NOTIFICATION
Imphal, the 13th May, 2013

No. 48/3/2010-COM & IND: Whereas, the industrial environment in the State and other neighbouring States has undergone several changes since the issue of “The Industrial Policy of Manipur, 1996” on 27th November, 1996;

2. Whereas, it is considered necessary to replace the above mentioned policy of 1996 by a new one to provide for a progressive industrial policy for the State of Manipur;

3. Now, the Governor of Manipur is pleased to formulate and adopt an industrial policy namely, “The Industrial & Investment Policy of Manipur, 2013” as per annexure to the notification.


By orders & in the name of

Governor,

(O. Nabakishore Singh)
Principal Secretary to the Government of Manipur.

Memo No. 48/3/2010-COM & IND:
Imphal, the 13th May, 2013

Copy to:-
1. The Secretary to His Excellency, The Governor of Manipur.
2. The Secretary to Hon’ble Chief Minister, Manipur.
3. The PPS to Hon’ble Minister(Com & Ind), Manipur.
4. PS to all Ministers/Parliamentary Secretaries, Manipur.
5. The Chief Secretary, Govt. of Manipur.
6. PS to all Addl. Chief Secretaries/Principal Secretaries, Govt. of Manipur.
7. The Under Secretary, Govt. of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi – 110 011.
8. All Commissioners/Secretaries, Govt. of Manipur.
9. The Director of Printing & Stationery, Manipur. He is requested to publish the above Notification in the State Gazette (Extraordinary). 1000 copies may be furnished to this Govt.

11. All the Head of Departments, Manipur.
12. All GM, DICs, Manipur.

(H. Rosita)
Deputy Secretary(Com & Ind)
Government of Manipur.
THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2013
(IIPM, 2013).

Preamble:

The Government of Manipur aims to drive industrial growth by attracting private investments and provide an investment climate with better regulation by removing barriers to competition and growth. The investment climate is central to growth and outcomes for betterment of the society.

The State Government has introduced this Policy with various components being offered such as, incentives, improved infrastructure facilities, supply of quality power, and credit flow from Bank and Financial institutions, better market linkages and to boost investor confidence.

The policy is to provide an investor friendly environment for rapid industrial development in Manipur, to generate more employment opportunities and to have significant increase in the State Domestic Product, to explore and enhance the resource base of the State. The Policy is prepared keeping in mind the National Manufacturing Policy, 2011, the Look East Policy of the Government of India, the North East Industrial and Investment Promotion Policy-2007, Transport Subsidy Scheme, 1971(As amended from time to time), various schemes and Policy of the Government of India and shall remain in force up to 31st March, 2017 or before replacement by new Policy.
1. State Profile:

1.1: State Economy:

The annual average growth rate of the State was highest in 2009-10 with 7.6% and it was 2% which in 2006-07. The rates have been decreased to 6.1% and 6.2% (P) during 2010-11 and 2011-12 respectively. The per capita income however increased from Rs. 20,786 in 2004-05 to Rs. 36,085 (P) in 2011-12. Agriculture is the main occupation of the population. The number of MSME/units as on 31/3/2012 is 9,265 with an investment of Rs.80.57 crores and production value of Rs.321.97 crores providing direct employment to 50,264 Workers. Besides, there are large numbers of unregistered industrial units. The literacy rate of the State was 79.85 % as against the national average of 77.04 as per Census 2011.

The sectoral growth for 11th Five Year Plan shows that an Agricultural Service Sector crossed growth rate of 8% while that of industry was 3.4% only. The proposed target for 12th Plan (2012 -17) are 4%, 9.6% and 10% for agriculture, service and industry respectively.

The Economy of the State is characterised by high unemployment (6 lakhs in October, 2012), poverty (60%), low capital formation, inadequate infrastructure facility, communication bottlenecks, etc.

There are 12 Nationalised Banks with 53 branches operating in the State besides 28 Manipur Rural Bank branches, and other branches of Manipur Co-operative Banks, and Imphal Urban Co-operative Bank. The credit deposit ratio was around 37% in 2010-11 which is far lower than the National Level of 58%. The most bank branches are concentrated in Imphal West District.

The Gross State Domestic Product (GSDP) of the State for 2009-10 at current prices was estimated to be Rs.8,638 crores against Rs.7,649 crores for the year 2008-09 registering an increase of 12.93 percent. At constant(2004-05) prices, GSDP in 2009-10 is estimated at Rs.6,789 crores as against Rs.6,234 crores in the previous year showing an increase of 9.05 percent. The average annual exponential growth rates between 2004-05 to 2009-10 were work out to be 10.41 percent and 5.62 percent for current and constant prices respectively.

The Net State Domestic Product (NSDP) at current prices for the 2009-10 was at Rs.7,693 crores as compared to Rs.6,819 crores for 2008-09 registering an
increase of 12.83 percent over the previous year. Per capita income at current prices was worked out to be Rs.28,276 in 2009-10 as compared to Rs.25,539 in 2008-09 indicating an increase of 10.72 percent. The Net State Domestic Product (NSDP) at constant (2004-05) prices for the year 2009-10 was estimated at Rs.22,295 which was higher than that of the preceding year by about 7.03 percent.

