

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 701.
TO BE ANSWERED ON FRIDAY, THE 05TH DECEMBER, 2025.**

INDUSTRIALIZATION IN NORTH EASTERN REGION

701. SHRI BIRENDRA PRASAD BAISHYA:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the current status of industrialization in the North Eastern Region of India, particularly in the States of Assam, Nagaland, Meghalaya, Arunachal Pradesh, Manipur, Mizoram, Tripura, and Sikkim;
- (b) the specific steps Government has taken to promote entrepreneurship and create job opportunities in the North Eastern Region, especially for the local youth; and
- (c) the incentives and financial support being provided to industries that wish to set up in the North Eastern States, particularly in terms of tax benefits, subsidies, and ease of doing business?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a): Industry is a State subject. Government of India, through the Department for Promotion of Industry and Internal Trade (DPIIT) and other Central Ministries/Departments, provides an enabling eco-system for the overall industrial development of the country through appropriate policy interventions.

As per the Annual Report 2024-25 of the Ministry of Micro, Small and Medium Enterprises, more than 15.43 lakh MSME units (both manufacturing and service) in agro-based industries, food processing, textiles, handlooms, handicrafts, and emerging entrepreneurship initiatives are registered in NER states. The state-wise list is placed at (**Annexure-I**). Further, Assam has recently attracted significant investment, including MoUs for nearly INR 2.85 lakh crores during the Advantage Assam 2.0 Summit (2025).

- (b): The Department for Promotion of Industry and Internal Trade has initiated various Schemes, namely, Uttar Poorva Transformative Industrialization Scheme (UNNATI – 2024), North East Industrial Development Scheme (NEIDS), 2017, North East Industrial and Investment Promotion Policy (NEIIPP), 2007, Scheme of Budgetary Support under the GST regime, 2017, to promote Industrialization in the North Eastern Region. As per the Ministry of Development of North East Region, the promotional events led by the Ministry have garnered approximately. 4.48 lakh crore INR investment interests through MOUs. Under the National Scheduled Caste/Scheduled Tribe Hub Scheme in the Northeast, the Ministry of Micro, Small

and Medium Enterprises has benefitted 13523 of 1,57,162 existing and aspiring SC/ST entrepreneurs. The Ministry of Food Processing implements the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), the Production-linked Incentive Scheme for the Food Processing Industry (PLISFPI), and the Centrally Sponsored PM Formalization of Micro Food Processing Enterprises Scheme (PMFME) to promote food processing industries in the states. There are various incentives provided under the Startup India Initiative for promoting startups across the country, including in the Northeast states.

- (c): The incentives and financial support that are being provided to industries that wish to set up in the North Eastern states, particularly in terms of tax benefits and subsidies, are placed at **Annexure-II**.

ANNEXURE-I

**ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE RAJYA SABHA
UNSTARRED QUESTION NO. 701 FOR ANSWER ON 05.12.2025.**

Table: State-wise distribution of Udyam Registration as on 31st December, 2024

S. No	State	Micro	Small	Medium	Total
1	Assam	972486	9895	866	983247
2	Arunachal Pradesh	29176	397	36	29609
3	Manipur	123946	676	38	124660
4	Meghalaya	37737	501	60	38298
5	Mizoram	41054	201	11	41266
6	Nagaland	51290	244	17	51551
7	Sikkim	23560	195	19	23774
8	Tripura	249701	998	73	250772

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 701 FOR ANSWER ON 05.12.2025.

1. Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024

Various benefits provided under the Scheme are as under:

CAPITAL INVESTMENT INCENTIVE: (CII) - for new & existing units with substantial expansion.

Where GST is applicable:

Zone A: 30% with upper limit of Rs. 5 Cr.

Zone B: 50% with upper limit of Rs. 7.5 Cr.

Where GST is not applicable:

Zone A: 30% with cap of Rs. 10 Cr.

Zone B: 50% with cap of Rs. 10 Cr.

CENTRAL INTEREST SUBVENTION (CIS) - for new unit & existing units with substantial expansion.

Zone A: 3% for 7 years

Zone B: 5% for 7 years

MANUFACTURING & SERVICES LINKED INCENTIVE (MSLI) - for new units only.

