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Dated Shillong, the 31st January, 2024.

**NOTICE INVITING VIEWS/COMMENTS ON THE DRAFT
MEGHALAYA INDUSTRIAL & INVESTMENT PROMOTION
POLICY, 2023**

The draft Meghalaya Industrial & Investment Promotion Policy, 2023 aims to empower Meghalaya's economic landscape to foster sustainable industrial development, harness local potential and create a vibrant business hub so as to contribute towards the overall holistic growth.

The draft Policy is available at :

https://megindustry.gov.in/policy/Draft_MIIPP_2023.pdf

All stake holders and public may offer their views/comments on the draft Policy latest by 16th February, 2024 at 5:00 pm to the undersigned or by email to fsutnga21@gmail.com, industries-meg@gov.in



(Shri F. Sutnga)
Director of Commerce and Industries



**DRAFT MEGHALAYA INDUSTRIAL & INVESTMENT
PROMOTION POLICY 2023**



Department of Commerce & Industries
Government of Meghalaya

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1. Preamble

The Government of Meghalaya is dedicated to foster economic and human capital growth, aiming to uplift its position among the top ten states in the country by the end of the decade. As the State is witnessing economic transformation and industrial growth, the vision is to harness the State's optimum potential. Hence, for Meghalaya State to emerge as a leader, it is crucial to have sustainable growth encompassing human, environmental, social, and cultural resources through industrialization, entrepreneurship, innovation, and governance. The State intends to focus upon developing a desirable environment for entrepreneurs and businesses to thrive. Likewise, attracting private investment is identified as a top priority, and the government is actively working towards creating such an investor-friendly ecosystem through a series of initiatives.

The Meghalaya Industrial & Investment Promotion Policy, 2023, will serve as a strategic unified framework, drawing investments at regional, national, and international levels. This policy aims to streamline administrative processes, consolidating multifaceted initiatives under a single platform to promote economic development, local youth participation and employment opportunities. Moreover, such a framework will be pivotal in achieving inclusive growth and overall sustainable development as well.

2. Introduction

Nestled in the North-Eastern Region (NER) of India, Meghalaya is home to approximately 3.3 million people from diverse cultural backgrounds. It is a State of strategic importance, offering unique economic opportunities and contributing to region's overall growth narrative. It is bound by Assam to the north and northeast, and by Bangladesh to the south and south-west. The upcoming BBIN2 Corridor will turn Meghalaya into a strategic connecting node for Bangladesh, Bhutan and Nepal. In addition, the State's proximity to the Bay of Bengal further accentuates its potential to be an important trade hub for the NER.

Meghalaya has a multi-sectoral advantage in terms of its socio-economic characteristics. The State has a youthful population with approximately 70% of the population being under 35 years of age. There is a growing entrepreneurial ecosystem supported by the State Government to empower Start-ups to flourish through innovation and design. Further, it is endowed with rich diverse agroclimatic zones, unique waterfalls, and root bridges providing rare natural scenic beauty offering opportunities for both high-value tourism and agriculture industries.

Meghalaya's GSDP has grown at a CAGR of 6.89% for the last decade, almost doubling from Rs 23,235 Cr in 2014-15 to Rs 45,475 Cr in 2023-24. Per capita income of the state grew from Rs 72,563 to Rs 1,10,062 during the same period.

2.1 Upcoming gateway for Southeast Asian Nations

Under "Transformation by Transportation", one of the NER development forums, set up by NITI Aayog, GOI, for speedy growth of NER including Meghalaya, 3 rail sections, air-connectivity of Meghalaya with NER and Association of Southeast Asian Nations (ASEAN) countries, and 4 National Highway corridors connecting Meghalaya with Bangladesh are being developed.

Meghalaya has a road network of about 13,000 Km and intra-state passenger connectivity is facilitated by bus terminals in Phulbari, Tura, William Nagar, Sonapahar and Shillong while inter-state connectivity is handled by ISBT in Shillong and Tura. Government of India is also planning to develop BBIN2 corridor, which will connect Meghalaya with Bangladesh, Nepal, and Bhutan.

In terms of air and rail connectivity, the state has an airport at Umroi which is at around 30 kilometres from the State Capital Shillong, has helicopter service connecting Shillong to Guwahati and Tura and railhead at Mendipathar with regular train service connecting Guwahati in Assam.

2.2 Fostering Industrial Infrastructure

Meghalaya has largely been an agrarian economy with the majority of its population dependent on land. In the last few decades, the State has witnessed a structural transformation in the economy with a growing contribution from the secondary and tertiary sectors to the State GSDP. To facilitate this transformation, the State has a well spread-out industrial infrastructure comprising of Industrial Estates, Industrial Areas, Growth Centres, Export Promotion Park, and Information Technology Park to facilitate growth of industrial activity in the State.

2.3 Enabling Investment Ecosystem

The State of Meghalaya has launched numerous initiatives to create an environment conducive for economic development which are as follows:

- Entrepreneurships and Start-up Programs for Promoting Meghalaya Youth: PRIME, ASPIRE, STAR, MGMP, etc.
- Governance & Citizen Engagements and Strengthening Human Capital via Healthcare, infrastructure, health, education, art & culture and tourism sectors.

In addition to this, the State of Meghalaya is also focusing on minimizing regulatory compliance burden which improves Ease of Doing Business, developing Unified Investment Portal under Invest Meghalaya Authority, creating new Land-banks, etc.

2.4 Globally marketable commodities

Meghalaya has abundance of mineral deposits such as coal, limestone, uranium, quartz, kaolin, granite, industrial clay, and sillimanite. Farmers in the state use traditional methods of cultivation for naturally organic production of fruits, nuts and spices. The produce includes several high-ticket export items such as Pineapple, Strawberry, Lakadong Turmeric, Ginger, Honey, Black Pepper, Areca Nuts, Jackfruit and various exotic flowers (Anthurium, Carnation, different types of Orchids etc.)

2.5 Growing Demand Centres

Cities and towns such as Shillong, Tura, Jowai, Nongpoh, William Nagar, Nongstoin, Baghmara, Resubelpara, Byrnihat and Cherrapunji have organically become major markets and represent state's majority of the economic activity arising from active tourism, agricultural hubs, and industrial estates. In terms of goods movement within the State, Shillong serves as a central hub for distribution to the smaller cities in the centre and east, while Tura caters to the West.

2.6 Flourishing Tourism

The tourism sector is a significant contributor to livelihoods in the State, providing employment for nearly 50,000 people and contributing approximately 4.1% to the State's GSDP. Its potential impact on the economy is substantial, given its labour-intensive nature, generating employment across skill levels- from unskilled to highly skilled professionals. The multiplier effects of tourism extend beyond direct employment, influencing various sectors like construction, transport, agriculture, food processing, handicrafts, and financial services, thereby creating a broader positive impact on income generation and economic growth.

3. Policy Roadmap

3.1. Need For Policy

Government of Meghalaya's multifaceted initiatives across various sectors signify a comprehensive and dedicated approach to overall development. The implementation of an Industrial Policy will be pivotal in consolidating these State initiatives under a unified framework, streamlining administrative processes, and making it easier for businesses to access benefits. Additionally, this shall enhance transparency, making it clearer for businesses to understand and leverage available support. Through an efficient system governed by a strategic policy, the State shall foster a more attractive environment for investment and business expansion.

In conclusion, the implementation of a comprehensive industrial policy is paramount for the State's economic prosperity. By strategically addressing entrepreneurship, priority sectors, sustainable development, advanced infrastructure, investment promotion, and various other dimensions, the policy sets stage for a resilient and thriving economic landscape. Embracing technological advancements, encouraging grassroots participation, and promoting exports shall further solidify the State's position in the domestic as well as the global market. This holistic approach ensures not only immediate economic gains but also lays the foundation for sustainable and inclusive growth, benefiting communities and businesses alike.

3.2. Short Title, Commencement and Duration

This Policy may be called the "Meghalaya Industrial & Investment Promotion Policy 2023" (MIIPP 2023).

The "Meghalaya Industrial & Investment Promotion Policy 2023" shall come into effect from 21st day of December 2022 and shall remain in force up to and inclusive of 20th day of December 2032 or till such time as the Government of Meghalaya may deem fit and proper.

The State Government reserves the right to make any amendments to the Policy from time to time. However, in such cases, proper notice will be given, and final commitments already made under the Policy will not be affected by such amendments.

3.3. Vision

MIIPP 2023 aims to empower Meghalaya's economic landscape to foster sustainable industrial development, harness local potential, and create a vibrant business hub so as to contribute towards the overall holistic growth.

3.4. Key Objectives

The key objectives that MIIPP 2023 aims to achieve are as follows:

- a) Act as a growth catalyst for promotion of entrepreneurship and employment generation in the State.
- b) Provide required impetus to the 'Priority Sectors' carrying significant revenue generation, employment creation, exports and investment potential.
- c) Achieve a balanced and growth-oriented development in the entire State through judicious harnessing of natural resources in a sustainable manner.
- d) Develop and maintain state of art industrial infrastructure in the State for facilitating fast track industrial progress.

- e) Promotion and strengthening of MSMEs and large enterprises in the State by offering appropriate growth avenues and suitable incentives.
- f) Focus on 'Cluster Development' and 'Integrated Value Chain Development' across sectors like handicrafts, handloom, horticulture, etc by addressing existing challenges being faced by them.
- g) Contribute towards enhancing 'Ease of Doing Business' in the State and making it progressively attractive for investments from internal and external sources.
- h) Promote grassroots participation in strengthening the industrial eco system of the State through proper incentivization.
- i) Focus on improving the technological profile of the State and providing support for enhancing productivity and competitiveness of Meghalaya at local and global levels.

3.5. Core Values

The foundation on which MIIPP 2023 endeavours to achieve its desired objectives is as follows:

- a. **Sustainable and healthy growth of existing industries:** The State Government stands committed to sustainable and healthy growth of existing industries in the State by working towards creation of optimum capacities across sectors.
- b. **Making available industrial land with state of art infrastructure:** The Policy will ensure availability of land for industrial purposes by creation of new and upgradation of existing Industrial Estates / Industrial Parks / Industrial Growth Centres / Export Promotion Parks in Meghalaya.
- c. **Creation of sustainable livelihoods:** The Industrial Policy shall focus on creation of 'Sustainable Livelihoods' in the State which are in sync with the tribal ethos and cultural heritage of the State including encouragement to entrepreneurs through proper skilling, upskilling and incentivisation.
- d. **Developing an efficient delivery mechanism through a strong institutional framework:** The Industrial Policy will contribute to development of a strong institutional framework that is spread out till the grassroots levels and promote 'Ease of Doing Business' in Meghalaya.
- e. **Focus on balanced regional development:** The Industrial Policy will work towards ensuring a balanced regional growth and development through proper planning and implementation.
- f. **Encourage Community Participation:** The Industrial Policy would encourage 'Community Participation' in facilitating industrial progress of Meghalaya.