1.2: The Linkages:

Manipur is connected with other parts of the country by road and air. The Asian highways AH1 and AH 2 pass through this State. The national highways No.2, 37 and 202 connects with the other parts of the country through Dimapur, Silchar and Jessamii respectively. The Imphal airport links with other parts of the country by 12 to 13 flights a day. The up-gradation of the airport is under active progress. The rail connectivity is likely to reach Imphal by 2016.

2. Vision:

The Government of Manipur desire Manipur to be a preferred destination for industrial and trade activities and achieving to the aspiration of the people of Manipur, thereby affording to –

(i) All round economic development and to improve living standards.

(ii) To create employment opportunities, skill development and self employment opportunities.

(iii) Optimal utilisation of both natural and physical resources.

3. Mission:

The State Government shall act as the facilitator and catalyst for emerging opportunities in the industries and trade sector in advantageous areas of Handloom and Handicraft, manufacturing and service enterprises across Micro, Small scale, Medium and Large scale units and for internal and international trade and commerce. The present Policy is to facilitate and provide an investor-friendly environment, provision for institutional support, credit flow and attractive incentive packages for optimum utilisation of existing resources to generate employment avenues for the people of Manipur. The Policy also aims at providing access to industrial infrastructure, development of market linkages, use of locally available raw materials,
ensuring adequate credit flow from bank and financial institutions, support from universities and technological institutions.

4. The objective of the Industrial Policy

The following are the objectives:

(a) Develop adequate infrastructures to ensure planned and accelerated industrial development.

(b) Promote maximum capital investment in the State for economic activities resulting in employment opportunities, improving standard of living of people at large and all-round development of the State.

(c) Strive for balanced development of all the districts.

(d) Promote export of items in which the State has comparative advantages over other States, based on raw materials and human skills.

(e) Take steps to promote handicrafts so as to preserve rich cultural heritage, traditions and customs of the State.

(f) Promote modernisation and technology up-gradation of existing industrial units.

(g) Encourage quality control, standardisation and competitiveness of local products.

(h) Promote eco-friendly industries.

5. Strategy:

The State Government in pursuit of the outlined objective has decided to adopt a new industrial strategy as detailed below:

(a) Take effective steps to promote industrial culture and create a secured environment for entrepreneurs.

(b) Expedite completion of the on-going industrial infrastructure development projects within a time frame.
(c) Accord priority to credit flow to all Enterprises by Commercial, Co-operative, Rural Banks, State Financial Corporation and Financial Institutions.

(d) Establish mechanisms to provide support and linkages for marketing.

(e) Develop Industrial Parks, Industrial Estates, Industrial areas, Special Economic Zones to provide integrated infrastructure to manufacturing units.

(f) The State Govt. shall establish a “Land Bank” for industrial use.

(g) Develop specific Handicraft Villages with common facility centers for the promotion of handicraft based on available local resources and skills.

(h) Provide necessary infrastructures for export and import. Take effective steps for establishment of Cold chains and Warehousing facilities.

(i) Create Enterprises Facilitation Committees with mandate to provide Single Window Clearance to all proposals from investors for establishing Manufacturing and Service Industries.

(j) Create an Industrial Infrastructures Development Authority of the State.

(k) Strengthen the State Financial Corporation.

(l) Conduct special drives to attract investment from investors from inside and outside the State.

(m) Accelerate exploration and mining of minerals for enhancing the resource base of the State.

(n) Provide a package of incentive industries not covered by the Central Government policies.

(o) Devise suitable schemes for self-employment of unemployed youths by setting up new ventures in manufacturing sectors.

(p) Take effective steps to promote Handloom & Handicraft.

(q) Take steps to promote Food Processing Industries.

(r) Provide schemes for grant of State Awards to the entrepreneurs.
(s) Encourage to promote establishing of industry based on medicinal plant resources.
(t) Tax concessions to attract investment.
(u) Universities and Institutions in Manipur shall start courses for study of languages of the South East Asian Nations and East Asia.
(v) Take steps to set up Export Facilitation Centres.

6. **Industrial activities identified as thrust areas.**

(a) **Agro based industry.**

The State Government is taking up various programmes for enhancing production of horticultural and agricultural produces. Keeping in view the edge the State has in agro-food processing sector, State Government will continue to give priority to agro-based industries, which will not only strengthen the agricultural base of the State but also will enhance employment opportunities. The units utilising locally available raw materials from organic farming in the State will be encouraged with enhanced incentives.

(b) **Bio-Technology industries.**

This is essentially a knowledge-based industry and can be taken up in view of qualified youths in this technology in our State with support from the university and other institutions. The State has a large varieties of orchids and can be taken up for commercial exploitation through tissue culture.

(c) **Floriculture.**

The eco-climatic factors in Manipur can be used for commercial exploitation of floriculture. Industrial activities for processing, storage and transport of flowers through cold chain will be encouraged.