In the form of reimbursement of net payment of GST for a period of 10 years

Zone A: 75% of eligible value of investment in P&M

Zone B: 100% of eligible value of investment in P&M

2. North East Industrial Development Scheme (NEIDS), 2017*:

Various benefits provided under the Scheme are as under:

1	Central Capital Investment Incentive for access to credit (CCIIAC)	30% of the investment in Plant & Machinery with an upper limit of Rs.5 Cr.
2	Central Interest Incentive (CII)	3% on working capital credit advanced by Scheduled Banks or Central/State financial institutions for first 5 years from the date of commencement of commercial production/operation. The incentive will be so restricted as to ensure that subsidized interest rate is not below the Marginal Cost of funds-based Lending Rates (MCLR) of the lending institution.
3	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.

4	Income Tax (IT) Reimbursement	Reimbursement of Centre's share of income tax for first 5 years including the year of commencement of commercial production.
5	Goods and Services Tax (GST) Reimbursement	Reimbursement up to the extent of Central Govt. Share of CGST and IGST for 5 Years.
6	Employment Incentive (EI)	Additional 3.67% of the employer's contribution to 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).
7	Transport Incentive (TI)	<p>20% of the cost of transportation including the incentive currently provided by Railways/ Railway PSU for movement of finished goods by rail from the railway station nearest to industrial unit to railway station nearest to the location of the buyer.</p> <p>20% of cost of transportation for finished goods for movement through Inland Waterways Authority of India from the port nearest to the location of industrial unit to the port nearest to the location of the buyer.</p> <p>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, nearest to the location of the buyer.</p>

3. North East Industrial and Investment Promotion Policy (NEIIPP), 2007*:

Various benefits provided under the Scheme are as under:

Central Capital Investment Subsidy Scheme, 2007: - The Scheme provided for subsidy @ 30% of the investment in plant and machinery or additional investment in Plant and Machinery by way of substantial expansion to all new units as well as existing units which go in for substantial expansion. The scheme was revised on 22.11.2016 and the subsidy was limited to Rs. 5.00 crore per industrial unit operating in manufacturing sector and Rs. 3.00 crore per industrial unit operating in services sector.

Central Interest Subsidy Scheme: - The Scheme provided for interest subsidy @ 3% on the working capital loan availed by an eligible unit from scheduled banks or Central/State financial institutions for a maximum period of 10 years from the date of commencement of production. The scheme was later revised w.e.f. 22.11.2016 and the interest subsidy was available only on term loans of 5-10 years maturity taken to finance capital expenditure on setting up of industrial units or for capital expansion on substantial upgradation / modernization. The interest subsidy was limited to term loans up to Rs. 10.00 crore to subsidize cost of borrowing above Prime Lending Rate (PLR) to the extent of up to 3% p.a. so as to ensure that post- subsidy interest rate does not fall below the PLR of the concerned bank or financial institution.

Central Comprehensive Insurance Scheme: - The Scheme provided for reimbursement of 100% insurance premium for a maximum period of 10 years from the date of commencement of production.

100% Income Tax exemption for a period of 10 years from the date of commencement of commercial production.

Excise Duty exemption on value addition basis for a period of 10 years from the date of commencement of commercial production.

*both these schemes are in the grand parenting phase

4. The Scheme of Budgetary Support under Goods and Services Tax Regime to the eligible units located in States of Uttarakhand, Himachal Pradesh, North East including Sikkim, Union Territory of Jammu & Kashmir and Union Territory of Ladakh.

Benefits under the scheme are available to the 'eligible units' for a definite period of time 'not exceeding ten years from the date of commencement of commercial production'. The support under the scheme is in the 'nature of grant' and limited to Central Government's share of CGST (58%) and/or GST (29%) retained after devolution of a part of these taxes to the states. This 58% has been fixed taking into consideration that at present Central Government devolves 42 % of the taxes on goods and services to the States as per the recommendation of the 14th Finance Commission.

5. One District One Product (ODOP)

Under the ODOP Initiative, 1200+ products have been identified from 775 districts of the country by the respective States/Union Territories (UTs), and the finalized list for the North Eastern States is placed below:

S. No.	State	Districts	Products
1	Arunachal Pradesh	27	27
2	Assam	35	41
3	Manipur	16	17
4	Meghalaya	12	17
5	Mizoram	11	16
6	Nagaland	16	33
7	Sikkim	6	21
8	Tripura	8	10

6. North Eastern Development Financial Corporation (NEDFi)

For development of the Micro and Small Enterprises (MSE) segment, NEDFi has taken initiative to identify and nurture potential first generation local entrepreneurs and provide finance on easy terms to them to set up viable industrial projects. During the year 2024-25, NEDFi's sanctioned and disbursed financial support for Rs. 882.98 crore.