3.6. Priority Sectors

The following sectors have been identified as 'Priority Sectors' based on their potential of contributing to the economic growth of Meghalaya.

Accordingly, enterprises operating in these sectors have been accorded the status of Industrial Units and shall be eligible for all incentives / subsidies / benefits available in the normal course under MIIPP 2023.

- a. Food Processing
- b. Tourism and Hospitality
- c. Handloom and Handicraft
- d. Information Technology and ITES
- e. Power Generation
- f. Biofuels
- g. Healthcare
- h. Music, Films and Entertainment
- i. Logistics

4. Definitions

- i. **“Community Participation” (CP)** for the purpose of MIIPP 2023 means an initiative on the part of an indigenous Community of a region in Meghalaya, having ownership / right of use of land (private / community owned), to develop an Industrial Project (Industrial Park, Industrial Estate, Industrial Growth Centre, Food Processing Park, Pharma Park, Integrated Cold Chain Logistics Facility, Warehousing Facility and / or Export Promotion Industrial Park) either independently or jointly with a Private Entrepreneur / Developer. Community Participation in an Industrial Project will be represented through a “Community Industrial Group”.
- ii. **“Community Industrial Group” (CIG)** for the purpose of MIIPP 2023 means a group of at least 10 members of an indigenous Community of a region in Meghalaya formed, on the lines of a ‘Self Help Group’, for the purpose of developing an Industrial Project (Industrial Park, Industrial Estate, Industrial Growth Centre, Food Processing Park, Pharma Park, Integrated Cold Chain Logistics Facility, Warehousing Facility and / or Export Promotion Industrial Park) either independently or jointly with a Private Entrepreneur / Developer.
- iii. **“Community Industrial Group Agreement” (CIGA)** for the purpose of MIIPP 2023 means an agreement entered in to by the members of a “Community Industrial Group” (CIG), amongst themselves, for the purpose of developing an Industrial Project (Industrial Park, Industrial Estate, Industrial Growth Centre, Food Processing Park, Pharma Park, Integrated Cold Chain Logistics Facility, Warehousing Facility and / or Export Promotion Industrial Park) either independently or jointly with a Private Entrepreneur / Developer. CIGA shall specify the associated aspects such as but not limited to Objectives, Terms of Association, Contribution, Rewards and Risks, Roles and Responsibilities, etc of the stakeholders concerned.
- iv. **“Community Participation Agreement” (CPA)** for the purpose of MIIPP 2023 means an agreement entered in to by a “Community Industrial Group” (CIG) with a Private Entrepreneur / Developer for jointly developing an Industrial Project (Industrial Park, Industrial Estate, Industrial Growth Centre, Food Processing Park, Pharma Park, Integrated Cold Chain Logistics Facility, Warehousing Facility and / or Export Promotion Industrial Park). CPA shall specify the associated aspects such as but not limited to Objectives, Terms of Association, Contribution, Rewards and Risks, Roles and Responsibilities, etc of the stakeholders concerned.
- v. **“Container Freight Station”** means a custom notified off seaport (or port) facility having such fixed installations or otherwise, equipment, machinery etc. Providing services for handling / clearance of laden import, export containers under customs control and with storage facility for customs bonded or non-bonded cargo, parking area and such other facilities desired to carry out the operations.
- vi. **“Diversification”** means manufacturing of new product(s) / rendering new service(s) by an Industrial Unit either at its existing location or a new location using additional Fixed Capital Investment, provided that the additional Fixed Capital Investment is not less than 25% of Original Fixed Capital Investment and results in increase in regular employment in the Industrial Unit by at least 10%. Mere replacement / substitution of existing products / services shall not be considered as diversification.
- vii. **“Existing Industrial Unit”** means an industrial unit which commenced commercial production / operations before the 21st day of December 2022.
- viii. **“Expansion”** means an increase in manufacturing capacity by an Industrial Unit of its existing product(s) / service(s) using additional Fixed Capital Investment, provided that the additional Fixed Capital Investment is not less than 25% of Original Fixed Capital Investment and results in an increase in Installed Capacity of the Unit by at least 25% as recorded in the Udyam Registration / Industrial License / IEM and employment by at least 10 %.

- ix. **“Export Oriented Unit”** means an Industrial or Service Enterprise which has a valid letter of permission as an Export Oriented Unit from the Director General of Foreign Trade, or any other authority notified by the Government of India from time to time.
- x. **“Fixed Capital Investment”** for the purpose of MIIPP 2023 means investment made on Factory Building and Plant & Machinery. Investment made on Factory Building will also include internal wiring for lighting.
- xi. **“Government”** or **“State Government”** means Government of Meghalaya.
- xii. **“Industrial Policy”** means the “Meghalaya Industrial & Investment Promotion Policy 2023”.
- xiii. **“Industrial Unit”** or **“Unit”** or **“Enterprise”** means any Industrial Undertaking /Servicing Unit / Enterprise other than that run departmentally by Central Government.
- xiv. **“Industrial Parks/Estates”** means a project in which plots of developed space or built-up space or a combination, with common facilities and quality infrastructure facilities, is developed and made available to the units for the purposes of industrial activities or commercial activities in accordance with the provisions under this policy.
- xv. **“Inland Container Depots (ICD)”** means a custom notified off seaport (port) facility having such fixed installations or otherwise, equipment, machinery etc. providing services for handling and/or clearance of laden import/ export containers, under customs control and with storage facility for customs bonded or non-bonded cargo. These facilities shall have road connectivity, rail connectivity, customs/non-customs bonded warehousing, truck terminals etc. and other common user facilities required to carry out efficient operations.
- xvi. **“Integrated Cold Chain Logistics Facility”** means a facility set up for establishing end to end linkage from farm gate to the consumer, to reduce losses through efficient storage, transportation, and minimal processing of agricultural, horticulture, dairy, fish & marine, poultry, meat products and other products. The key components of such a facility would include:
 - (1). **Minimal Processing Centre** at the farm level and other locations having facilities such as Weighing, Sorting, Grading, Waxing, Packing, Pre-cooling, Control / Modified Atmosphere Cold Storage, Normal Storage, and / or Individual Quick Freezing (IQF).
 - (2). **Refrigerated Vans / Trucks and Mobile Insulated Vehicles** used for transportation of goods / products.
 - (3). **Distribution Hubs** with Multi Products and Multi–Control Atmosphere (CA)/ Modified Atmosphere (MA) Chambers/ Cold Storage/ Variable Humidity Chambers, Packing Facility, Cleaning in Process (CIP), Fog treatment, Individual Quick Freezing (IQF) and Blast Freezing.
 - (4). **Irradiation facility.**
- xvii. **“Local tribal”** means local populace either Khasi/Garo/Jaintia/any other Scheduled Tribe recognized by the Government of Meghalaya and residing in the State of Meghalaya.
- xviii. **“New Industrial Unit”** means an industrial unit which commenced commercial production/operations on or after the 21st day of December 2022 but not later than 20th day of December 2032 or till such time as the Government may deem fit and proper.
- xix. **“Original Fixed Capital Investment”** means Fixed Capital Investments in an industrial unit made prior to expansion, diversification, technological upgradation or modernization.

- xx. **“Physically Challenged Person”** means a person with disabilities in accordance with the provisions of “The Meghalaya Rights of Persons with Disabilities Rules, 2017” or any other relevant Act of the State. This benefit shall also be made available to persons recovering / recovered from HIV / AIDS.
- xxi. **“State”** refers and means the State of Meghalaya.
- xxii. **“Scheme”** means Meghalaya Industrial and Investment Promotion Scheme 2023.
- xxiii. **“Truck Terminals”** mean such facilities which are developed in order to ease traffic congestion on strategic locations such as the district logistics nodes, industrial areas, national/ state highways, expressways intersection points, etc. Truck terminals may provide facilities such as repair and maintenance of the trucks, stores for spare parts, ATMs, fuel stations, parking spaces, transport offices, sanitary facilities, weigh bridges, storage spaces etc. These facilities may also have lodging facility for drivers and helpers along with areas for loading/unloading (cross docking) of cargo among other facilities. Facility to check vehicle fitness automatically may also be provided at truck terminals.
- xxiv. **“Turnover”** means the aggregate value of realisation in monetary terms made from the sale of manufactured goods by an Industrial Unit / Enterprise during an accounting year. Income from other sources (non-operating income) like interest received, grants or subsidies, trading activity, resale of products / goods will not be counted in turnover.
- xxv. **“Warehouse”** means any premise (including any protected place) which includes a place for storage and / or accumulation of goods under controlled conditions having provisions for handling, internal movement of goods and with or without value added services such as sorting, grading, packaging, etc.
- xxvi. **“Wayside Amenities”**- means a complex comprising resting areas, toilets, cafeteria, shops, first-aid facility, parking, souvenir booths, etc. located on National /State Highways and other District Roads. It is, however, not mandatory to have all these mentioned features.

5. Classification of Manufacturing and Service Enterprises

For the purpose of MIIPP 2023 manufacturing units and service enterprises are classified into the following categories:

| S No | Type | Industrial Unit (Manufacturing / Services) |
|------|-------------------------------|--|
| i | Micro Industrial Unit | A unit where investment in Plant and Machinery or Equipment does not exceed Rs one crore and annual turnover does not exceed Rs five crore. |
| ii | Small Industrial Unit | A unit where investment in Plant and Machinery or Equipment does not exceed Rs ten crore and annual turnover does not exceed Rs fifty crore. |
| iii | Medium Industrial Unit | A unit where investment in Plant and Machinery or Equipment does not exceed Rs fifty crore and annual turnover does not exceed Rs two hundred fifty crore. |
| iv | Large Industrial Unit | A unit where investment in Plant and Machinery or Equipment exceeds Rs fifty crores. |

6. Incentives / Subsidies Under MIIPP 2023

6.1. Eligibility Conditions For Availing Incentives / Subsidies under MIIPP 2023

6.1.1. An Industrial Unit becomes eligible for the incentives /subsidies offered under MIIPP 2023 provided:

- (a) For the 1st and 2nd Year from the date of commencement of commercial operations it employs local tribal (Khasi/Garo/Jaintia/any other Scheduled Tribe recognized by Government of Meghalaya) people to the extent of not less than 60 % in case of Managerial Positions and 90 % in case of Non-Managerial Positions of the total employee strength of the enterprise.
- (b) From the 3rd Year from the date of commencement of commercial operations it employs local tribal (Khasi/Garo/Jaintia/any other Scheduled Tribe recognized by Government of Meghalaya) people to the extent of not less than 80 % in case of Managerial Positions and 90 % in case of Non-Managerial Positions of the total employee strength of the enterprise.
- (c) It follows the minimum wage policies of Government of Meghalaya.
- (d) The manufacturing facility / service unit for which incentives are being sought are in Meghalaya.