(d) **Handloom and Handicraft.**

Handloom items made of cotton and silk for export to other states and abroad will be promoted. Plantation of raw materials for handicrafts for production of eco-friendly items for export will be taken up.
(e) **Silk and Sericulture.**

Production of high quality silk is a heritage of the people of Manipur. From plantation of feeds for the worm to production of yarn, weaving and apparels are available to the people of Manipur and the sector will be promoted.

(f) **Medicinal Plants.**

Medicinal plants found in Manipur have potential for exploitation. Drugs and pharmaceuticals units based on medicinal plants will be encouraged in Manipur.

(g) **Distillation of oils from aromatic plants.**

Distillation of oils from aromatic plants and value addition for production of aromatic and natural dyes will be encouraged.

(h) **Rubber processing.**

Keeping in view the climate suitable for rubber plantation in some parts of the State, rubber processing will be encouraged.

(i) **Bamboo processing.**

Manipur is a predominantly bamboo growing State. Bamboo Park for industrial production of building materials with bamboo as raw material shall be set up.

(j) **Dairy and allied products.**

There is large demand - supply gap of milk and allied dairy products in the State, this sector needs to be encouraged. Industrial activities for processing of milk and milk products shall be encouraged.

(k) **Meat processing unit.**

There is growing consumption of meat and meat products in the state and neighbouring states, value addition of processing meat in industrial units will be encouraged.

(l) **Mineral based industries.**

Manipur is rich in minerals. Mineral based industries, like cement plant, chromites extraction units, are possible. Mining Lease will, as far as possible,
be given to the firms who have plans to set up industries with the minerals as raw material.

(m) Information Technology.

The State has advantage in IT and IT-enabled services because of the availability of English speaking and technically trained youths. Firms in IT sector will be encouraged.

(n) Manufacturing of construction material.

In view of employment generation and economic viability provided by brick fields, stone crushing, etc. to meet the demand for building construction, such units will be encouraged.

(o) Trade and Commerce under Export Import mechanisms.

Manipur is located in an advantageous location for trade & commerce in South East Asian context. In view of advantages available, Research & Development in marketing, infrastructure development and related matters will be promoted under the Policy.

7. Negative list.

(i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.

(ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).


(iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985(5 of 1986) produced by petroleum oil or gas refineries.

(v) Large and Medium Scale enterprises, generating employment for less than 20(twenty) persons on the pay roll.
(vi) Enterprises manufacturing Essential Commodities being sold through public distribution system.

(vii) Any other industry/activity notified by the State Government for inclusion in this list.

8. Policy Framework:

(1) The policy accords top priority on the completion and commissioning of the ongoing industrial infrastructure development projects within a time frame.

(2) The State Government will undertake development of Industrial infrastructures in every District and at advantageous locations.

(3) The MANIDCO/State Financial Corporation will be strengthened.

(4) The Industrial Infrastructure Development Authority will be established.

(5) Government will adopt an integrated approach to infrastructural support and development in addition to up-gradation of basic facilities at the Industrial Estate, Takyelpat, completion of Food Park, and setting up of Textile Park / Park at suitable locations, new industrial estates, industrial areas, industrial clusters, identification and development of Growth Poles.

(6) The State Government will encourage creation of supportive infrastructures like cold storage, packing houses, warehouses, pre-cooling facilities, refrigeration, etc. at various identified locations of the State.

(7) The State Government will encourage all manufacturing sectors except for the items in the negative list, and the eligible enterprises will be provided admissible incentives and support.

(8) The State Government will encourage mineral exploration and mineral based industry. A separate “State Mineral Policy” will be framed.

(9) The State Government will encourage trade with neighboring countries as well other countries.
9. **Single Window Agency:**

The State Government will set-up an agency for providing Single Window Clearance.

(a) **CLEARANCE MECHANISM:**

There shall be a Committee, known as "Green Channel Committee", chaired by the Secretary in charge of Commerce & Industries, Govt.of Manipur, to provide clearances to projects. The following is the composition of the committee.

1. The Secretary (Com. & Industries), Government of Manipur  
2. The Secretary (Finance), Government of Manipur  
3. The Secretary (Forest & Environment), Government of Manipur  
4. The Secretary (Revenue), Government of Manipur  
5. The Secretary (Transport), Government of Manipur  
6. The Secretary (Power), Government of Manipur  
7. The Secretary (Law & Legislative Affairs), Government of Manipur  
8. The Secretary (Planning), Government of Manipur  
9. The Manipur Pollution Control Board, represented by the Secretary of the Board,  
10. The Director of Commerce and Industries, Government of Manipur,

The Chairman of the Committee is empowered to co-opt experts for a particular meeting wherein the presence of the latter is considered useful.

10. **Definitions:**

(a) ‘Existing Industrial Unit’ / ‘Enterprise’ means an industrial unit which has already commenced commercial production or which has taken effective steps prior to the date of enforcement of the Manipur Industrial and Investment Policy, 2013.

(b) An enterprise which started commercial production on or after the date of enforcement of the Policy by the State Government would be considered as a new Industrial unit / Enterprise.

(c) ‘Substantial Expansion’ means increase in the value of fixed capital investment of an industrial unit / Enterprise by not less than 25%, for the purpose of expansion of capacity / modernisation / and diversification.
(d) 'Fixed Capital Investment' means investment in land, building, plant and machinery for commercial production. The method for assessment will be notified separately.

