the North-East.

2. ABOUT THE POLICY

2.1. Definitions

“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 a different chemical composition or integral structure”.

“New Industrial” unit means a unit, which has commenced commercial production in the state of Assam during the validity period of Industrial & Investment Policy of Assam,2019.

“Large unit” means where the investment in plant and machinery is more than Rs.10 Cr. or as amended.

“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 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.

Explanation :1

The investment in land shall mean the cost of land (used only for factory building) derived from registration value of land or the actual cost of the land, whichever is lower. While the proportionate stamp duty and registration fee shall for the part of the cost of the land, the cost of development of land shall not form the part of the cost of land.

Explanation:2

In case of hotels/resorts 3 Star and above category, the investment in land shall mean the cost of land (used for the hotel/resort building excluding vacant land) derived from the registration value of land or the actual cost the land, whichever is lower. While the proportionate stamp duty and registration fees shall form the part of the cost of land, the cost of development of land shall not form the part of the cost of land.

2.2. Policy period & applicability:

The Policy is effective since **1st Sept 2019** (5-year baseline) and was amended in 2023 to strengthen customized incentives. The amendments were effective from 17th February 2023 to include attractive and bespoke incentive pack for Mega Investments.

2.3. Eligibility Criteria

- Hotels, resorts (3-star and above), and river cruise projects, as well as power generation units using green technologies, shall be eligible to receive incentives under this policy.
- Every eligible industrial unit must employ a minimum of 80% local residents of Assam in managerial positions and at least 90% local residents in non-managerial positions.
- The Employment Certificate confirming compliance with these requirements must be obtained from the competent authority.
- All industrial units must also adhere strictly to the applicable labour laws, particularly those related to employment practices and wage payments.
- Eligible units are required to apply online for an Eligibility Certificate within six (6) months from the date of commencement of commercial production in order to avail incentives under this policy.
- Incentives, subsidies, concessions, and financial support under this policy shall be

available to units registered as a Company, Corporation, Cooperative Society, Partnership Firm, Proprietorship Firm, Trust, FPO/FPC, or any State Government undertaking.

- However, Central Public Sector Undertakings (CPSUs) shall not be eligible for any incentives under this policy.
- Any payments made in cash towards investment shall not be considered eligible for claiming incentives.
- Subsidies will be disbursed only to functional units that are operational at the time of disbursement.
- Fulfilment of eligibility conditions does not automatically confer a right to claim incentives. The grant of subsidies or incentives is subject to approval by the competent authority.
- No incentive under this policy can be claimed unless an Eligibility Certificate has been issued by the implementing agency, and the unit has complied with all the stipulated terms and conditions to the satisfaction of the authority concerned.

2.4. Non-Eligible activities:

Activities Not Eligible for Incentives



Following are the activities not eligible to get incentives under the Policy:

- Goods pertaining to tobacco and manufactured tobacco substitutes
- Pan Masala.

- Plastic carry bags of less than 20 microns.
- Goods in respect of which only peripheral activities like preservation during storage, cleaning operation, packing, re-packing, labelling or re-labelling, sorting, alternation of retails sale price etc. takes place.
- Coke
- Saw Mill
- Tea
- Galvanisation, 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 rupees One crore
- Conversion of coal to coke and Coke (including Calcined Petroleum Coke).

2.5. Industrial Infrastructure and Land Bank

The Government of Assam maintains a Land Bank to promote industrial development. This Land Bank is regularly updated by including:

- Lands belonging to closed State Public Sector Undertakings (PSUs),
- Private lands located along designated industrial corridors, and
- Identified government lands suitable for industrial use.

The State also encourages private developers to establish industrial townships, estates, and clusters to expand industrial infrastructure across Assam.

2.6. Ease of Doing Business in Assam

The Assam Ease of Doing Business Act, 2016, enacted in June 2016, provides the legal foundation for simplifying and digitizing business processes in the state.

A comprehensive Single Window Clearance System has been established, through which all industrial proposals are to be submitted, processed, and approved online.

This initiative ensures faster clearances, greater transparency, and improved investor confidence under the Ease of Doing Business framework.

2.7. Power

The State Government is committed to ensuring adequate and reliable power supply to all industries, industrial estates, and parks as per their operational requirements.

It actively encourages investments in both conventional and renewable energy sectors and provides necessary assistance to investors engaged in power generation.

The objective is to maintain a steady and high-quality power supply that supports industrial growth and promotes sustainable energy development in Assam.