The industrial unit will give an undertaking that if the above conditions are violated, Subsidies/Incentives so availed by it under MIIPP 2023 would be fully refunded within a time limit as notified by the State Government.

In exceptional cases where an industrial unit can prove to the satisfaction of the State Government that workers with required skillset and expertise are not locally available, relaxation of the above clause will be allowed by the State Government for a specified period.

6.1.2. The industrial unit must be registered with the Department of Commerce & Industries, Government of Meghalaya.

6.1.3. The MSME should have obtained Udyam Registration or any other relevant registration under the MSMED Act.

6.1.4. The Large units should have filed IEM with DPIIT, Government of India.

6.1.5. The Unit shall not be manufacturing items placed in the negative list as notified under the Policy and amended from time to time.

6.1.6. Composite Units set up for manufacturing of an eligible item / service along with an ineligible item / service are not eligible for incentives except when the proportion of ineligible items / service in the total production is less than 10% in value of the total turnover during each financial year as per annual return as mentioned in 6.1.14.

Unless otherwise specified an existing industrial unit as well as a new industrial unit located anywhere in the State, which goes in for expansion/ diversification will be eligible for further incentives/ subsidy under this Policy for either the 1st expansion or 1st diversification whichever is earlier, provided it is not before the end of two years from the start of commercial production / operations of the unit.

6.1.7. The minimum time gap between application for incentives for setting up of an eligible industrial unit and further incentives for its 1st expansion / 1st diversification shall be two years.

6.1.8. With respect to eligibility for availing Incentives / Subsidies available on “Expansion” under the Policy the industrial unit should have achieved an average capacity utilisation level of at least 75 % during the immediately preceding two accounting years.

6.1.9. Provisions of MIIPP 2023 will also be applicable to the following sectors activities/industries: -

| | Sectors | Category / Activity |
|---|--|---|
| a | Tourism & Hospitality | <ul style="list-style-type: none"> • All kinds of hotels as defined by the Department of Tourism, Government of Meghalaya. • Ropeway Project with a minimum length of 750 meters developed for promoting tourism or as an alternative mode of transport. • Spa units and self-identified tourism projects approved by Government of Meghalaya for the purpose of incentives under MIIPP 2023. • Amusement Parks built over a minimum area of 10 acres having not less than 10 different mechanical rides and an investment in equipment not less than Rs 5 crores. • Adventure tourism projects such as Bungee Jumping, Hot Air Balloon Rides, etc approved by Government of Meghalaya for the purpose of incentives under MIIPP 2023. • Any other activity as defined by the Department of Tourism, Government of Meghalaya. |
| b | Music, Films, and Entertainment | <ul style="list-style-type: none"> • Film Studio where investment in Equipment is not less than Rs 1 crore. • Film City where Fixed Capital Investment is not less than Rs 10 crores. • Acoustic Auditorium where Fixed Capital Investment is not less than Rs 10 crores. • Any other activity as defined by the concerned State department. |
| c | Healthcare | <ul style="list-style-type: none"> • Nursing Home with medical support as prescribed by the concerned State department. • Super-speciality Healthcare facility with Diagnostic Centre where investment in Fixed Capital Investment is not less than Rs 10 crore. • Drug Rehabilitation Centre with adequate medical support as prescribed by the concerned State department. • Medical Diagnostic Centre having Pathology and / or Imaging Facilities with a minimum Fixed Capital Investment of Rs 50 lacs. • Any other investment as defined by the concerned State department. |
| d | Information Technology and ITES (IT & ITES) | <ul style="list-style-type: none"> • Call Centre / BPO / KPO with minimum Fixed Capital Investment of Rs 1 crore and a minimum seat strength of 100 employees. • Any other activity as defined by the concerned State department. |
| e | Power Generation | <ul style="list-style-type: none"> • Power Generating Plant up to 30 MW whether independent or for captive use. |

| | | |
|---|------------------|---|
| e | Logistics | <ul style="list-style-type: none"> • Warehouses, Integrated Cold Chain Logistics Facility, Inland Container Depots and Container Freight Stations as prescribed by Transport and Commerce & Industries Department, Government of Meghalaya. • Wayside Amenities and Storage handling facilities along with Truck Terminals as prescribed by the concerned State department • Freight movement data monitoring centre as prescribed by Transport and Commerce & Industries Department, Government of Meghalaya • Any other activity as prescribed by Transport and Commerce & Industries department, Government of Meghalaya |
|---|------------------|---|

- 6.1.10. All Incentives/ Subsidies under this Policy shall be applicable to units registered as Company, Corporation, Co-operatives, Partnership firm, Proprietorship firm, Trust, FPO/FPC, and CIG.
- 6.1.11. Central Public Sector undertakings and State PSUs shall not be eligible for any incentives under the Policy.
- 6.1.12. Any payments made in cash for any transaction shall be treated as an ineligible amount for investment purpose for availing incentives / subsidy under MIIPP 2023.
- 6.1.13. The unit should be in regular production at the time of disbursement of incentive except those incentives which are in pre-production stage such as Stamp Duty.
- 6.1.14. Industrial Unit shall submit an annual return for the financial year in the prescribed format shown under Annexure I of the Policy by 30th June of every year.
- 6.1.15. All eligible Units set up on rented premises should furnish a lease deed for a period equal to more than the period of incentives.
- 6.1.16. The products which are out of the purview of SGST / IGST / CGST in the GST regime and are still governed by VAT regime shall be provided investment subsidy by way of reimbursement of net VAT paid for a period in place of net SGST. All other conditions such as maximum limit and time period, etc. would be the same as laid down in the Policy.
- 6.1.17. No right or claim for any incentives / subsidies under the Policy shall be deemed to have been conferred by the Policy, merely by an industrial unit having fulfilled on its part the conditions laid in the Policy and the incentives/subsidy cannot be claimed as a matter of right.

6.2. Incentives / Subsidies Available Under MIIPP 2023

The Incentives/ Subsidies available under MIIPP 2023 to eligible industrial units located anywhere in the State are as under:

- 6.2.1. Standard Incentives for New Industrial Units.
- 6.2.2. Customised Package of Incentives for New Industrial Units.
- 6.2.3. Green Incentives for Existing and New Industrial Units.
- 6.2.4. Incentives for Setting Up of Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food processing Park / Pharma Park / Export promotion Industrial Park.

Each of the above categories of Incentives / Subsidies is explained in the following sections and have also been summarised under Annexure B.

6.2.1. Standard Incentives for New Industrial Units

(I) Standard Incentives For New Micro and Small Industrial Units:

i. State Capital Investment Subsidy:

(a) State Capital Investment Subsidy on cost of Factory Building & Plant & Machinery for Micro Industrial Unit @ 35 % (thirty five percent) subject to a ceiling of Rs 15 lakhs. The ceiling for Micro Industrial Units in the priority sectors shall be Rs 20 lakhs.

(b) State Capital Investment Subsidy on cost of Factory Building & Plant & Machinery for Small Industrial Units @ 30 % (thirty percent) subject to a ceiling of Rs 1 crore. The ceiling for Small Industrial Units in the priority sector shall be Rs 1.25 crores.

ii. **Subsidy on the cost incurred for carrying out Feasibility Study and preparation of Project Reports:** Subsidy @ 100 % on the cost incurred on preparation of Feasibility/Project Report by a Chartered Accountant, subject to a maximum of Rs.50,000 for Micro Industrial Unit and Rs 1,00,000 for Small Industrial Unit.

iii. **Development Subsidy:** Subsidy @ 75 % on charges payable to statutory bodies for any statutory permission or registration incurred at the time of setting up and on either 1st expansion or 1st diversification carried out by the industrial unit.

iv. Interest Subvention Subsidy:

(a). Subsidy @ 7.5 % on interest paid to Scheduled Commercial Banks / Financial Institutions or other lenders as notified by the State Government with a ceiling of Rs 5 lakhs per annum on term loans (excluding working capital loans) availed by an entrepreneur for setting up of Micro Industrial Unit for a period of 3 (three) years from the date of disbursement of the loan.

The ceiling of the above-mentioned period in case of industrial units from the Priority Sectors shall be 5 (five) years.

(b). Subsidy @ 6 % on interest paid to Scheduled Commercial Banks / Financial Institutions or other lenders as notified by the State Government with a ceiling of Rs 7 lakhs per annum on term loans (excluding working capital loans) availed by an entrepreneur for setting up of Small Industrial Unit for a period of 3 (three) years from the date of disbursement of the loan.

The ceiling of the above-mentioned period in case of industrial units from the Priority Sectors shall be 5 (five) years.

v. **Subsidy on Power:**

- a. Subsidy for Micro Industrial Units @ 30 % on power tariff for loads up to 2 MW for a period of 5 (five) years from the date of commencement of commercial production for manufacturing process only subject to a ceiling of Rs 5 lakhs per annum with an overall ceiling of 100 % of total investment made in Factory Building and Plant and Machinery by the industrial unit.

For industrial units from the Priority Sectors the above ceiling shall be 125 % of total investment made in Factory Building and Plant and Machinery by the industrial unit.

- b. Subsidy for Small Industrial Units @ 30 % on power tariff for loads up to 2 MW for a period of 5 (five) years from the date of commencement of commercial production for manufacturing process only subject to a ceiling of Rs 10 lakhs per annum with an overall ceiling of 100 % of total investment made in Factory Building and Plant and Machinery by the industrial unit.

For industrial units from the Priority Sectors the above ceiling shall be 125 % of total investment made in Factory Building and Plant and Machinery by the industrial unit.

- c. Subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy Generating Sets purchased for captive use, subject to a ceiling of Rs 20 lakhs for Conventional Sets and Rs 50 Lakhs for Non-Conventional / Renewable Energy Sets purchased by the industrial units. Each Industrial Unit will be allowed a Single Claim either for Conventional or Non-Conventional Energy Set.

- d. Subsidy @ 100 % on drawl of power line of 11 KV and above including cost of transformer(s) subject to a maximum limit of Rs 10 lakhs provided that the location has been approved by the Government.