(e) The Micro, Small and Medium enterprise will be as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The 'Large Enterprise' means an enterprise, with an investment ceiling as may be prescribed by the Government of India, from time to time; or in absence of such prescription, as may be defined by the State Government, above the prescribed investment limit of Medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(f) Export Oriented Unit (EOU) means an Industrial Unit exporting at least 30% of its annual production by the end of the 3rd year from the date of its commencing production. Such a unit may be termed as an "Export Oriented Unit" (EOU) for the purpose of the Manipur Industrial and Investment Policy, 2013.

(g) 'Industrial unit' is a unit engaged in manufacturing activities.

(h) "State Government" means the Government of Manipur.

(i) "Year" means unless otherwise specifically stated and not repugnant to the context, the financial year; commencing from the first day of April and ending on the thirty-first day of March following.

11. Incentives / Subsidies.

11.1: The capital investment subsidy available to a new industrial unit / enterprise under the policy shall be at the rate of 30% (thirty per cent) on the capital investment on plant & machinery, except for the enterprises indicated under para 11.1(a) & (b). The incentives/ subsidies shall be provided to manufacturing sectors only. The details of incentives/subsidies are indicated in Annexure-1.

(a) All eligible Units/Enterprises set up in Border Areas within 40(forty) Kms from the international border or at the location identified by the State Government as the international border areas and Export Oriented Units /enterprises at identified locations, shall be entitled to additional State
Capital Investment Subsidy of 15%(fifteen percent) provided such additional incentives shall not exceed Rs.50.00 lakhs per unit.

(b) All eligible Units/Enterprises set up by women entrepreneur or persons with disability shall be entitled to an additional State Capital Investment Subsidy of 10% (ten percent) subject to a ceiling of Rs.5.00 (five) lakhs per such unit whichever is less.

11.2: All incentives payable under scheme of this Policy shall be paid through the Financial Institution / Bank financing the project or in case of self financed projects, into a bank account of the applying enterprise. The requisite account and other formal arrangements for which to be tied up by the entrepreneurs in agreement with the concerned financial institution or bank and intimated to the Department of Commerce & Industries, at the time of submitting claim application for grant of incentives and also at the time of releasing that incentives.

11.3: The incentive/subsidy under the policy shall be applicable to all Micro, Small, Medium and Large enterprises which commence their commercial production in the State, from the date of enforcement.

11.4: The subsidy under the Policy shall be released to the enterprises / unit only after its commencement of commercial production.

11.5: The claim for grant of subsidy from the enterprise / unit should be submitted to the concerned District Industries Centres within one year from the date of its commercial production. However, the State level Committee (SLC) has the power to condone such delay on the recommendation of the General Manager of the concerned District Industries Centre (DIC) and on case to case consideration.

11.6: Wherever an incentive under the Policy is being provided to an enterprise over a period of five years or specific period reckoned from an appropriate date or before the date of a new Policy is enforced by the State Government, such benefit will continue to be available till the expiry of such period for that particular incentive for that particular enterprise.

11.7: If a new enterprise set up after the enforcement of the Policy and availing benefit under a scheme of the Policy, that is for a period of five years, is sold or transferred to a new owner, the benefit of the incentive, shall be available to
such new owner or transferee, for the un-expired portion of the period of years. The new owner or transferee should be a profit earning Industrial units/Organization/Company/Co-operative.Society, etc.

11.8: The State Government, as an integral part of the strategy for industrial development, shall provide a comprehensive and attractive package of incentives and subsidies as detailed in Annexure-1, to the industries or enterprises under this Policy. The following are:

(a) The State Government shall offer a package of incentives/subsidies in certain areas of traditional industrial activities/sectors, where the artisans/units are financially weak as they are using obsolete or rudimentary traditional tools & equipments. These manufacturers/ artisans are to be made competitive for quality products, resulting in a better quality of life for them.

(b) The Transport subsidy shall be provided to supplement and cover such areas where subsidy under the Transport Subsidy Scheme, 1971 (as amended from time to time) of the Government of India has not provided.

(c) The new package of incentives/subsidies hereinafter referred to as Incentive Scheme 2013, shall be effective from the date of enforcement of the Manipur Industrial and Investment Policy, 2013 and all provisions outlined under the Industrial Policy of Manipur, 1996 shall cease to operate, except where otherwise provided.

(d) Those existing industries which were availing the incentives under the Industrial Policy of Manipur, 1996 shall continue to benefit from similar incentives.

(e) The subsidy/incentives under the Policy shall not be available for the items/products listed under the “Negative List”.

(f) The benefits under the Policy shall not be admissible for goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labeling or re-labeling, sorting, alteration of retail sale price, etc. take place.

(g) Incentives under the Industrial Policy of Manipur, 1996 shall continue to be available on a case to case basis to all units which have gone into
commercial production between 01-01-1995 and the effective date of this Industrial and Investment Policy, 2013. However, such units shall also be eligible for opting for benefits available under the Industrial and investment Policy, 2013, if such benefits are not available under Industrial Policy of Manipur, 1996.