2.8. Brand Assam

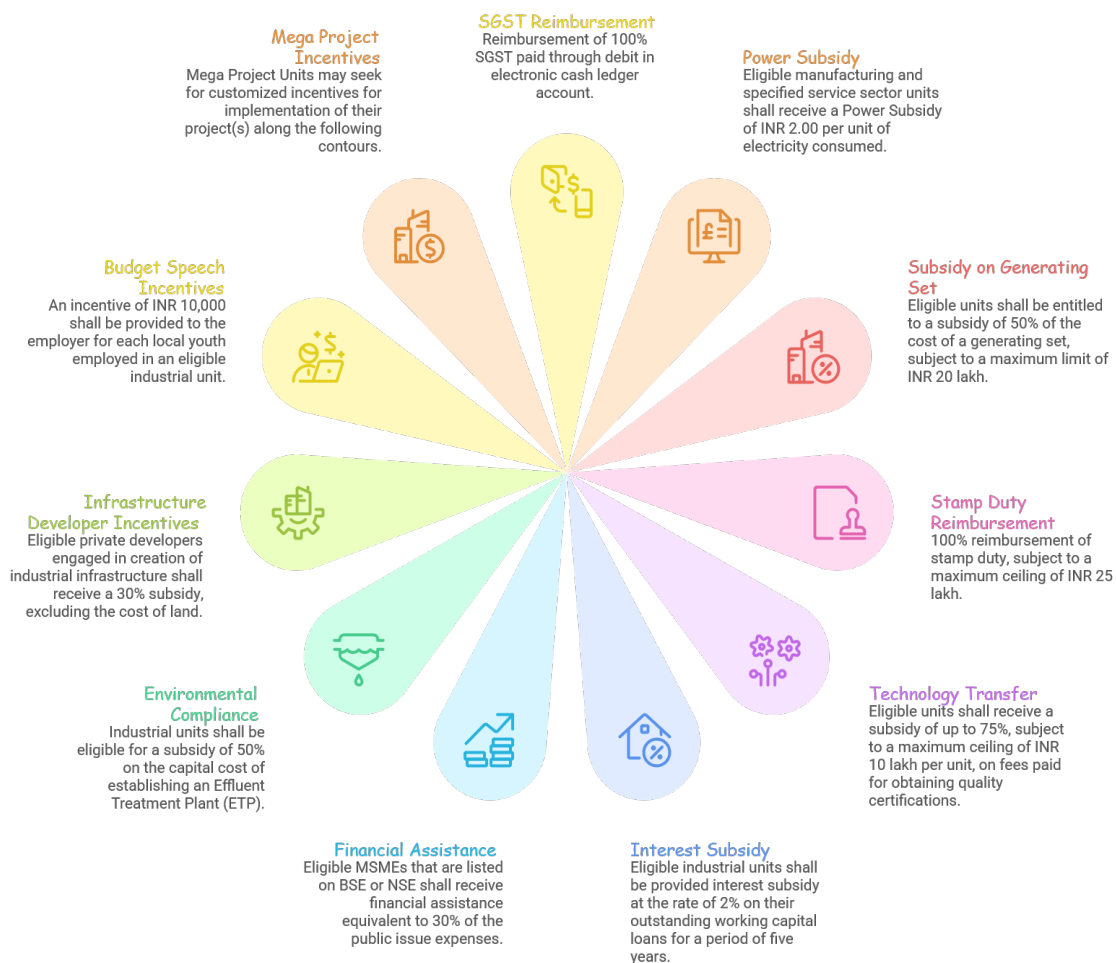
To strengthen the industrial identity and brand image of Assam, the Government proposes extensive participation in national and international trade fairs, conferences, and exhibitions showcasing the state’s investment potential.

Regular roadshows and promotional events will also be organized within India and abroad to attract investors, highlight Assam’s strengths, and position the state as a dynamic and competitive industrial destination.

3. POLICY FEATURES & INCENTIVES

3.1. SGST reimbursement:

Policy Features & Incentives





Reimbursement of 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:

In the case of a Mega Industrial Unit that receives customized or special incentives, the maximum monetary ceiling of such incentives shall not exceed 200% of the fixed capital investment of the unit.

The tax reimbursement benefits granted under this policy shall be subject to the condition that after availing such benefits, the unit must continue its operations or production for at least five (5) consecutive years, maintaining a production level not below 75% of the average production achieved during the preceding five (5) years.

If the unit fails to comply with this condition, it shall be required to refund the entire amount of tax reimbursement availed during the eligible period, as if no such benefit had been granted.

