FAQ’S

Sectoral

Capital Goods

1. Where are the forms for 'project import scheme' available?

The general information and related forms relating to application for seeking concessional rate of customs duty under 'Project Import' Scheme can be found at the following link.

2. What is the capital goods skill council?

Department of Heavy Industry has been instrumental in setting up Capital Goods Skill Council. Through this organization National Skill Standards are being notified with the purpose of defining skill needs of the industry. This way training institutions will be able to impart skills which are valued by employers in Industry. The Council has been targeted to benefit 10 million people in this way.

3. What is the funding pattern under TAFP?

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4. What is Technology Acquisition Fund Programme (TAFP)?

TAFP will provide financial assistance to Indian capital goods industry to facilitate acquisition of strategic and relevant technologies and also development of technologies through contract route, in-house route or JV.

5. What is the capital goods policy 2016?

National Capital Goods Policy is envisaged to provide ecosystem for capital goods growth and
ensuring sustained incentive for domestic manufacturers to service domestic as well as export market demand.


The plan aims at assured availability of quality power at competitive rate which is a sine qua non for industrial and economic development. For an efficient and developed power sector in a country of India’s size, a strong domestic electrical equipment manufacturing base is essential.

7. Is there a focus on start-ups in capital goods sector?

One of the key recommendations of the National Capital Goods Policy is To create a ‘Start-up Center for Capital Goods Sector’ shared by Department of Heavy Industries and Capital Goods industry/industry association in 80:20 ratio to provide an array of technical, business and financial support resources and services to promising start-ups in both the manufacturing and services space.

8. What is Capital Goods in GST?

As per section 2(19) of CGST Act, Capital Goods means goods, the value of which is capitalized in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business.

9. What is the meaning of ‘Unavailed Cenvat Credit of Capital goods’ for the purpose of GST Act and Rules?

The expression ‘unavailed CENVAT credit’ means the amount that remains after subtracting the amount of CENVAT credit already availed in respect of capital goods by the taxable person under the existing law from the aggregate amount of CENVAT credit to which the said person was entitled in respect of the said capital goods under the existing law. For example, as per the existing provision of Cenvat Credit Rule, Cenvat credit on capital goods can be availed @ 50% on the year of purchase and 50% can be availed at any other subsequent year from the year of purchase. There is possibility that the unavailed cenvat credit be there on the appointment day.

10. What is DHI Capital Goods Scheme?
The DHI Capital Goods Scheme is a pilot scheme designed to support the industry to modernize technologies from current status to global level and beyond. For this two windows are provided. For those technologies, which are commercially not available for transfer, indigenous development at IITs and like institutions by a consortium of technology seekers grants support given upto 80% of the cost of development subject to maximum of $ 15.38 million per case within a budget of $ 38.46 million. Those technologies, which are commercially available and can be acquired by a company or a group of companies the scheme provides grant support upto 25% of the technology acquisition costs or $ 1.53 million whichever is less, within an overall budget of $ 7.69 million. The scheme also supports establishment of Common Engineering Facilities by a group of user industries. Upto 80% of the project cost could be given as grants. The Scheme also supports setting up one each of Test Centre for Earthmoving & Construction Equipments and Industrial Park. (100% upto $ 15.38 million and upto 80% subject to maximum of $ 19.23 million).

11. Who can apply for DHI Capital Goods Scheme?

Generally, a group of industry beneficiaries can make a proposal. Technology developers or infrastructure SPVs could also make a proposal which includes Central/State PSUs.