(h) Only new units set up on or after the effective date of the Industrial and Investment Policy, 2013 and existing units undertaking expansion/modernization/diversification shall be eligible for incentives/subsidies under the new policy dispensation.

(i) The term “Weaker Section” shall mean ST, SC, Physically Handicapped, OBC and Women Entrepreneurs. An Industrial unit / Enterprise managed by one or more women entrepreneurs in proprietary concerns, or in which she / they individually or jointly have a share capital of not less than 51% as partner/share-holders shall be taken as unit managed or run by Women Entrepreneurs.

(j) Expansion / modernization / diversification of an existing industrial unit shall also be eligible for incentives if the capital investment on plant and machinery is more than 25% of the total fixed capital investment of the existing unit. The expansion should entail enhancement in the existing capacity by at least 25% and the package of incentive admissible to the unit shall relate to the expanded portion only. For the purpose of this calculation value of the capital investment made on, plant and machinery of the unit will be taken into consideration.

(k) The plant and machinery and other components which could be taken into account for the purpose of the Policy in respect of service sector, would be notified separately.

(l) The enterprise eligible for subsidy under the Policy will be required to get themselves registered with the District Industries Centre (DIC), prior to taking effective steps for setting up new industrial unit / Enterprise or before undertaking substantial expansion / modernization / diversification of existing units and to indicate their assessment of the total new or additional fixed capital likely to be invested by them in plant and machinery.
(m) The enterprise eligible for subsidy under the Policy while submitting claim for grant of subsidy to the State Level Committee (SLC), shall indicate about the purpose and utilisation of the amount of subsidy to be obtained from the State Government.

(n) The State Government, by notification shall set up State Level Committee (SLC), for each scheme, to go into details of each case to decide whether the unit qualifies for the grant of subsidy, and also about the quantum of subsidy.

12. Clarification and Interpretation:

In case of any doubt regarding the provisions of the Industrial and investment Policy of Manipur, 2013,(IIPM,2013), only the State Government shall be competent to clarify or interpret and such clarification or interpretation shall be final and binding on all concerned. The State Government reserves the right to modify any part of the Policy in public interest.

13. Monitoring and laying down of Roadmap:

(a) A “Monitoring Committee” under the Chairmanship of Hon’ble Minister, Commerce & Industry, Government of Manipur, with the Secretary Commerce & Industries, Government of Manipur as the Member, Director of Commerce & Industries, Govt. of Manipur as the Member Secretary, shall function to review the implementation of the Policy at regular intervals and strive to remove all the possible bottlenecks coming in the way of speedy implementation of the Policy. The other members of this Committee will include representative of the Industry Associations.
ANNEXURE-1

Packages of Incentives / Subsidies under Para 11 of "THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2013" (IIPM, 2013).

(1) **Allotment of land:**

The State Government shall endeavour to provide (i) developed land to manufacturing Sector Enterprises/ industrial units with all infrastructural facilities at major infrastructural Centres, and (ii) undeveloped land to manufacturing Sector Enterprises/industrial units.

(a) The developed land shall be allotted on lease basis for a period of 30 (thirty) years, renewable before the expiry of lease.

(b) The Government shall constitute a Committee /Agency by notification for allotment of land for industrial purposes, and Rules for allotment of land shall be framed and notified by the State Government.

(2) **Allotment of sheds to Micro and Small enterprises:**

The Government shall endeavour to provide built up factory sheds to Micro, Small enterprises on monthly rental basis at industrial estates, industrial park, growth centers, and at built-up industrial locations.

(3) **Special scheme for the development of Handicraft:**

(a) **Land and building:**

The State Government shall endeavour to provide developed land with built-up buildings in cluster with common facilities centre, to develop Handicraft villages for the Handicraft artisans on hire purchase basis with suitable terms of installments, as a special scheme, at suitable location in all districts. The state Government will provide adequate forward and backward linkages, to enhance their activities and earnings.
(b) Special Subsidy for Handicraft unit in the rural areas, construction of work-shed / store-room.

The State Government shall provide subsidy to the Handicraft Unit in the fold of Micro Enterprise, located in the rural areas for the construction of work-shed / store room, to the extent of 50%.

(c) Special Subsidy for Handicraft unit in the Rural, urban and Semi Urban areas:

The Government shall endeavour to provide subsidy to the Handicraft unit in the fold of Micro Enterprise, located in the Rural, Urban and Semi Urban areas for hiring of building used:

(i) as the work-shed,
(ii) as the store-room,
(iii) as the show-room,

The subsidy shall be entitled to the Handicraft unit /Enterprise, against the number of artisan employed producing items for sale:

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<th>(i) Employing 20 to 50 artisans:</th>
<th>50% concession on floor space rentals or to the extent of Rs.50,000/- (Rupees Fifty Thousand) whichever is less per year (twelve months), for a duration of five years.</th>
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<td>(ii) Employing above 50 but less than 100 artisans:</td>
<td>50% concession on floor space or rentals to the extent of Rs.1.0 Lakh (Rupees One Lakh) per year (twelve months), for a duration of 5(five) years.</td>
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<td>(iii) Employing above 100 artisans:</td>
<td>50% concession on floor space rentals or to the extent of Rs.2.0 Lakhs (Rupees Two Lakhs) per year (twelve months), for a duration of 5(five) years.</td>
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17
The State Government shall constitute a Committee, by notification, with the Secretary in charge of Commerce & Industries as the Chairman of the Committee to oversee these schemes. The Committee will decide the number of unit to be benefited during a Financial Year, examining at least the following criteria:

(i) concentration of artisans,
(ii) availability of raw material at source or by transport,
(iii) capacity of production,
(iv) market trend/demand,
(v) market linkages.