Provided that, this clause shall not apply if the shortfall in production is satisfactorily explained to the competent authority as having occurred due to circumstances beyond the unit's control.

Provided further that, before any recovery is initiated under this clause, the concerned unit shall be given a reasonable opportunity of being heard.

3.2. Other Incentives

Power Subsidy

Eligible manufacturing and specified service sector units shall receive a Power Subsidy of INR 2.00 per unit of electricity consumed, effective from the date of commencement of commercial production, subject to a maximum limit of INR 50 lakh per annum and not exceeding 100% of the total investment in plant and machinery, whichever is lower.

This benefit shall be available only to units connected to the Assam Power Distribution Company Limited (APDCL). Consumption from other sources such as open access supply, captive generation, or any alternate source shall not be eligible.

All beneficiary units must first pay their electricity bills to APDCL and subsequently submit reimbursement claims to the Industries and Commerce Department at prescribed intervals.

The power subsidy shall be calculated based on the total units consumed during the claim period at the applicable rate, excluding all other charges such as load security, interest, taxes, or penalties.

Timely and regular payment of APDCL bills shall be a pre-condition for availing the power subsidy under this policy.

3.3. Subsidy on Generating set

Eligible units shall be entitled to a subsidy of 50% of the cost of a generating set, subject to a maximum limit of INR 20 lakh.

This subsidy shall cover the cost of the generating set, taxes, and transportation only, and is applicable only if the DG set capacity is equivalent to the power sanctioned for the unit by the competent authority.

3.4. Stamp Duty Reimbursement

- 100% reimbursement of stamp duty, subject to a maximum ceiling of INR 25 lakh.
- This benefit shall not apply to agricultural land, nor to land used for manufacturing activities within urban areas.
- Reimbursement shall be available only for land exclusively used to establish a manufacturing facility or hotel, as defined under the Assam Industries (Tax Reimbursement for Eligible Units) Scheme, 2017.

3.5. Technology Transfer and Quality Certification, ZED Certification

Eligible units shall receive a subsidy of up to 75%, subject to a maximum ceiling of INR 10 lakh per unit, on:

- Fees paid for obtaining quality certifications such as BIS, ISO, FSSAI, AGMARK, HALLMARK, SILK MARK, ZED, etc., and
- Fees paid for obtaining technical know-how or technology transfer from recognized national or international research laboratories, technical institutes, or universities, including organizations such as CFTRI and CIPET.

3.6. Interest Subsidy on Working Capital Loan

Eligible industrial units shall be provided interest subsidy at the rate of 2% on their outstanding working capital loans for a period of five years, subject to a maximum ceiling of INR 50 lakh, and not exceeding 100% of the investment made in plant and machinery.

The subsidy shall be admissible only for loans obtained from recognized Banks or Financial Institutions, and not for private borrowings.

3.7. Financial assistance to MSMEs listed in Stock Exchange

Eligible MSMEs that are listed on BSE or NSE shall receive financial assistance equivalent to 30% of the public issue expenses, subject to a maximum ceiling of INR 5 lakh per unit.

3.8. Assistance for Environmental Compliance

Industrial units shall be eligible for a subsidy of 50% on the capital cost of establishing an Effluent Treatment Plant (ETP), subject to a maximum of INR 25 lakh per unit. This benefit shall not be applicable to the hotel industry.

3.9. Incentives to Private Sector Infrastructure developer

- Eligible private developers engaged in creation of industrial infrastructure shall receive a 30% subsidy, excluding the cost of land, subject to a ceiling of INR 3 crore, for projects covering a minimum of 30 acres.

The subsidy amount shall be released only after the project is completed and achieves at least 30% occupancy within the industrial park.

- The State Government may grant special dispensation to projects with fixed capital investment exceeding INR 1,000 crore or generating a minimum of 2,000 regular employment opportunities.

3.10. Incentives as per budget Speech of 2019-20

- An incentive of INR 10,000 shall be provided to the employer for each local youth employed in an eligible industrial unit, as part of the state's employment promotion measures.