- e. Subsidy @ 50 % on the cost incurred on obtaining a power service connection (excluding internal wiring) subject to a maximum of Rs 2 lakhs.

- vi. **Price Preference:** Price preference in accordance with the existing 'Meghalaya Procurement Preference Policy for Micro and Small Enterprises 2020' will be allowed to all eligible manufacturing units only.

- vii. **Reimbursement of Stamp Duty & Registration Fee:** Subsidy @ 100 % of the applicable Stamp Duty & Registration Fee on execution of deeds of conveyance/mortgage pertaining to loans for Projects located in Meghalaya from Financial Institutions, Banks and other lenders as notified by State Government subject to a maximum of Rs 3 lakhs.

- viii. **Industrial Units owned by Physically Challenged persons during the validity of MIIPP 2023:** Additional subsidy @ 10 % on the cost of Factory Building and Plant & Machinery subject to a ceiling of Rs 50 lakhs provided the entrepreneur is the majority shareholder in the Industrial Unit. Further such entrepreneurs shall pay only 50 % of the applicable lease rent for any land/shed/shop allotted in an Industrial Area/Industrial Estate/Growth Centre set up by the State Government.

ix. Net SGST Reimbursement:

- (a) The Micro Industrial Units in the State shall be eligible for reimbursement of 100 % of net SGST to the extent of cash paid by debiting the Electronic Cash Ledger after utilization of the input tax credit for a period of 15 years from the commencement of commercial production / operations up to a ceiling of 200 % of fixed capital investment.
- (b) The Small Industrial Units in the State shall be eligible for reimbursement of 100 % of net SGST to the extent of cash paid by debiting the Electronic Cash Ledger after utilization of the input tax credit for a period of 15 years from the commencement of commercial production / operations up to a ceiling of 180 % of fixed capital investment.
- (c) Computation of the Net SGST shall have to be carried out in accordance with the guidelines mentioned under Annexure D (8) (Guidelines For Calculating Net SGST) of this Policy.

- x. Transport subsidy:** Actual expenditure incurred on inland transportation of raw materials sourced from within the State of Meghalaya and finished products produced in Meghalaya by the Micro & Small industrial units or 3% of annual turnover of the respective accounting year, whichever is less, subject to a maximum ceiling of Rs 10 lakhs per annum for a period of 3 years.

For industrial units from the Priority Sectors the maximum ceiling shall be Rs 15 lakhs per annum for a period of 4 years.

- xi. Reimbursement of CGTMSE fees:** Reimbursement of 100% of annual guarantee fee paid every year to Scheduled Commercial Bank / Financial Institution by the industrial unit for availing a collateral free term loan under CGTMSE Scheme of Ministry of MSME, Government of India for a period of 4 years.

Industrial units from the Priority Sectors will be able to avail the above incentive for 5 years.

xii. Reimbursement of Employer's Contribution to Employee Provident Fund

Eligible industrial unit shall be able to claim reimbursement of 100 % of employer's contribution to Employees Provident Fund (EPF) made for a period of 5 years from the start of commercial production / operations for skilled and semi-skilled workers who are domiciles of the State.

Industrial units from the Priority Sectors will be able to avail the above incentive for 6 years.

The reimbursement shall be made subject to a maximum ceiling of 12% of the employee's basic salary plus applicable dearness allowance and retaining allowance or Rs 1800 per month whichever is less.

xiii. Skilling & Capacity Building Subsidy

Reimbursement of 50% of the cost of technical training of the employees (mainly in the operational, frontline, supervisory roles) subject to a maximum of Rs. 5,000 per employee and to a maximum of 5 employees (having domicile of Meghalaya) per industrial unit per annum for a period of 5 years. The training cost can be claimed by the industrial unit within one year from the date of commencement of commercial operations. Reimbursement of cost of training will be provided for the 1st training undertaken by the employee from any Government recognized / approved institution.

(II) Standard Incentives For Medium and Large Industrial Units

- a. **State Capital Investment Subsidy:** State Capital Investment Subsidy on cost of Factory Building and Plant & Machinery for Medium Industrial Units @ 30 % subject to a ceiling of Rs 3 crores. The ceiling for industrial units in the priority sector shall be Rs 5 crores.
- b. **State Capital Investment Subsidy:** State Capital Investment Subsidy on cost of Factory Building & Plant & Machinery for Large Industrial Units @ 25 % subject to a ceiling of Rs 6 crores. The ceiling for industrial units in the priority sector shall be Rs 10 crores.
- c. **Subsidy on D.G. Set:** Subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy Generating Sets purchased for captive use of energy subject to a ceiling of Rs 50 lakhs for Conventional Sets and Rs 1 crore for Non-Conventional / Renewable Energy Sets purchased by the. Each Industrial Unit will be allowed a Single Claim either for Conventional or Non-Conventional Energy Set.
- d. **Reimbursement of Stamp Duty & Registration fees:** Subsidy @ 100 % subject to a maximum limit of Rs 5 lakhs of the applicable stamp duty to assist execution of deeds of conveyance/mortgage pertaining to loans from Scheduled Commercial Banks/ Financial Institutions and other lenders as notified by State Government for projects located within Meghalaya.
- e. **Interest Subvention Subsidy:** Subsidy @ 5 % on interest paid to Scheduled Commercial Banks/Financial Institutions or other lenders as notified by State Government subject to a ceiling of Rs 25 lakhs per annum on term loans (excluding working capital loans) availed by an entrepreneur for setting up of enterprise for a period of 3 (three) years from the date of disbursement of the loan.

Industrial units from the Priority Sectors will be able to avail the above incentive for 5 years from the date of disbursement of the loan.

- f. **Net SGST Reimbursement:** The Medium and Large Industrial Units in the State shall be eligible for reimbursement of 100 % of net SGST to the extent of cash paid by debiting the Electronic Cash Ledger after utilization of the input tax credit for a period of 15 years from the commencement of commercial production / operations up to a ceiling of 150 % of eligible fixed capital investment per annum. Computation of the Net SGST have to be carried out in accordance with guidelines mentioned under Annexure D (8) of this Policy.

6.2.2. Customised Package of Incentives For New Industrial Units

- a). Industrial Units making a minimum investment of Rs 100 crores in Factory Buildings, Plant & Machinery and Office Equipment and generating employment of least 150 employees in Meghalaya will be eligible for a customised package of incentives on the following lines:
 - a. State Capital Investment Subsidy
 - b. Subsidy on Power Tariff
 - c. Interest Subsidy
 - d. Net SGST Reimbursement
 - e. Any other assistance towards physical infrastructure required for operationalizing the industrial unit / Project
- b). Proposals with respect to the above incentives will be evaluated by a High-Powered Investment Clearance Committee under the Chairmanship of Cabinet Minister, Commerce & Industries Department, Government of Meghalaya and will be approved by the State Cabinet.

c). Composition of the High-Powered Investment Clearance Committee will be as given below:

| S No | Member | Position |
|------|---|------------------|
| 1 | Minister of Commerce & Industries | Chairman |
| 2 | Commissioner & Secretary, Department of Commerce & Industries or his representative | Member Secretary |
| 3 | Commissioner & Secretary, Department of Finance or his representative | Member |
| 4 | Commissioner & Secretary, Department of Planning or his representative | Member |
| 5 | Commissioner & Secretary, Department of Tourism or his representative | Member |
| 6 | Commissioner & Secretary, Department of Power or his representative | Member |
| 7 | Commissioner & Secretary, Department of Labour or his representative | Member |
| 8 | Commissioner & Secretary, Department of Law or his representative | Member |
| 9 | Commissioner & Secretary, Department of Revenue & Disaster Management or his representative | Member |
| 10 | Commissioner & Secretary or Head of Line Department or his representative | Invitee Member |

The Secretariat of the above Committee shall be headed by Director, Department of Commerce & Industries, Government of Meghalaya.

d). The minimum condition of 150 employees may be relaxed by the High-Power Investment Clearance Committee in case of special nature of the Industry Service.

6.2.3. Green Incentives for Existing and New Industrial Units

In order to promote sustainable industrialisation in the State existing and new industrial units shall be provided subsidy for the following initiatives:

A. Subsidy on Non-Conventional / Renewable Energy Generating Sets:

A one-time subsidy @ 50 % on the cost of Non-Conventional/Renewable Energy Generating Sets purchased for captive use by the industrial units, subject to a ceiling of Rs 50 lakhs for Micro and Small Industrial Units and Rs 1 crore for Medium and Large Industrial Units.

B. Subsidy on Expenditure incurred on getting Quality Certification for an Industrial Unit:

A one-time subsidy @ 50 % on fees / charges / other expenses incurred on obtaining Quality Certification from national and international bodies in one or more of below mentioned areas subject to a maximum of Rs 1 lakh for Micro and Small Industrial Units and Rs 3 lakhs for Medium and Large Industrial Units:

- i. ISO-9000 Quality Management System
- ii. ISO-14000 Environmental Management System
- iii. ISO-18000 Occupational Health and Safety Standards
- iv. BIS certification
- v. Green Energy Certificate
- vi. Bureau of Energy Efficiency Certificate
- vii. FSSAI License
- viii. AGMARK
- ix. Organic Products (Tea & Horticultural products)

- x. Forest Stewardship Council (FSC)
- xi. Zero Defect Zero Effect (ZED) Certification
- xii. Okotex 100 Standard Certification
- xiii. APEDA Certification
- xiv. Any other as specified by State Government

C. Reimbursement of Cost of getting Patent Registration by an Industrial Unit:

- (a). **Quantum of Assistance:** A Subsidy @ 50% of cost/expenditure incurred for any number of patent applications subject to a maximum of Rs 3 lakh per applicant per enterprise for obtaining domestic Patents and Rs 5 lakhs for International Patent Registration of product/ process developed by the Industrial Unit.
- (b). **Attorney Fee:** A Subsidy @ Rs 50,000 for domestic patents and Rs 1 lakh per country for international patents.
- (c). **Disbursal of Assistance:** 50% of the subsidy will be disbursed after publication / notification of the patent, while remaining subsidy will be disbursed after issuance of certificate of patent.

D. Subsidy on Cost incurred on installation of Rainwater Harvesting System in the Industrial Unit:

A Subsidy @ 50% of cost of Rainwater Harvesting System subject to a maximum limit of Rs 2 lakhs for Micro and Small Industrial Units and Rs 10 lakhs for Medium and Large Industrial Units.

E. Subsidy on Cost incurred on installation of Wastewater Recycling facility in the Industrial Unit:

A Subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 5 lakhs for Medium Industrial Units and Rs 15 lakhs for Large Industrial Units.