(4) **Manpower Development**

Industrial Units which depute their workers for technical training in Central Government/State Government Training Centers/ Central Government undertakings / ITI/ Government recognised Centre shall be eligible for subsidy / reimbursement of the admission fee incurred to the extent of 50%. The enterprise has to submit an undertaking to the state Government that such trained person will be employed by the industrial unit on successful completion of training, and in case of misrepresentation of the facts under the scheme the sponsoring enterprise has to refund the subsidy/incentives in full within a period prescribed by the State Government. The ITI passed-out candidate and candidate passed from the Polytechnic / Engineering college, and from the other Training centers / Institutes, recognised by the State Government will be eligible for reimbursement of the admission fee, as well as course fee to the extent of 50% subject to a ceiling of Rs.4,000/- (Rupees Four Thousand) whichever is less, for in plant training, or Tool room training at State Government recognised Centers inside, and outside the State.

(5) **Incentives to the innovator / inventor:**

The state Government shall encourage innovator / inventor by providing financial assistance up to 90% subject to a ceiling of Rs.20,000/- (Rupees Twenty Thousand) whichever is less to the cost incurred / involved in R&D per annum. The incentive shall be granted on production of documentary proof. The innovator/inventor to avail the benefit under the scheme is to get
registered / enlisted with the District Industries Centres, before starting the innovation/ invention work.

(6) **Subsidy for Feasibility Study and Project report Preparation**

A subsidy to the extent of (a) 90% subject to a ceiling of Rs.9,000/- (Rupees Nine Thousand) for MICRO, (b) 75% subject to a ceiling of Rs.50,000/- (Rupees Fifty Thousand) for SMALL, (c) 50% subject to a ceiling of Rs.1.0 Lac for MEDIUM and LARGE enterprises / sectors, whichever is less shall be admissible to meet the cost of feasibility study and project report preparation in each case. The study / report should be prepared by an approved consultant registered either with the Government of Manipur or the Government of India or professional consultant / agency on the condition that the project report should be approved and sanctioned the Term Loan by the Financial Institution / Commercial Bank.

The enterprise to avail the benefit under the scheme is to get registered / enlisted with the District Industries Centres, before starting the Feasibility Study and Project report Preparation.

The subsidy shall be released only after the commencement of commercial production.

(7) **Subsidy for Technical Know-How:**

A subsidy to the extent of 50% subject to a ceiling of Rs.1.0 Lacs whichever is less shall be admissible for the enterprise in the fold of Micro, Small and Medium enterprises to meet the cost of technical know-how obtained from organisations approved by Government of Manipur, on the condition that the technical know-how should be approved and sanctioned the term loan by the Financial Institution / Commercial Bank.

The enterprise to avail the benefit under the scheme is to get registered / enlisted with the District Industries Centres.

The subsidy shall be released only after the commencement of commercial production.
(8) **Exemption of Earnest Money and Security Deposit:**

Micro and Small enterprise, established in this State, are exempted from payment of earnest money and security deposits, for the item/items for which they filled Part-II of the "Entrepreneurs Memorandum"(EM) under the provision of the Micro, Small and Medium Enterprise Act,2006, with the District Industries Centre, on purchase of "Tender" floated by the State Government Department /Office/State Government undertakings / Public Sector Undertakings/ State Government Company / Corporation / Autonomous Board / Local self Government Office / Semi-Government organisation / Grant in–aid-Institutions /Non Government Organisation getting assistance from the State Government, etc.

(9) **State Capital Investment Subsidy:**

(a) The State Government shall provide Capital Investment Subsidy to all eligible new manufacturing enterprises, at the rate of 30% (thirty per cent) on the capital investment on plant and machinery.

(b) All eligible new manufacturing units / enterprises set up in Border Areas within 40(forty) Kms from the international border or at location identified by the State Government as the international border areas and Export Oriented Units /enterprises at identified locations, shall be entitled to additional State Capital Investment Subsidy of 15%(fifteen percent) provided such additional incentives shall not exceed Rs.50.00 lakhs per unit.

(c) All eligible new manufacturing units / enterprises set up by women entrepreneur & physically challenged persons shall be entitled to additional State Capital Investment Subsidy of 10%(ten percent) to a ceiling of Rs.5.00 (five) lakhs whichever is less.