3.11. Customised Incentives for Mega Projects

Mega Project Units (Minimum Investment of Rs 100 Crore and 200 numbers of permanent employment) may seek for customized incentives for implementation of their project(s) along

the following contours:

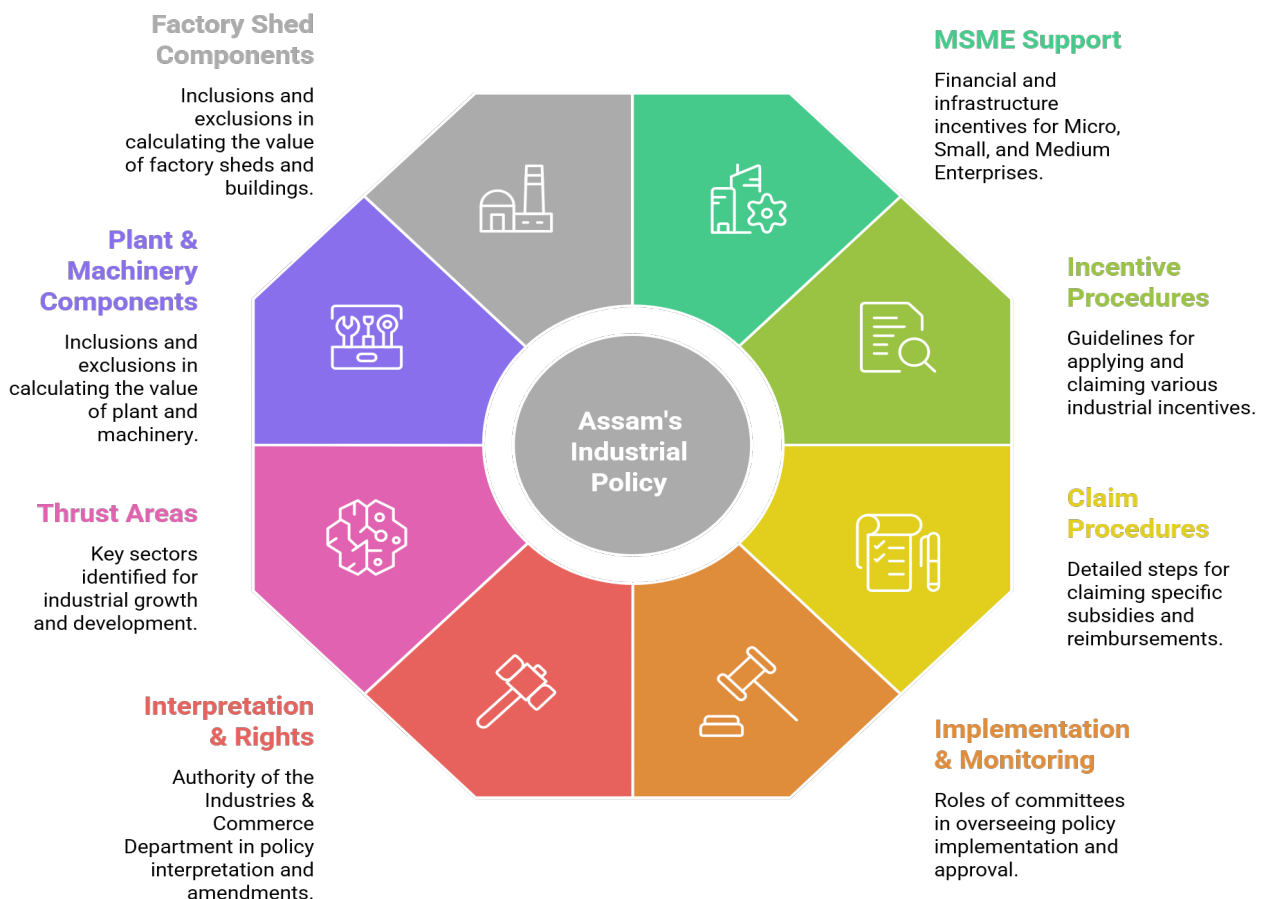
- Capital Investment/ Production Linked Subsidy
- Subsidy on Power Tariff
- Subsidy on Land
- Subsidy on Drawl of Power Lines
- Stamp Duty Reimbursement
- Employment/Payroll Subsidy
- Any other incentive including government assistance for Road Connectivity, Power line installation and providing utility support.

Conditions for customized Incentives for Mega Projects

- The minimum initial investment must be Rs.100 Crore;
- The minimum requirement of 200 employments which may be relaxed by Empowered Committee in case of special nature of the Industry Service;
- 90% of the grade III/IV and non-skilled employment shall be for the candidates of the state.

4. FOCUSED AREAS FOR THE POLICY

Assam's Industrial Policy Framework



4.1. Provisions related to Micro, Small and Medium Enterprises (MSMEs)

MSMEs are recognized as the backbone of Assam's industrial ecosystem and receive special priority in fiscal incentives and infrastructure support.