F. Reimbursement of expenses incurred on Water Audit by an Industrial Unit:

A Subsidy @ 75% of expenses incurred on Water Audit by an Industrial Unit subject to a maximum of Rs 1 lakh provided it results in a saving of at least 25 % in consumption of water by the respective industrial unit.

The Water Audit will have to be conducted by an agency recognised by Central or State Government and a final audit report along with certificate for resultant savings will need to be submitted by the industrial unit at the time of applying for the subsidy.

G. Subsidy on Cost incurred on installation of Zero Discharge facility in the Industrial Unit:

A Subsidy @ 50% of Cost incurred on installation of Zero Discharge facility subject to a maximum limit of Rs 5 lakhs for Medium Industrial Units and Rs 10 lakhs for Large Industrial Units.

H. Skilling and Capacity Building Subsidy:

In addition to the above-mentioned Green Incentives, existing operational Industrial Units in Meghalaya shall also be allowed reimbursement of 50% of the cost of technical training of the employees (mainly in the operational, frontline, supervisory roles) subject to a maximum of Rs. 5,000 per employee and to a maximum of 5 employees (having domicile of Meghalaya) per industrial unit per annum for a period of 5 years. The training cost can be claimed by the industrial unit within one year from the date of commencement of commercial operations. Reimbursement of cost of training will be provided for the 1st training undertaken by the employee from any Government recognized / approved institution

6.2.4. Incentives for Setting up Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park (EPIP)

To develop quality industrial infrastructure in Meghalaya the developers of Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park shall be offered the following incentives:

a. State Capital Investment Subsidy

Developer of Private Industrial Estate / Industrial Park / Industrial Growth Centres/ Food Processing Park / Pharma Park / Export Promotion Industrial Park developed in Meghalaya shall be eligible for a State Capital Investment Subsidy on Cost of Construction / Development of Industrial Plots , Industrial Sheds, Administrative Units, Other Common Facilities (Parking, Warehouse, R & D Centre, Training Centre, Recreational Facilities, Medical Facilities), and Other Infrastructure (Power Supply & Distribution , Water Supply, Waste Management System, Firefighting Network System at Site Level, and Internal Roads, but excluding the Cost of Land and Landfilling / Levelling) within the Project. The amount of Subsidy shall be as follows:

| Category | Area of Private Industrial Estate /Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / EPIP (In Acres) | State Capital Investment Subsidy (%) |
|----------|--|---|
| A | Minimum 10 to 30 Acres | Subsidy @ 30 % with an Upper Ceiling of Rs 5 Crores |
| B | More Than 30 Acres | Subsidy @ 20 % with an Upper Ceiling of Rs 6 crores |

This subsidy shall be provided based on the following milestones:

- ❖ **Milestone 1:** 50% of the amount determined as State Capital Investment Subsidy shall be disbursed upon the paid-up allotment of 50% of the Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park area along with 10% operational units i.e., either 10% of units achieving commercial production or units occupying 10% of Industrial area achieving commercial production.
- ❖ **Milestone 2:** Remaining 50% of the amount determined as State Capital Investment Subsidy shall be disbursed upon paid-up allotment of 75% Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park area along with 50 % operational units i.e., either 50 % of units achieving commercial production or units occupying 50% of Industrial Estate area achieving commercial production.

In case the Project is developed under 'Community Participation', an additional incentive of 10 % shall be payable subject to a maximum limit of Rs 50 lakhs. The same shall be payable in a manner like the one applicable for the 20 % incentive mentioned above.

b. Reimbursement of Stamp Duty & Registration Fee, Development Subsidy & Power Subsidy on D G Sets shall be made available on the lines of the Standard Incentives available to New Large Industrial Units under the Industrial Policy.

c. Subsidy for setting up Common Effluent Treatment Plant (CETP) / Common Sewerage Treatment Plant (CSTP): One-time capital subsidy of 30% of the cost of CETP / CSTP [including Civil Work relating to Plant Room, Equipment, Installation, Testing & Commissioning] set up in a Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park subject to a maximum limit of Rs 10 lakhs.

d. Additional Incentives to Micro and Small Industrial Units Established Within Private Industrial Estate / Industrial Park / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park over and above the 'Standard Incentives for New Micro and Small Industrial Units under MIIPP 2023'

- 1. Common Effluent Treatment Plant (CETP) Charges** - To enable continuous usage of CETP, a subsidy on user charges of CETP at the rate of 25 % of effluent discharge treated shall be available to the Micro and Small Industrial Units for initial 2 years of operations of the individual Industrial Unit from the date of allotment of space in the Private Industrial Estate / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park.
- 2. Water Charges** – A Subsidy @ 25 % on Water Charges for tertiary treated water used by Micro and Small Industrial Units established within the Private Industrial Estate / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park shall be available for initial period of 2 years of operation of the individual Industrial Unit from the date of allotment of space in the Private Industrial Estate / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park.

e. The above incentives for setting up Private Industrial Estates / Industrial Parks / Growth Centres / Food Processing Park / Pharma Park / Export Promotion Industrial Park min the State shall be available to the first five industrial units applying on a first come first served basis.

6.3. Definition of Plant & Machinery in Manufacturing and Service Sectors for availing Incentives / Subsidies

6.3.1. Plant & Machinery for manufacturing & service sectors (except Tourism and Hospitality sector, Music, Films and Entertainment sector, Healthcare sector, IT & ITES sector and Power Generating Plants).

- a) In calculating the value of Plant and Machinery, the cost of industrial Plant and Machinery as erected at the site will be taken in to account which will include the cost of productive equipment, such as tools, jigs, dies, moulds and electrification 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, Cables).
- b) The amount invested in goods carriers to the extent they are utilized for transport of raw materials (within and outside the premises) and marketing of the finished products, will be taken into account.

6.3.2. Definition of 'Plant and Machinery' in respect of Tourism and Hospitality Sectors:

The cost of all the items/components/equipment except consumables and disposables which are basic to the operations of the projects will be considered for computing the value of Plant & Machinery. The indicative list of Plant and Machinery is as follows:

- i. Air-conditioning. A.C. plants, fans & exhaust fans, coolers
 - ii. Electrical installations/electronic fittings.
 - iii. Filtration plant for swimming pool
 - iv. Water softening Plant
 - v. Fume extraction and ventilation plant
 - vi. Non-CFC equipment for refrigeration & air-conditions and other eco- friendly measures and initiatives.
 - vii. Cold storage equipment
 - viii. Bakery equipment
 - ix. Kitchen equipment, cooking range, dish washer, working table
 - x. Telephone equipment & exchange/PBX
 - xi. House-keeping machines and Equipment
 - xii. Hot water boilers, solar heaters and solar plants/geysers/ cold & hot running water machines.
 - xiii. Furniture, interior & fittings
 - xiv. Lifts & elevators
 - xv. Spa and fitness equipment
 - xvi. Metal detectors (door frame or handheld)
 - xvii. CCTV, screens, projectors, and other equipment for conference hall(fixed) O.G. Sets, goods carrier.
 - xviii. Lighting equipment
 - xix. X-ray machines
 - xx. Under belly scanners to screen vehicles
 - xxi. Smoke detectors
 - xxii. Safe keeping/in room safe
 - xxiii. Minibar/fridge
 - xxiv. TVs
 - xxv. Fire-fighting equipment (fixed)
 - xxvi. Dry-cleaning/laundry related equipment
 - xxvii. Tea/coffee making machines, equipment, etc.
 - xxviii. Tents for camping
 - xxix. Tube wells along with pumping set lines within the campus Pollution control machines for air, water, light and sound/STP.
 - xxx. Adventure and water parks, water sports equipment.
- For adventure and leisure sports, amusement/entertainment parks, cable car ropeways, the entire cost of items and components (excluding land) essential for commissioning the project.
- xxxi. Crockery and Cutlery

Note:

- (i). Goods mentioned above shall be allowed one time for initial set up.
- (ii) The goods mentioned at Sr. No. xxii to xxv and telephone equipment shall be allowed one set per room.

6.3.3. Definition of 'Plant and Machinery' in respect of Music, Films and Entertainment Sector and IT & ITES Sector:

The cost of all the items/components/equipment except consumables and disposables which are basic to the operations of the projects will be considered for computing the value of Plant & Machinery.

6.3.4. Definition of 'Plant and Machinery' in respect of Healthcare sector:

The cost of all the items/components/equipment relating to general surgery, maternity facilities, pathology, radiology, cardiology, oncology, E.C.G., emergency services, except consumables, and disposables which are basic to the operations of the healthcare unit will be taken into account for computing the value of Plant & Machinery.

6.3.5. Definition of 'Plant and Machinery' in respect of Power Generating Plant:

- a) In calculating the value of Generating Plant and Machinery of a Power Station, the cost of Plant and Machinery as erected at site and required for Plant operations will be taken into account which will include the cost of main plant, any associated building systems, auxiliary equipment and tools but excluding the cost of land.
- b) The amount invested in step-up transformer, switch gear, switch yard, cables or other appurtenant equipment, if any, will be taken into account but does not include any sub-station.
- c) The amount invested in ash disposal system, railway siding at site or merry-go-round system for transport of raw material/fuel or the carriers to the extent they are actually utilized for transport of ash or raw material/fuel or other appurtenant equipment if any, will be taken into account where electricity is generated by a thermal power generation unit.
- d) The amount invested in dam & reservoir regulating system (hoists and gates etc.) head and tail water conductor system or EOT crane or other appurtenant equipment if any, will be taken into account where electricity is generated by using waterpower in a power generating unit.

6.3.6. Definition of 'Plant and Machinery' in respect of Integrated Cold Chain Logistics Facility:

The cost of Plant and Machinery shall include all items/components/equipment except consumable and disposables required for the purpose of Weighing, Sorting, Grading Waxing, Packing, Pre-cooling, Control Atmosphere (CA)/ Modified Atmosphere (MA) Cold storage, Individual Quick Freezing (IQF), Multi Products and Multi-Control Atmosphere (CA)/ Modified Atmosphere (MA) chambers/ Variable Humidity Chambers, Fog treatment, Individual Quick Freezing (IQF), Blast freezing and Irradiation used in the said facility.

6.3.7. Definition of 'Plant and Machinery' in respect of Warehouses:

The cost of Plant and Machinery shall include all items/components/equipment except consumable and disposables required for handling, movement, and value-added services such as sorting, grading and packaging of goods used in the facility.

6.3.8. Indigenous Second Hand and Imported Plant and Machinery:

In case of indigenous second-hand machinery purchased by the unit, such value should not exceed 25% of the total value of plant and machinery. The value of indigenous second-hand machinery will not be computed towards eligible Fixed Capital Investment for fiscal incentives.