(10) **Interest Subsidy:**

(a) The State Government shall provide to all eligible manufacturing enterprises an interest subsidy of 4% per annum on term loan taken from Bank and Financial Institution in the fold of Micro and Small units. This subsidy shall be available for the first five years from the date of commercial production or from the date of release of loan, provided that the enterprises have no interest liabilities overdue to the sponsoring banks / financial institutions.
(b) The State Government shall provide to all eligible manufacturing enterprises in the fold of Medium and Large an interest subsidy of 4% per annum on term loan taken from Bank and Financial Institution subject to a ceiling Rs.40,000/- (forty thousand) per month. This subsidy shall be available for the first three years from the date of commercial production or from the date of release of loan, provided that the enterprises have no interest liabilities overdue to the sponsoring banks / financial institutions.

(c) The State Government shall also provide interest subsidy of 3% on working capital for the first three years to all eligible manufacturing enterprises from the date of commercial production or from the date of release of loan, provided that the enterprises have no interest liabilities overdue to the sponsoring banks / financial institutions.

(11) **Power Subsidy:**

(a) The State Government shall provide to all eligible enterprises on reimbursement of industrial power charges / tariff paid to Power Department, Government of Manipur, on actual units consumed for a period of first 5(five) years from the date of commercial production subject to ceiling given below:

Provided further that an enterprise shall not be allowed reimbursement for power charges if it is in default of payment of power charges or any liabilities to the Power Department, Government of Manipur.

<table>
<thead>
<tr>
<th>Connected load</th>
<th>Rate of subsidy</th>
<th>Ceiling of subsidy per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1.0 MW</td>
<td>30%</td>
<td>Rs.10.00 lakh.</td>
</tr>
<tr>
<td>Above 1.0 MW</td>
<td>25%</td>
<td>Rs.25.00 lakh.</td>
</tr>
</tbody>
</table>

(b) The State Government shall provide subsidy on reimbursement of the cost incurred to eligible enterprises / unit located in an area, which requires drawal of power line of 20 KV and above including the cost of transformers, if any, subject to a ceiling of Rs.15.00 lakhs (Rupees Fifteen lakhs) provided that the location is approved by the Government.

The estimates shall be prepared and approved by the competent authority of the State Power Department, Government of Manipur. The work shall be executed by the competent authority of the State Power Department and
completion report of the work must be provided to the concerned enterprise/unit.

(c) The State Government shall provide subsidy @30% (thirty percent) of the cost of generating sets subject to a ceiling of Rs.20.0 lakhs (Rupees Twenty lakhs) per unit on reimbursement of the cost incurred to eligible enterprises/unit on case to case consideration. The opinion of the State Power Department shall be taken on actual requirements of the generating set for the claiming enterprise.

(d) The State Government shall provide subsidy @50% subject to a ceiling of Rs.40,000/- (Rupees forty Thousand) whichever is less for purchase and installation of Mini Solar Power Plant of at least 400 watts (four hundred) capacity to eligible MICRO enterprises for illuminating the factory during work hours, on reimbursement of cost incurred. The subsidy shall be provided on purchase and installation of Mini Solar Power Plant from the identified State Government Department/Agency or from the dealers of the reputed manufacturing Company approved by the State Government only.

(12) State Transport subsidy:

(a) The State Government shall provide Transport Subsidy to enterprises in the fold of MICRO and SMALL industries. The subsidy shall be provided to supplement and cover that portion for which Central Transport Subsidy is not available.

(b) The State Government shall provide Transport Subsidy at the following rates to enterprises in the fold of MICRO and SMALL for movement of perishable fruits and vegetables used as raw materials within the State.

(i) subsidy @ 90% shall be admissible for transportation of raw materials from the growing areas/sources of raw materials identified by the State Government by shortest roadways/waterways or combined together with waterways and roadways from any place of the State exceeding a distance of 50 (fifty) Kms., up to the premises of the factory.
(Note: The subsidy will be worked out on the basis of rates fixed by Transport Department, Manipur.)

(ii) The transport subsidy shall be available for a period of 5(five) years from the date of commercial production.

(iii) The concerned enterprises are to register with the concerned District Industries Centre, Government of Manipur in the prescribed format for the scheme.

(iv) The transport subsidy claim must be submitted within one year of incurring the expenditure and on quarterly basis.

(13). Market / Exhibition, Trade Expo, Trade Fairs linked Transport Subsidy:

(i) The State Government will provide Subsidy to the extent of @ 90% by surface transport subject to a ceiling of Rs.50,000/- (Rupees fifty thousand), per annum to eligible enterprises on claim for the transportation of products / items, for participation in Exhibition, Trade Expo, Trade Fairs, etc. within the country, for a period of five years from the date of commercial production.

(ii) The subsidy for transportation of items shall be provided for the following items:

(a) Handicraft items made from the locally available / indigenous raw materials.
(b) Handloom products / dress materials made from the raw materials of Silk, Tasar and cotton yarn.
(c) Food products made from the indigenous raw materials.
(d) The claiming enterprise is to register with the concerned District Industries Centre, Government of Manipur in the prescribed format for grant of subsidy under the scheme.
(14) Reimbursement of Fee / Registration fee/ Renewal Fee for registering with the Office of the Controller General of Patents, Designs & Trade Marks (CGPDTM):

The State Government shall provide to eligible Micro, Small and in the case of service sector up to Medium scale Enterprises / Individual /Organisation/ Association, etc. on reimbursement in full subject to a ceiling of Rs.50,000/- (Rupees Fifty Thousand) whichever is less for the amount paid towards Fee / Registration Fee, for getting certificate from the Office of the Controller General of Patents, Designs & Trade Marks (CGPDTM), Government of India.