- All new MSME units established on or after 1st September 2019 shall be eligible for financial incentives under this policy.
- Existing MSME units undertaking expansion, modernization, or diversification of their operations may also qualify for incentives, subject to fulfilment of prescribed conditions.
- MSMEs operating in thrust sectors, including food processing, bamboo, jute, plastics, pharmaceuticals, IT/ITeS, textiles, and rubber, shall be entitled to enhanced benefits and simplified approval procedures.
- State GST (SGST) reimbursement shall be available to MSMEs for a period of up to 15 years, depending on the level of investment and employment generated, to promote long-term competitiveness.
- Interest subsidy shall be provided at the rate of 2% on outstanding working capital loans for a period of five years, subject to a maximum ceiling of INR 50 lakh per unit.
- Power subsidy shall be granted at the rate of INR 2 per unit of electricity consumed for a period of five years, subject to a maximum limit of INR 50 lakh per year.
- Capital investment subsidy shall be available to all MSME manufacturing and service units on fixed capital investments, including land, buildings, and plant & machinery in accordance with the provisions of this policy.

4.2. Procedure for Availing the Incentives

- Ensure the industrial unit is a new unit and meets all basic eligibility criteria, including sector-specific requirements.
- Ensure compliance with local employment mandates: minimum 80% people of Assam in the managerial cadre and minimum 90% in the non-managerial cadre.
- Ensure all relevant investment payments were made through non-cash modes (payments made in cash are ineligible).
- Submit the EC application within 12 months (one year) from the date of the Commencement of Commercial Production (CCP).
- The unit must wait for the EC to be officially issued by the competent authority before claiming any incentives.

4.3. Claim Procedure:

Procedure for claiming different subsidies under the Policy is as indicated below:

a. Submission of Investment intension:

Any person who undertakes setting up a new unit shall furnish such information to the jurisdictional General Manager, District Industries & Commerce Centre (DICC) within 30 days in a prescribed format from the date of receipt of Acknowledgement of Industrial

Entrepreneurs Memorandum (IEM), Udyog Adhar, etc , as the case may be . Such person shall also submit a quarterly statement of investment expenditure incurred for quarters ending June, September, December and March of each financial year till commencement of commercial production in a prescribed format.

b. Claim procedure for State Goods and Service Tax (SGST) reimbursement:

The claim procedure for State Goods and Service Tax (SGST) reimbursement will be as per Finance (Taxation) Department Notification No. FTX.113/2017/72 dtd. 19.01.2018 or other notification to be issued by the Finance Department from time to time.

c. Claim Procedure for all Incentives other than SGST reimbursement :

- i. Eligible units shall apply online / offline , as applicable , for incentives other than SGST reimbursement , within 6 (six) months from the date of issue of Eligibility Certificate.
- ii. Unit shall apply in prescribed application form online/offline, as applicable, on quarterly basis to the concerned District Industries & Commerce Centre (DICC). The same shall be scrutinized and forwarded to the SLC with all relevant documents for approval. On approval of the proposal/s, same shall be forwarded to Government for sanction. The amount of subsidy shall be released through APDCL for necessary adjustment of bill/s of the unit/s.
- iii. The Subsidy on Generating set shall be given to the unit based on actual cost of Generating set. Copy of the Eligibility Certificate, copy of Tax Invoice for purchase of Generating Set, bank statement for payment and approval of Electrical Inspectorate for installation of Generating set are to be uploaded along with the claim.
- iv. The Stamp Duty Reimbursement, shall be based on the actual Stamp Duty paid for purchase of land and execution of lease deed agreement. Copy of the Eligibility Certificate, receipt of registration fee & copies of the deeds are to be uploaded along with the claim.
- v. The Technology Transfer and Quality Certification, ZED Certification subsidy shall be given based on the actual fee paid for Technology Transfer and Quality Certification. Copy of the Eligibility Certificate, Copy of MOU/agreement executed with the organization providing Technical Know-how/Quality Certification, Tax Invoice from the concerned agency along with bank statement for payment are to be uploaded along with the claim.
- vi. The Interest Subsidy on Working Capital Loan shall be given based on the Certificate from the Bank. Copy of the Eligibility Certificate & copy of Bank Certificate are to be uploaded along with the claim. The amount shall be released through a designated bank.
- vii. The subsidy for listing in BSE & NSE shall be given based on the actual expenses incurred for Public Issue. As such, expenses certified by BSE/NSE are to be uploaded along with the claim.

