

Modification Transport Subsidy Scheme (TSS) and Freight Subsidy Scheme (FSS)

No: F.No.11(5)/2009-DBA-II/NER dated 22nd November, 2016

- Discontinued the Freight Subsidy Scheme (FSS) w.e.f 22nd November, 2016. The scheme was launched w.e.f 22nd January, 2013 for a period of 5 (five) years , i.e valid upto 21st January, 2018. Units registered under the FSS will continue to get the subsidy and there shall be no registration on or after 22nd November, 2016.
- In case of Transport Subsidy Scheme (TSS), units registered prior 22nd January, 2013 will continue to be eligible for residual benefit.
- NEDFi is longer a Nodal Agency for disbursement w.e.f 22nd November, 2016 , the amount due to the industrial unit shall be paid through Direct Benefit Transfer (DBT) mechanism and to be credited to the bank account of the industrial unit.
- Role of NEDFi as Nodal Agency , shall be continued in all other respect as before.

Modification of NEIIPP, 2007

No: F.No.10(3)/2007-DBA-II/NER dated 22nd November, 2016

1. Registration of new units under NEIIPP, 2007 was suspended w.e.f 1/12/2014.
2. Industrial units registered prior 1/12/2014 would continue to get benefit.
3. Units applied for registration on or after 1/12/2014 is allowed to register themselves at DICC but they will get the benefit in revised norms, viz:

A. Interest Subsidy on Term Loan instead of Interest Subsidy on working Capital.

This is now modified as follows:

- Instead of 3% Interest subsidy on working capital , industrial units registered after 1/12/2014 , may avail the benefit on Term Loans for 5-10 years. (i.e maximum 10 years)
- Term loans would be limited upto Rs.10 Cr.
- Rate of interest should be above PLR of upto 3% pa.
- The subsidy due every year will e accumulated in separate account and adjusted against the outstanding loan/interest due at the time of closer of term loan.

In earlier scheme , the scheme was open for any kind of Cash Credit/Working capital Loan and no upper limit.

B. Central Capital Investment Subsidy with a limit:

Now **Central Capital Investment Subsidy @30%** is subject to a limit of Rs.5 Cr in case of Manufacturing sector and Rs.3 Cr in case of Services sector. (Earlier , there was no upper limit of subsidy.)

Modification of Transport Subsidy Scheme, Freight Subsidy Scheme (FSS) and NEIIPP, 2007

Sl	Item/s	Original	Revised as per new Notifications dated 22nd November	Remarks
1	Transport Subsidy Scheme			No Change . Continue to get the residual benefit
2	Freight Subsidy Scheme (FSS)	Effective from 22/1/2013 to 21/1/2018	Scheme is discontinued w.e.f 22/11/2016 (i.e 22/1/2013 to 22/11/2016 only)	(1) No registration under FSS w.e.f 22/11/2016. (2) Units registered on or before 22/11/2016 will continue to get the benefit.
3	Registration under NEIIPP'2007	Suspended w.e.f 1/12/2014	Now allow to get register but incentives would be in revised scheme	Units may register themselves at DICC
4	Interest Subsidy	3% interest subsidy on working capital for a period of 10 years without limit.	(1) Interest Subsidy on Term Loan above PLR of upto 3% (2) 5 to 10 years depending on maturity of Term Loan. (3) Limit of Term Loan should not be more than Rs.10 Cr.	This is available for the units registered after 1/12/2014.
5	Capital Investment Subsidy	30% Capital Investment Subsidy , without upper limit.	Limit set as follows: (1) manufacturing unit @ 30% with a limit of Rs.5 Cr. (2) Service Sector @ 30% with a limit of Rs.3 Cr.	This is available for the units registered after 1/12/2014.
6	Role of NEDFi as a Nodal Agency	Disbursement through NEDFi only	Direct benefit Transfer (DBT) to units	Except disbursement, other role of NEDFi will continue.