(15) Reimbursement of Registration Fee/ Renewal Fee for obtaining BIS, ISI, ISO Series FPO and MPCO etc:

The State Government shall provide to eligible Micro, Small and in the case of service sector up to Medium scale Enterprises on reimbursement in full subject to a ceiling of Rs.50,000/- (Rupees Fifty Thousand) whichever is less of the amount paid for the Registration fee/Renewal fee in getting, BIS/ ISI, ISO, AGMARK, FPO and MPCO etc. for a period of five years.

(16) Reimbursement of Stamp Duty and Registration fee:

The State Government shall provide to eligible Micro, Small and Medium (Service Sector) enterprises to reimbursement in full subject to a ceiling of Rs.50,000/- (Rupees Fifty Thousand) whichever is less of the amount paid towards Stamp Duty and Registration fee for securing loans and other incentives from financial institutions including mortgage of fixed assets. The reimbursement will be admissible after disbursement of loan by Financial Institutions/ Banks and will be subject to condition that the assets mortgaged would not be transferred for a period of 5 (five) years.

(17) Quality Control:

The State Government shall provide to eligible Micro, Small and Medium enterprises subsidy @30% of the cost incurred subject to a ceiling of Rs.5.0 Lakh (Rupees Five lakhs) on reimbursement for purchase of testing equipments for quality control.
(18) **Subsidy for Substantial Expansion / Modernisation / Upgradation / Diversification:**

(a) The State Government shall provide State Capital Investment Subsidy on Substantial expansion / Modernisation / Upgradation / Diversification to all eligible enterprises in the fold of Micro, Small enterprise @30% on investment on plant and machinery/ machinery per unit subject to a ceiling of Rs.50 Lakhs(Fifty Laks) whichever is less. The subsidy shall be admissible for the expanded, modernised, up-graded and diversified portion only on the following condition.

(i) Effecting “an increase by not less than 25% in the value of investment in plant & machinery and equipment” against the installed value of fixed capital investment in plant and machinery at the commencement of commercial production of the enterprise.

(ii) Utilisation of at least 60% of the installed capacity of the enterprise is necessary to qualify “Diversification” of the enterprise.

(b) The State Government shall provide Interest subsidy on Substantial expansion / Modernisation/Up-gradation/ Diversification, to all eligible manufacturing enterprises in the fold of Micro, Small units of 4% on term loan, taken from Bank and Financial Institution, for a period of 5 years, from the date of expansion/modernisation/up-gradation/diversification or from the date of release of loan, on the condition provided under Para(18)(a)(i)(ii) of annex-1.

The subsidy for Substantial Expansion/Modernisation/ Up-gradation / Diversification will be extended on the recommendation of a Committee constituted by the State Government.

(19) **Exclusive purchase Programme:**

The State Government, undertakings, including organisations, and institute, getting grants and beneficiary of the state Government will commit to purchasing the products of Micro, Small enterprise located in the State subject to fulfillment of the quality, standards and specification. The Department of Commerce & Industries will circulate a list of locally manufactured products to all the offices of the State Government, and to all concerned from time to time.
(20) Price Preference:

The State Government will provide Price Preference, whereunder purchases by the State Government Department / Office / State Government undertakings / Public Sector Undertakings / State Government Company / Corporation / Autonomous Board / Local self Government Office / Semi-Government Organisation / Grant in-aid-Institutions / Non Governmental organisation getting assistance from the State Government etc. will accord first priority to products manufactured by Micro and Small Enterprise established in the State, for the item/items for which they filled Part-II of the “Entrepreneurs Memorandum”(EM) under the provision of the Micro, Small and Medium Enterprises Development Act, 2006, with the District Industries Centre. All other things being equal, such enterprise will be given a price preference up to 15% (fifteen per cent) over the lowest technically and commercially viable rate offered by others outside the State, including Medium and Large Scale of industries established in the State.

(21) Tax Incentives:

All new units, which manufacture goods in Manipur, will be entitled to exemption of 99% of tax payable under the Manipur Value Added Tax Act, 2004, Central Sales Tax (CST) and any Commodity Tax subject to the limit mention below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Terms of Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro, Small</td>
<td>Seven years</td>
</tr>
<tr>
<td>Medium &amp; Large</td>
<td>Seven years subject to 200% of fixed capital investment.</td>
</tr>
</tbody>
</table>

In case of existing units, they will be eligible for 99% tax exemption for seven years from the date of commencement of commercial product ion with similar limits for medium and large units as indicated above.

Fixed capital investment means investment in plant & machinery or additional investment in plant & machinery (for expansion units) and building connected directly with manufacturing process.

The Finance Department of the Government of Manipur will bring out a separate notification in this regard.