- viii. The Assistance for Environmental Compliance shall be given based on the actual expenses incurred for setting up of effluent treatment plant. As such, Copy of the Eligibility Certificate, Tax Invoice & Bank Statement of payment for the effluent treatment plant along with certificate from Pollution Control Board, Assam are to be uploaded along with the claim.
- ix. After approval of the claim by the appropriate committee, the subsidy amount will be transferred through Direct Benefit Transfer (DBT) as per availability of fund.

4.4. Implementation and Monitoring

All incentives under this policy shall be claimed only after obtaining Eligibility Certificate from the prescribe committees given below;

District Level Committee (DLC) to consider grant of Eligibility Certificate as well as approval of subsidy to Micro Units (where the investment in plant and machinery is Rs.25 lakh or below):

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

State Level Committee (SLC) to consider grant of Eligibility Certificate as well as approval of subsidy to all Units other than Micro Units (Where the investment in plant and machinery is above Rs.25 lakh):

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

Terms of reference of the Committee/s:

- i. The Committee shall scrutinize the application/s and to approve the deserving proposals to issuance of Eligibility Certificate for all the fiscal and tax incentives under the policy. The Committee also scrutinizes and approved the proposals for fiscal incentives.
- ii. The Committee shall meet as and when necessary an at least once in a quarter.
- iii. The Chairman of the Committee may co-opt any expert/s, Officer for specific proposals.
- iv. At least five members including Chairman, Member Secretary and Commissioner Taxes shall be necessary for any sitting of the committee.
- v. The Member Secretary shall submit a report to the Government about the holding of meeting/s.
- vi. 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.

4.5. Interpretation:

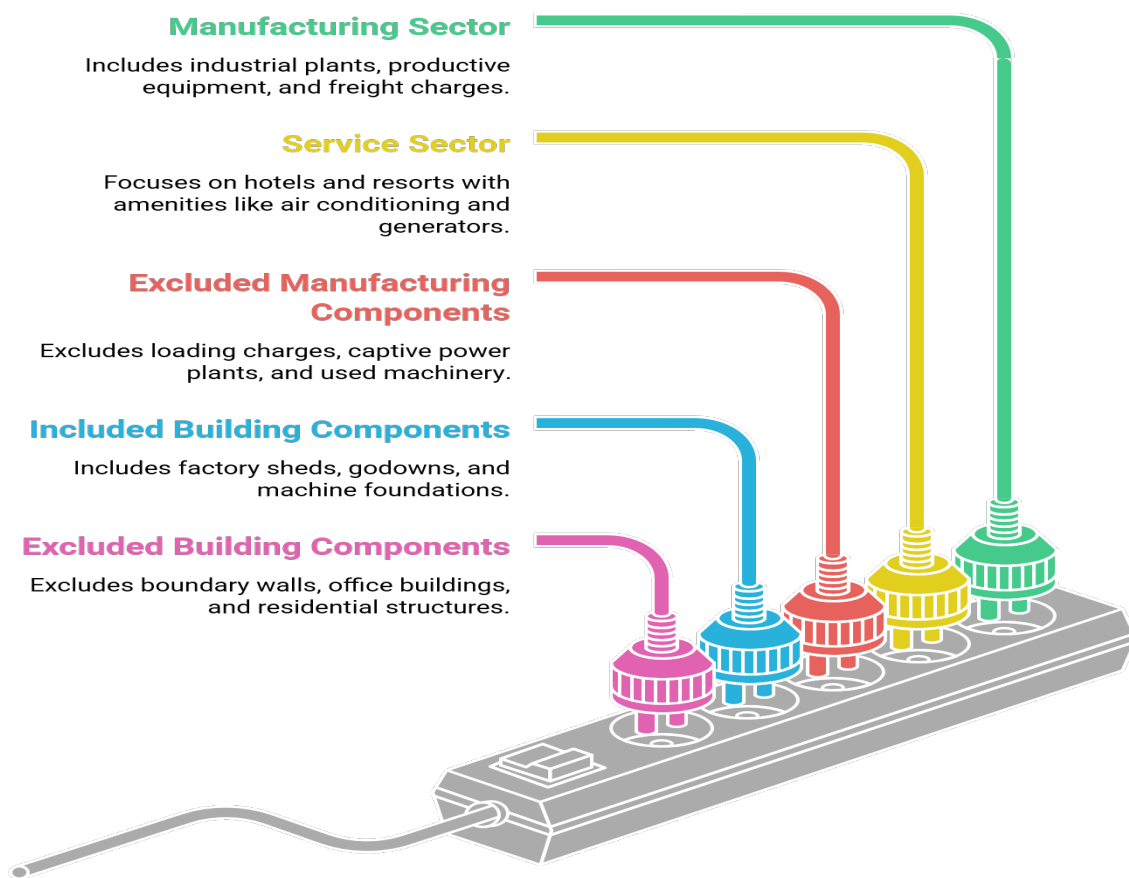
The decision of the Industries & Commerce Department, Government of Assam in regards to interpretation of any clause of the policy shall be final and binding.