To decide the percentage of second-hand machinery, market value as certified by chartered engineer will be considered, subject to such machinery having a minimum of further six (6) years life for Micro and Small Industrial Units and twelve (12) years for Medium and Large Industrial Units certified by a Licensed Engineer/ Chartered Accountant.

However, in case of imported machinery, value of 100% imported second-hand plant, machinery and equipment will be considered as new indigenous machinery if it is imported directly by the industrial unit.

In case of imported machinery, value of plant and machinery will include custom duty and insurance paid, freight charges from the port of arrival till destination and installation charges in addition to the CIF value of such plant & machinery provided that the freight and installation charges would be limited to 10% of the basic price.

6.3.9. Working capital including cost of raw material/fuel and other consumables will be excluded for computing the value of Plant & Machinery.

6.4. Definition of Buildings in case of manufacturing industrial units

6.4.1. In case of new buildings

The value of construction of factory building will be limited to the approved project cost and Value of leased building will not be considered.

The items of civil works which are permitted for computation towards eligible cost are:

- i. Main Factory Shed
- ii. Raw Material and finished products Godown
- iii. Office room and Lab room
- iv. Cooling Towers
- v. Boiler shed and generator room
- vi. Overhead Tank, bore-wells, and pump house and sump
- vii. Fencing and Gate
- viii. Architect fee and supervision charges
- ix. R&D laboratory/Center
- x. Compound wall
- xi. Canteen
- xii. Workers' rest room
- xiii. Time Office
- xiv. Cycle / Vehicle Stand
- xv. Security Shed
- xvi. Toilet room and sanitary fittings
- xvii. Workers' hostel constructed in the same factory premises
- xviii. Unit's own retail outlet on the same factory premises
- xix. Total value of the civil works means items (i) to (x) only within the approved project cost.
- xx. The total value of items at (xi) to (xix) and similar items shall not exceed 10% of the total value of civil works.

6.4.2. In case of buildings purchased from existing industry

In case of buildings purchased from existing industry which has availed incentives granted by State Government under any of the State Industrial Policy, the building cost will not be considered as part of FCI. However, in cases where incentives have not been availed by the seller the depreciated value of the buildings will be considered for FCI.

Any new asset, other than refurbished assets, created from the above-mentioned list with fresh investment will be considered for calculating the amount of FCI. The depreciated value, quality and life of the building will have to be certified by a Chartered Civil Engineer.

6.5. Negative List for the purpose of availing Incentives / Subsidies

6.5.1. List of industrial units / sectors which are not eligible for Subsidies / Incentives under Meghalaya Industrial & Investment Promotion Policy (MIIPP) 2023 are mentioned under Annexure A

6.5.2. To ensure genuine industrial activities in the State, benefits under MIIPP 2023 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, repacking, labelling or re-labelling, sorting, alteration of retail sale price etc. take place.

7. Promotion of Start-ups & Innovations

Provisions related to promotion of Start-ups in Meghalaya will be in accordance with the Meghalaya Start-up Policy 2018 or any other Act / Policy notified by the State Government.

8. Development of Projects in Meghalaya under Public Private Partnership (PPP) / Community Public Private Partnership (CPPP) Mode

Provisions related to development of Projects in Meghalaya under PPP / CPPP mode will be in accordance with the Meghalaya PPP Policy 2021. All PPP / CPPP Projects developed in Meghalaya shall be eligible to avail the incentives / subsidies as per the provisions of MIIPP 2023 subject to the same being limited to the proportionate share of investments made by the Private Sector in such Projects.

9. Policy Implementation

- The Department of Commerce & Industries, Government of Meghalaya shall be the administrative department for the implementation of MIIPP 2023.
- It shall oversee functioning of all important sections / agencies involved in Policy implementation.
- It shall formulate detailed guidelines / scheme regarding Policy provisions in consultation with concerned State departments.

9.1. Allocation of funds for Incentives / Subsidies:

- All the claims approved by State Level Committee (SLC)/ District Level Committee (DLC) under the Policy for enterprises under IT and ITES, Tourism and Healthcare Sectors shall be met out of the funds allocated by the respective State Departments.
- All other claims approved by SLC / DLC for the manufacturing and service enterprises shall be met out of the funds made available under the Policy to the Department of Commerce & Industries by the State Government.

9.2. Sanction of Incentives /Subsidies

Sanction of eligible subsidy claims shall be approved by the State Level Committee (SLC) for Small/ Medium/ Large Industrial Units (for manufacturing, service/other sectors) and by the District Level Committee (DLC) for the Micro units (for both manufacturing & service/other sectors).

9.3. Designated State Agency for disbursement of Incentives /Subsidies

Directorate of Industries shall be the designated State nodal agency for disbursement of incentives/subsidies under MIIPP 2023 based on the recommendation of State Level Committee (SLC) / District Level Committee (DLC) as the case may be.

9.4. Limit of Incentives /Subsidies:

In the event of Central Government/other State Government Departments granting similar incentives/subsidies for same component of the Project the Scheme would be limited to the difference between the two subsidies / incentives.

In case of similar set of incentives are available under different sectoral policies / schemes in the State, the industrial unit shall be able to choose to claim incentives / subsidies under any one of them.

Enterprises opting to avail incentives under CM Elevate Program of the State Government, shall be eligible to avail only SGST incentive available under MIIPP 2023.

9.5. Procedure for Applications, Approvals & Submission of Claims:

- i. Units intending to avail the benefits under the Scheme shall apply in Form 1 marked as Annexure C of this Policy for "Registration Certification" to the concerned District Commerce and Industries Centre (DC&IC)

within 3 months from the date of Issue of 'Consent to Establish' or 'No Objection Certificate' from Pollution Control Board.

- ii. Application for "Registration Certificate" submitted by eligible industrial unit shall be scrutinized by the concerned DC&IC before forwarding its recommendation to the Directorate of Commerce and Industries for further consideration.
- iii. "Issue of Registration Certificate" should not be recommended by the DC&IC on the basis of incomplete information / documents.
- iv. DC&IC will ensure that no unit is issued "Registration Certificate" for benefits under the Policy if it is covered under the Negative List.
- v. The final grant of "Registration Certificate" will be decided by the Directorate of Commerce and Industries which will inter alia consider the prima-facie eligibility of the unit and any other relevant factors.
- vi. Director of Commerce and Industries shall be the competent authority to issue the "Registration Certificate" for all categories of Enterprises on recommendation of concerned DC&IC.
- vii. Submission of claims for subsidies/ benefits under the Scheme by eligible units shall be in the prescribed application Form 2 marked as Annexure D of this Policy.
- viii. For all such incentives which are made available on a 'One-time' basis under MIIPP 2023, the application for benefits under the Scheme along with requisite documents shall be submitted within 1 year from the date of commencement of commercial production/ operations. Claims submitted after the above timeline will be time barred and such claims will not be entertained.
- ix. For all such incentives which are made available on 'Recurring' basis under MIIPP 2023, the application for benefits under the Scheme along with requisite documents shall be submitted within 1 year from the date of incurring of first of such expenses. Claims submitted after the above timeline will be time barred and such claims will not be entertained.
- x. The claim document submitted by eligible industrial units shall be scrutinised by the concerned District Commerce and Industries Centre and their officials shall also carry out physical verification of the applicant units to ensure its physical existence, genuineness of the claim and fulfilment of eligibility criteria before placing its recommendation to the District Level Committee (DLC) for Micro units and to Directorate of Commerce and Industries for units other than Micro units for consideration of State Level Committee (SLC).
- xi. The SLC / DLC shall meet as and when necessary. DC&IC shall coordinate meetings of DLC, prepare agenda notes and minutes of such meetings. The Chairman of SLC / DLC may co-opt any expert(s) / officer(s) for specific proposals.
- xii. Directorate of Commerce and Industries shall verify the claim documents and the recommendations of the DC&IC prior to placing the same before SLC. They will coordinate the meetings of the SLC, prepare agenda notes and minutes of such meetings.
- xiii. The subsidy / benefits under the Scheme should not be disbursed if the claim is sub-judice.
- xiv. The quantum of subsidy to the unit should be worked out / calculated on the eligible components as laid down in the Scheme. In case of any doubt in this regard, the matter may be referred to Department of Commerce and Industries for clarification, whose decision will be final in this regard.
- xv. All expenses must be certified by a Chartered Accountant.

- xvi. The cost of land will not be considered for the purpose of determining the eligibility of subsidy under the Scheme.
- xvii. All mandatory “No Objection Certificates” / Clearances, etc. must be obtained by the unit from the concerned State departments / authorities before consideration of claims.
- xviii. The subsidy claim will be considered by the SLC / DLC only after the unit has started commercial production or has become operational/ functional.
- xix. No interest on account of delay in payments of the incentives / subsidy can be claimed by the unit.

9.6. Procedure for Community Participation in development of Industrial Projects

9.6.1. MIIPP 2023 encourages participation of Communities and their members along with the State Government in development of Industrial Infrastructure in the State.

9.6.2. The above will instil a spirit of entrepreneurship at the grassroot levels, enable productive utilisation of surplus / passive land assets, and offer an opportunity to the members to partially self-utilise the developed industrial assets to the extent required.

9.6.3. The procedure of Community Participation in development of Industrial Projects (namely Industrial Park, Industrial Estate, Industrial Growth Centre, Food Processing Park, Pharma Park, Integrated Cold Chain Logistics Facility, Warehousing Facility and / or Export Promotion Industrial Parks) is as under:

- i. A group of at least 10 or more members of an indigenous Community of a region in Meghalaya who have ownership / right of use of land (private / community owned) and are interested to develop an Industrial Project (Industrial Park, Industrial Estate, Industrial Growth Centre, Food Processing Park, Pharma Park, Integrated Cold Chain Logistics Facility and / or Warehousing Facility) either independently or jointly with a Private Entrepreneur / Developer will need to form a ‘Community Industrial Group’ (CIG) and enter into a ‘Community Industrial Group Agreement’ which shall specify the objective and nature of association amongst the members.
- ii. For availing Incentives / Subsidy under MIIPP 2023 the CIG will register itself with the concerned Director Industries of the district where the Industrial Project is proposed to be setup.
- iii. Director of Commerce and Industries shall be the competent authority to issue the “Registration Certificate” for all CIGs in Meghalaya on recommendation of concerned DC&IC.
- iv. In cases where CIG proposes to develop the Industrial Projects independently on its own it can apply for the available incentives under MIIPP 2023 as per the laid down procedure of claiming incentives under the Policy.
- v. In cases where CIG proposes to develop the Industrial Projects jointly with the Private Entrepreneur / Developer it will enter in to a ‘Community Participation Agreement’ (CPA) with the Private Entrepreneur / Developer of the proposed Project which would specify all aspects of the proposed association.
- vi. Copy of the ‘Community Participation Agreement’ (CPA) shall be submitted by the Private Entrepreneur / Developer / CIG of the proposed Project to the concerned DC&IC at the time for applying for Incentive / Subsidy.