4.6. Rights of the State Government:

- i. The Industries & Commerce Department, Government of Assam reserves the right to amend, modify, or withdraw any provision or incentive/subsidy under this policy whenever deemed necessary for the promotion of industrial development or in the interest of the general public of the State.
- ii. The Industries & Commerce Department also retains the authority to review, reconsider, or withhold the sanction or disbursement of incentives and subsidies to eligible industrial units. The decision of the State Government in this regard shall be final and binding on all concerned.
- iii. The Department further reserves the right to revise the list of non-eligible industries and to add or remove activities from the identified thrust sectors as may be required for the overall economic growth of the State and the protection of its environment and ecology.
- iv. The Industries & Commerce Department, Government of Assam shall have full authority to frame, revise, or amend rules and procedures for the implementation of this policy as and when necessary.

4.7. Thrust Areas

Plant and Machinery Valuation

i. **Manufacturing sector**

- Food processing Industries, Cold Chain & Cold Storage.
- Bamboo Industries
- Sugar Industries
- Jute Industries
- Plastic Industries
- Pharmaceuticals
- IT- ITES including Hardware , Software development , BPO, Call centre, data processing , website designing , etc.
- Textile
- Engineering
- Rubber
- Automobile

ii. Services sector

- Hotels/Resorts (3 Star and above)
- River cruise
- Generation of power through Green Technology

4.8. Components to be included for computing the value of Plant and Machinery**a) Manufacturing sector:**

- (i) Cost of Industrial Plant & Machinery including taxes and duties
- (ii) Cost of productive equipment's such as tools, jigs, dyes and moulds including taxes and duties
- (iii) Freight charges paid for bringing Plant & Machinery and equipment from suppliers premises to the location of the unit
- (iv) Transit insurance premium paid
- (v) Erection and installation charges to be restricted to the cost indicated in the Appraisal Note of the Financial Institution which provided loan to the unit.
- (vi) Laboratory testing equipments to be restricted to the cost indicated in the Appraisal Note of the Financial Institution which provided loan to the unit.
- (vii) Mining equipments to be restricted to the cost indicated in the Appraisal Note of the Financial Institution which provided loan to the unit.

b) Service Sector (hotels/ resorts above 3 star category):

- (i) Air conditioning plant and air-conditioning unit
- (ii) Hot Water plant
- (iii) Water treatment plant
- (iv) Generator set
- (v) Lift/Elevator/Escalator
- (vi) Laundry Equipment (other than household type)
- (vii) Dish washing plant
- (viii) Glass washing plant
- (ix) Kitchen equipments excluding crockery, cutlery and utensils
- (x) Exhaust system
- (xi) Water purification plant
- (xii) Sewage treatment plant
- (xiii) Firefighting equipment
- (xiv) Electric pump & motors
- (xv) EPABX system

- (xvi) Housekeeping equipment
- (xvii) Insect and Pest Killing equipment/machine
- (xviii) Health club/Beauty parlor / Barber shop equipment
- (xix) Explosive Detection Machine
- (xx) Security Alarm System
- (xxi) CCTV/Cable TV system with accessories
- (xxii) Plant and equipment for Water Sewage and Garbage Management
- (xxiii) Any other plant & machinery that is critical and directly connected to hotel industry

4.9. Components which will not be considered for computing the value of Plant & Machinery in the manufacturing sector:

- (i) Loading and unloading charges
- (ii) Miscellaneous fixed assets such as DG Sets, handling equipments, electrical components other than Electrical components necessary for plant operation on the plant side from where meter is installed up to the point where finished goods is to be produced/ dispatched (i.e. H.T. motors, L.T. motors, Switch boards, Panels, Capacitors, Relay, Circuit Breakers, Panel Boards, Switchgears).
- (iii) Commissioning cost
- (iv) Captive Power Plants
- (v) Storage equipments
- (vi) Weigh bridge,
- (vii) Second hand/used machinery/equipment

4.10. Components to be included for computing the value of Factory shed/Institutional Building:

- (i) Factory shed/institutional building (in case of Service Sector) {eligible investment to be restricted to prevalent APWD (B) Schedule of rates}.
- (ii) Raw material & Finished products godown attached to main factory shed//institutional building {eligible investment to be restricted to prevalent APWD (B) Schedule of rates}.
- (iii) Essential civil construction works like machine/equipment foundation {eligible investment to be restricted to prevalent APWD (B) Schedule of rates}.

4.11. Components not to be included for computing the value of Factory shed/Institutional Building:

- (i) Boundary wall & gate
- (ii) Approach road/internal road

- (iii) Land development
- (iv) Office building/Space utilized for office
- (v) Raw material/finished product godown situated at a different location other than Factory shed/Institutional Building
- (vi) Any residential building/rest house/guest house
- (vii) Canteen
- (viii) Labour rest room and quarters for workers
- (ix) Security/guard room or enclosure
- (x) Construction of weigh bridge
- (xi) Consultancy fee, taxes etc.
- (xii) Second hand/used Factory shed/Institutional Building (with or without renovation).

5. CONCLUSION AND STRATEGIC SIGNIFICANCE

The Industrial & Investment Policy of Assam (IIPA), 2019, amended in 2023, represents a major step by the Government of Assam toward transforming the state into a competitive industrial and investment destination. The policy focuses on attracting domestic and global investors through financial incentives, infrastructure support, ease of doing business reforms, and employment generation initiatives. The 2023 amendment further strengthened the policy by introducing customized incentives for mega projects with investments above ₹100 crore and significant employment potential.

The policy aims to promote balanced industrial growth, encourage MSMEs and large industries, improve investor confidence, and utilize Assam's strategic location as the gateway to Northeast India and Southeast Asian markets. Incentives such as SGST reimbursement, power subsidies, land-related benefits, and support for infrastructure development are designed to reduce operational costs and improve industrial competitiveness.

The amendment of 2023 also reflects Assam's shift toward a more flexible and investor-oriented industrial framework by allowing tailored support packages for mega investments. This has already contributed to increased investment proposals and employment opportunities in sectors such as petrochemicals, manufacturing, hospitality, EV components, and logistics.

6. Relevant Links & Contacts

IIPA 2019 Official Portal: aiinvestmentpolicy.assam.gov.in

Ease of Doing Business (EoDB) Portal: www.eodb.assam.gov.in

7. REFERENCES

- Official policy PDF, amendment note, Single Window, AIDC.

FAQs

1. What are the State's export promotion measures?

The policy promotes exports indirectly through Brand Assam and participation in national and international trade fairs and exhibitions to showcase state products globally. It also aims to attract foreign investment and encourage industries such as food processing, bamboo, jute, and tea with export potential.

2. Does the State offer subsidies or incentives for specific industries?

Yes. The policy identifies thrust sectors including food processing, bamboo, jute, plastics, pharmaceuticals, IT-ITES, textiles, engineering, and rubber industries. These receive priority incentives such as SGST reimbursement, power subsidy, interest subsidy, and technology transfer support.

3. What are the State's export promotion measures?

The "Brand Assam" initiative promotes state products internationally through fairs, conferences, and roadshows to boost export visibility. The state also facilitates investor outreach via Invest Assam Foundation to attract and support export-oriented industries.

4. What funding or financial assistance is available for entrepreneurs?

Entrepreneurs can avail multiple financial supports such as:

- SGST reimbursement (up to 250% of FCI)
- Power subsidy @₹2/unit
- Interest subsidy @2% on working capital loans
- Subsidy for ISO/BIS certification (up to ₹10 lakh)
- Assistance for MSME listing (30% of IPO cost up to ₹5 lakh)
- Subsidy for effluent treatment plants (up to ₹25 lakh)

5. How can startups/MSMEs benefit from incubation and innovation support?

MSMEs benefit through Invest Assam Foundation, which provides facilitation, guidance, and investment promotion. They also get subsidies, quality certification support, and assistance for environmental compliance to improve competitiveness and innovation.

6. Are there tax exemptions or financial relaxations under this policy?

Yes. The key tax benefit is 100% reimbursement of SGST for 15 years (up to 200–250% of fixed capital investment). Mega units may get customized incentives up to 200% of fixed investment.

7. Which nodal agency/department implements this policy?

The Department of Industries & Commerce, Government of Assam is the nodal agency, supported by District Industries & Commerce Centres (DIC) and Invest Assam Foundation for investor facilitation.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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Startup Portal:
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