9.7. Composition and Functions of State Level Committee (SLC)

9.7.1. Composition of the State Level Committee (SLC) will be as under:

| | | |
|---|--|----------|
| 1 | Senior most Secretary in the Commerce & Industry Department | Chairman |
| 2 | Addl. Chief Secretary/Principal Secretary/ Commissioner & Secretary/Secretary Commerce & Industries Department | Member |
| 3 | Commissioner & Secretary/Secretary/ Representative of Planning Department | Member |
| 4 | Commissioner & Secretary/Secretary/ Representative of Finance Department | Member |
| 5 | Commissioner & Secretary/Secretary/ Representative of Concerned Line Department | Member |
| 6 | Managing Director, Meghalaya Industrial Development Corporation Ltd. or representative | Member |
| 7 | Chief Manager, SBI or representative | Member |
| 8 | Director of Commerce & Industries | Member |

9.7.2. The functions of the State Level Committee shall be to: -

- a. Scrutinize claim applications and approve cases for sanctions as may be found eligible for Small/Medium/Large Industrial units (manufacturing & service/other sectors)
- b. Monitor and review the progress of implementation of the Scheme from time to time.
- c. Issue instructions, if necessary, for proper implementation of the Scheme.
- d. Quorum required is 1/3 of the members.
- e. Member Secretary may co-opt any official/persons for attending any meeting when occasion arise.

9.8. Composition and Functions of District Level Committee (DLC)

9.8.1. Composition of District Level Committee (DLC)

Each District of the State, will have a District Level Committee (DLC) with the following members:

| | | |
|---|---|------------------|
| 1 | Director of Commerce & Industries | Chairman |
| 2 | Representative of Planning Department | Member |
| 3 | Representative of Finance Department | Member |
| 4 | MD, MIDC Ltd. or Representative | Member |
| 5 | Chief Manager, SBI/any other Bank operating in the district | Member |
| 6 | Representative of Branch MSME | Member |
| 7 | General Manager, District Commerce & Industries Centre | Member Secretary |

9.8.2. The functions of the District Level Committee shall be to:

- (a) Scrutinize/examine claims and approve cases for sanctions as may be found eligible for Micro units (manufacturing & service/other sectors).
- (b) Monitor and review the progress of implementation of the Scheme, as and when necessary.
- (c) Examine problems that may arise for implementation of the scheme and suggest suitable remedial measures as may deem fit.
- (d) Quorum required is 1/3 of the members.
- (e) Member Secretary may co-opt any official/persons for attending any meeting when occasion arise.

9.9. List of Approvals

A department wise indicative list of Approvals / Licenses which are required to be obtained at the time of setting up of an Industrial Unit in the State has been mentioned for reference under Annexure G.

9.10. Forms and Applications

Respective forms and applications required for the purpose of applying for Eligibility Certificate and Incentives / Subsidies have been enclosed under Annexures C and D of MIIPP 2023

9.11. Appeals and Review

Appeal against orders passed by the District Level Committee shall lie with the State Level Committee. Further State Level Committee will be the competent authority to review its orders on review petition filed by concerned applicant unit. The appeal / review shall be filed within 30 days from the date of communication of the order passed by District / State Level Committee.

10. Ease of Doing Business

Government of Meghalaya is committed to enhance the level of Ease of Doing Business in the state and as a part of the same has been engaged in a series of regulatory and institutional reforms to facilitate and speed up the delivery of various Public Services in the State in an efficient manner.

As a way forward in this direction submission of applications for setting up, expansion, of the industrial unit as well as application for submission for claims for incentives, and the departmental approval and monitoring of claims is proposed to be handled online once an appropriate integrated digital platform is developed for the same.

11. Rights of the State Government

- (a) Department of Commerce & Industries, Government of Meghalaya reserves the right to amend any provision(s) or withdraw any of the incentives/ subsidies as and when necessary for development of industries in the general interest of the people of the State from time to time under the provision of the Policy.
- (b) Department of Commerce & Industries, Government of Meghalaya reserves the right to review the matter regarding sanction/ disbursement of subsidies/ incentives to the eligible industrial unit(s) and in this connection, the State Government's decision shall be final and binding.
- (c) Department of Commerce & Industries, Government of Meghalaya reserves the right to modify the negative list of the industries, include or delete activities under 'Priority Sectors', as and when required in the interest of overall economic growth of the State and preservation of environment and ecology. In case of modification of the same Department of Commerce & Industries will consult Department of Finance / & / or other State Departments and move accordingly.
- (d) Department of Commerce & Industries, Government of Meghalaya reserves the right to make/ amend the necessary guidelines / scheme for implementation of this Policy as and when required.
- (e) If the State Government is satisfied that the subsidy to an industrial unit has been obtained by misrepresentation as to an essential fact or furnishing of false information, the State Government may ask the industrial unit to refund the incentive / subsidy after giving an opportunity to the unit of being heard.

12. Change of Location

Without taking prior approval of the State Government, no owner of an industrial unit after receiving a part/whole of the subsidy will be allowed to change the location of the whole or any part of Industrial unit or effect any substantial contraction or dispose of a substantial part of its total fixed capital investment within a period of 5 years after its going into commercial production.

13. Repeal and Savings

Meghalaya Industrial and Investment Promotion Policy 2012 stands repealed and substituted by Meghalaya Industrial and Investment Promotion Policy 2023. The commitments made based on any of the previous Incentive Scheme shall continue to be governed by the corresponding scheme.

14. Interpretation

The decision of the Department of Commerce & Industries, Government of Meghalaya with regards to interpretation of any clause of the Policy shall be final and binding.

15. All concerned Departments of the Government of Meghalaya are requested to notify/amend respective Acts/Rules/Notifications/Schemes etc. and issue necessary instructions for giving effect to these decisions.

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Annexure A

Negative List of Sectors/Industrial Units not eligible for Incentives/Subsidies under MIIPP 2023

| S No | Sectors / Industrial Units |
|------|---|
| 1 | All types of Sawmills and Veneer Mills |
| 2 | Tobacco and manufactured tobacco substitutes |
| 3 | Units producing Pan Masala |
| 4 | Non-Biodegradable Plastic Carry Bags |
| 5 | Wood-fuelled Lime Kilns |
| 6 | Central Public Sector Undertakings and State PSUs |
| 7 | Low Ash Metallurgical Coke and Petroleum Coke Units |
| 8 | Units engaged in Leather Tanning |
| 9 | Refining of Engine Oil |
| 10 | Any other type of unit / sector as notified by the State Government from time to time |

Annexure - B

Summary of Incentives / Subsidies Available Under MIIPP 2023

| S. No | Type of Incentive | Type of Industrial Unit | | | |
|---|--|--|--|---|---|
| | | Micro | Small | Medium | Large |
| A. Standard Incentives For New Industrial Units :: | | | | | |
| 1 | State Capital Investment Subsidy | Subsidy @35 % (thirty five percent) on cost of Factory Building & Plant & Machinery, subject to a ceiling of Rs 15 lakhs. The ceiling for Industrial Units in the priority sector shall be Rs 20 lakhs. | Subsidy @ 30 % (thirty percent) on cost of Factory Building & Plant & Machinery, subject to a ceiling of Rs 1 crore. The ceiling for Industrial Units in the priority sector shall be Rs 1.25 crores. | Subsidy @ 30 % (thirty percent) on cost of Factory Building & Plant & Machinery, subject to a ceiling of Rs 3 crore. The ceiling for Industrial Units in the priority sector shall be Rs 5 crores. | Subsidy @ 25 % (twenty five percent) on cost of Factory Building & Plant & Machinery, subject to a ceiling of Rs 6 crore. The ceiling for Industrial Units in the priority sector shall be Rs 10 crores. |
| 2 | Subsidy on cost incurred for carrying out Feasibility Study and preparation of Project Reports | Subsidy @ 100 % subject to a maximum of Rs 50,000. | Subsidy @ 100% subject to maximum of Rs 1 lakh. | | |
| 3 | Development Subsidy | Subsidy @ 75% on charges payable to statutory bodies at the time of setting up and on either first expansion or first diversification, u carried out by the Industrial Unit. | | | |
| 4 | Interest Subvention Subsidy | Subsidy @ 7.5% on interest paid to Scheduled Commercial Banks / Financial Institutions or other Lenders as notified by State Government on term loans (excluding working capital loans) subject to a maximum ceiling of Rs 5 lakhs per annum for a period of 3 years from the date of disbursement of the loan. For Industrial Units in the Priority Sectors, the ceiling of period shall be 5 years. | Subsidy @ 6% on interest paid to Scheduled Commercial Banks / Financial Institutions or other Lenders as notified by State Government on term loans (excluding working capital loans) subject to a maximum ceiling of Rs 7 lakhs per annum for a period of 3 years from the date of disbursement of the loan. For Industrial Units in the Priority Sectors, the ceiling of period shall be 5 years. | Subsidy @ 5% on interest paid to Scheduled Commercial Banks / Financial Institutions or other Lenders as notified by State Government on term loans (excluding working capital loans) subject to a maximum ceiling of Rs 25 lakhs per annum for a period of 3 years from the date of disbursement of the loan. For Industrial Units in the Priority Sectors, the ceiling of period shall be 5 years. | |
| 5 | Subsidy on Power | | | | |

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| | | | | |
| a. | Power Tariff | <p>Subsidy @ 30 % on power tariff for loads up to 2 MW for a period of 5 (five) years from the date of commencement of commercial production for manufacturing process only subject to a maximum ceiling of Rs 5 lakhs per annum, with an overall ceiling of 100% of total investment made in Factory Building and Plant and Machinery by the Industrial Unit.</p> <p>For Industrial Units in the Priority Sectors, the overall ceiling shall be 125% of the investment made in Factory Building and Plant and Machinery by the Industrial Unit.</p> | <p>Subsidy @ 30 % on power tariff for loads up to 2 MW for a period of 5 (five) years from the date of commencement of commercial production for manufacturing process only subject to a maximum ceiling of Rs 10 lakhs per annum, with an overall ceiling of 100% of total investment made in Factory Building and Plant and Machinery by the Industrial Unit.</p> <p>For Industrial Units in the Priority Sectors, the overall ceiling shall be 125% of the investment made in Factory Building and Plant and Machinery by the Industrial Unit.</p> | |
| b. | Subsidy on Capital Investment on Power Generating Sets | Subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy Generating Sets purchased for captive use, subject to a ceiling of Rs 20 lakhs for Conventional Sets and Rs 50 Lakhs for Non-Conventional / Renewable Energy Sets purchased by the industrial units. | | Subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy Generating Sets purchased for captive use of energy subject to a ceiling of Rs 50 lakhs for Conventional Sets and Rs 1 crore for Non-Conventional / Renewable Energy Sets purchased by the. Each Industrial Unit will be allowed a Single Claim either for Conventional or Non-Conventional Energy Set. |
| c. | Subsidy on Capital Investment on Drawal of Power Line | Subsidy of 100% on drawl of 11 KV and above power line including cost of transformer(s) subject to a maximum limit of Rs 10 lakhs provided the location is approved by the State Government. | | |
| d. | Subsidy on Power Service Connection Charges | Subsidy of 50% on Power Service Connection Charges (excluding internal wiring) subject to a maximum ceiling of Rs 2 lakhs. | | |
| 6 | Price Preference | Will be given in accordance with the existing Meghalaya Procurement Preference Policy for Micro and Small Enterprises 2020, to all eligible manufacturing units. | | |
| 7 | Reimbursement of Stamp Duty & Registration Fees | Subsidy of 100% of the applicable Stamp Duty & Registration Fee on execution of deeds of conveyance / mortgage pertaining to loans for | | Subsidy of 100% of the applicable Stamp Duty & Registration Fee on execution of deeds of conveyance / mortgage pertaining to loans for |

| | | | |
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| | | projects located in Meghalaya from Banks / Financial Institutions and other lenders as notified by State Government, subject to a maximum of Rs 3 lakhs. | projects located in Meghalaya from Banks / Financial Institutions and other lenders as notified by State Government, subject to a maximum of Rs 5 lakhs. |
| 8 | Subsidy to Industrial Units owned by Physically Challenged persons | <ul style="list-style-type: none"> •Additional subsidy @10% on the cost of Factory Building and Plant & Machinery subject to a ceiling of Rs 50 lakhs provided the entrepreneur is the majority shareholder in the Industrial Unit. •Subsidy of 50 % on the applicable lease rent on industrial land/shed/shop in an Industrial Area/Industrial Estate/Growth Centre/ Industrial Park/ EPIP set up by the State Government. | |
| 9 | Net SGST Reimbursement | <p>Net SGST reimbursement for a period of 15 years from the date of commercial production subject to a ceiling of 200% of FCI.</p> <p>100% of Net SGST for a period of 15 years from the date of commercial production subject to a ceiling of 180% of FCI.</p> | Net SGST reimbursement for a period of 15 years from the date of commercial production subject to a ceiling of 150% of FCI. |
| 10 | Transport Subsidy | <p>Actual expenditure incurred on inland transportation of raw materials sourced from within the State of Meghalaya and finished products produced in Meghalaya or 3% of annual turnover, whichever is lower subject to a maximum ceiling of Rs 10 lakh per annum for a period of 3 years.</p> <p>For Priority Areas, the maximum ceiling shall be Rs 15 lakhs for a period of 4 years.</p> | |
| 11 | Reimbursement of CGTMSE Fee | <p>Reimbursement of 100% of annual guarantee fee for a period of 4 years paid for availing collateral free term loans under CGTMSE.</p> <p>Industries falling under Priority Areas will be eligible to avail the same incentive for 5 years.</p> | |
| 12 | Reimbursement of Employers Contribution to Employee Provident Fund | <ul style="list-style-type: none"> • Subsidy of 100 % of employer's contribution to Employee Provident Fund (EPF) for a period of 5 years from the commencement of commercial production / operations for skilled and semi-skilled workers who are domiciles of Meghalaya. •Industrial units from the Priority Areas will be able to avail the above incentive for 6 years. •Reimbursement shall be made subject to a maximum ceiling of 12% of the employee's basic salary plus applicable dearness allowance and retaining allowance or Rs 1800 per month whichever is lower. | |

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| 13 | Subsidy on Skilling & Capacity Building | <p>Reimbursement of 50% of the cost of technical training of the employees (mainly in the operational, frontline, supervisory roles) subject to a maximum of Rs. 5,000 per employee and to a maximum of 5 employees (having domicile of Meghalaya) per industrial unit per annum for a period of 5 years. The training cost can be claimed by the industrial unit within one year from the date of commencement of commercial operations. Reimbursement of cost of training will be provided for the 1st training undertaken by the employee from any Government recognized / approved institution.</p> |
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| B. Customised Package of Incentives For New Industrial Units :: | |
| Industrial Units making a minimum investment of Rs 100 crores in Factory Buildings, Plant & Machinery and Office Equipment and generating employment of least 150 employees in Meghalaya will be eligible for a customized package of incentives on the following lines: | |
| 1 | State Capital Investment Subsidy |
| 2 | Subsidy on Power Tarriff |
| 3 | Interest Subsidy |
| 4 | Net SGST Reimbursement |
| 5 | Any other assistance required towards Physical Infrastructure required for operationalizing the Industrial Unit |

| C. Summary Of Green Incentives for Existing and New Industrial Units:: | | |
|---|--|--|
| 1 | Subsidy on Non-Conventional / Renewable Energy Generating Sets | A one-time subsidy @ 50 % on the cost of Non-Conventional/Renewable Energy Generating Sets purchased for captive use by the industrial units, subject to a ceiling of Rs 50 lakhs for Micro and Small Industrial Units and Rs 1 crore for Medium and Large Industrial Units. |
| 2 | Subsidy on Expenditure incurred on getting Quality Certification for an Industrial Unit | <p>A one-time subsidy @ 50 % on fees / charges / other expenses incurred on obtaining Quality Certification from national and international bodies in one or more of below mentioned areas subject to a maximum of Rs 1 lakh for Micro and Small Industrial Units and Rs 3 lakhs for Medium and Large Industrial Units</p> <ol style="list-style-type: none"> i. ISO-9000 Quality Management System ii. ISO-14000 Environmental Management System iii. ISO-18000 Occupational Health and Safety Standards iv. BIS certification v. Green Energy Certificate vi. Bureau of Energy Efficiency Certificate vii. FSSAI License viii. AGMARK ix. Organic Products (Tea & Horticultural products) x. Forest Stewardship Council (FSC) xi. Zero Defect Zero Effect (ZED) Certification xii. Okotex 100 Standard Certification xiii. APEDA Certification xiv. Any other as specified by State Government |
| 3 | Reimbursement of Cost of getting Patent Registration by an Industrial Unit | <p>A Subsidy @ 50% of cost/expenditure incurred for any number of patent applications subject to a maximum of Rs 3 lakh per applicant per enterprise for obtaining domestic Patents and Rs 5 lakhs for International Patent Registration of product/ process developed by the Industrial Unit.</p> <p>A Subsidy @ Rs 50,000 towards Attorney Fee for domestic patents and Rs 1 lakh per country for international patents.</p> |
| 4 | Subsidy on Cost incurred on installation of Rainwater Harvesting System in the Industrial Unit | A Subsidy @ 50% of cost of Rainwater Harvesting System subject to a maximum limit of Rs 2 lakhs for Micro and Small Industrial Units and Rs 10 lakhs for Medium and Large Industrial Units |
| 5 | Subsidy on Cost incurred on installation of Wastewater Recycling facility in the Industrial Unit | A Subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 5 lakhs for Medium Industrial Units and Rs 15 lakhs for Large Industrial Units. |
| 6 | Reimbursement of expenses incurred on Water Audit by an Industrial Unit | A Subsidy @ 75% of expenses incurred on Water Audit by an Industrial Unit subject to a maximum of Rs 1 lakh |

| | | |
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| | | provided it results in a saving of at least 25 % in consumption of water by the respective industrial unit. |
| 7 | Subsidy on Cost incurred on installation of Zero Discharge facility in the Industrial Unit | A Subsidy @ 50% of Cost incurred on installation of Zero Discharge facility subject to a maximum limit of Rs 5 lakhs for Medium Industrial Units and Rs 10 lakhs for Large Industrial Units |
| 8 | Skilling & Capacity Building Subsidy (for existing micro and small operational industrial units) | Reimbursement of 50% of the cost of technical training of the employees (mainly in the operational, frontline, supervisory roles) subject to a maximum of Rs. 5,000 per employee and to a maximum of 5 employees (having domicile of Meghalaya) per industrial unit per annum for a period of 5 years. The training cost can be claimed by the industrial unit within one year from the date of commencement of commercial operations. Reimbursement of cost of training will be provided for the 1st training undertaken by the employee from any Government recognized / approved institution |

| D. Summary Incentives for Setting up Private Industrial Estate / Industrial Park / Industrial Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park (EPIP) :: | | |
|--|---|--|
| 1 | State Capital Investment Subsidy | Total Area of 10 to 30 acres - Subsidy @ 30 % with an Upper Ceiling of Rs 5 Crores. Total Area above 30 acres - Subsidy @ 20 % with an Upper Ceiling of Rs 6 crores. |
| 2 | Reimbursement of Stamp Duty & Registration Fee, Development Subsidy & Power Subsidy on D G Sets | On the lines of the Standard Incentives available to New Large Industrial Units under the Policy. |
| 3 | Subsidy for setting up Common Effluent Treatment Plant (CETP) / Common Sewerage Treatment Plant (CSTP) | One-time capital subsidy of 30% of the cost of CETP / CSTP [including Civil Work relating to Plant Room, Equipment, Installation, Testing & Commissioning] subject to a maximum limit of Rs. 10 lakhs |
| 4 | Additional Incentives to Micro and Small Industrial Units Established Within Private Industrial Estate / Industrial Park / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park over and above the 'Standard Incentives for New Micro and Small Industrial Units : | |
| a | Common Effluent Treatment Plant (CETP) Charges | A subsidy on user charges of CETP at the rate of 25 % of effluent discharge treated shall be available to the Micro and Small Industrial Units for initial 2 years of operations of the individual Industrial Unit from the date of allotment of space in the Private Industrial Estate / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park. |
| b | Water Charges | A Subsidy @ 25 % on Water Charges for tertiary treated water used by Micro and Small Industrial Units for initial 2 years of operations of the individual Industrial Unit from the date of allotment of space in the Private Industrial Estate / Growth Centre / Food Processing Park / Pharma Park / Export Promotion Industrial Park. |

