

DRAFT

**THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2011
(IIPM, 2011)**

1. Mission:

After the attainment of statehood in 1972, the State Government announced the following Industrial Policy, namely 1982, 1989, 1990 and 1996. The earlier Industrial Policy had limited impact on industrial investment and growth. The State has not witnessed the desired level of achievement on industrial activity as envisages in the Policy.

The present Policy is to facilitate and provide, an investor-friendly environment, institutional support, credit flow, attractive incentive packages and optimum utilisation of existing resources to gainfully exploit emerging opportunities in the National and International markets to generate employment avenues for the people of Manipur. It further address for economic participation that provides opportunities for all section of its people to use their capabilities and gain income from their choice of activities.

The State Government remained to develop adequate industrial infrastructures and create environment conducive to attract investor from outside and inside the State.

This will be done by providing industry access to appropriate quality infrastructure, research & development, market linkages, adequate credit flow from the Bank and Financial Institutions, secured law and orders, institutional support from the Universities and Technological Institutes in Manipur to catalyse the entrepreneurial as well as creative capabilities of the vibrant human resources of this State. There should be consistent parity with its economy and human, and natural resource base. To achieve this requires:

- (a) Long-term State plan with the dynamic National Vision, and create fund for grant and economic restructuring.
- (b) Elaborate medium - and long-term capacity-building programme to create destination for investors, Non Resident Indians; self-sustained growth for Micro, Small, Medium enterprises, Traditional Industries, and Export oriented Unit, with adequate credit dispensation.
- (c) Import-Substitution, to the extent possible by substantial production within the state itself.

- (d) Accelerated agricultural growths, and expand purchasing power.
- (e) Aid for economic transformation should overcome poverty and unemployment and start life afresh, and that Govt. launch microcredit programmes.
- (f) Trade with Asian countries, provided every care is taken to protect local industry.
- (g) Investment in infrastructure development
- (h) Higher and easier availability of credit.

2. The objective of the Industrial Policy:

The Policy announcement made earlier by the State Government had limited impacts on industrial investment and growth of industry in the desired level and consequently decided to achieve the following :

- (a) To create conditions for rapid industrial development and conducive investments climate.
- (b) Develop the state of art technology and infrastructures to ensure planned and accelerated industrial development.
- (c) Create a liberal environment for the investors.
- (d) Promote economic activities to ensure maximum capital investment in the State for increasing employment opportunities, improving standard of living of people at large, to ensure all round development of the State
- (e) Provide better development opportunities to Scheduled Castes, Scheduled Tribes. Other Backward Classes, Handicapped and Women to ensure their participation in the development process.
- (f) Accelerate Balanced Development of the region / districts to prevent socio-economic distortions due to backwardness.
- (g) Encourage for establishment of Manufacturing, Service Sectors and Clusters.
- (h) Promote export of items, in which the State holds advantage to other States, based on resources of raw materials and human skills.
- (j) Take steps to protect and promote handicrafts so as to conserve and enrich cultural heritage, traditions and customs of the State.
- (j) Promote existing industrial unit to modernisation and technology up gradation.
- (k) Encourage quality control, standardization and competitiveness of the local products.
- (l) Promote Tourism, develop tourism related industry.
- (m) Ensure for minimizing pollution, and encourage eco-friendly units.

3. **Strategy:**

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

- (a) Take effective steps to promote industrial culture and create a secure environment for entrepreneurs.
- (b) Expedite completion of the on-going industrial infrastructure development projects within a time frame.
- (c) Will accord priority, to mobilisation of credit flow to all Enterprises, by the dedicated Commercial, Co-operative, Rural Banks, State Financial Co-operation, and Financial Institutions.
- (d) Establish mechanisms to provide support and linkages for marketing.
- (e) Develop Industrial Areas, Industrial Estates at each Block, Parks, Special Industrial Zones, Economic Zones etc. for sitting of various category of manufacturing enterprises, including such as, Bio-Technology units, Non-Conventional Energy producing units etc. complete with quality physical, social, and critical infrastructures at identified location of the State.
- (f) The State Govt. shall establish a "Data Bank of land" available for industrial use.
- (g) Develop **Handicraft Industry Villages** with common facility centers, housing provisions with hire purchase facilities, for the promotion of handicraft industry based on available local resources.
- (h) Provide necessary infrastructures for the Border Trade, and Export - Import mechanisms, at identified locations. Take effective steps for establishment of Cold storage chains and Warehousing facilities.
- (i) Create Enterprises Facilitation Committees with the mandate to provide Single Window Clearance to all proposals from investors for establishing Manufacturing and Service Sectors, including, Technical education, Sports Academy, Health Care sectors, Biotechnology, Sericulture and Silk, *Kouna/Chumthang*, plantation and processing of Rubber, plantation and processing of organic agro products, Adventure Tourism, Tourism related industry, resort, Infrastructure development, Power generating units based on both conventional and non-conventional sources.
- (j) Create an Industrial Infrastructures Development Authority of the State.
- (k) Strengthen the State Financial Corporation to extend credit to the thrust areas.
- (l) Conduct special drives to attract investment from the investors from inside and outside the State.
- (m) Accelerate exploration of mines and minerals for enhancing the resource base of the State.
- (n) Provide packages of incentive and subsidies for the activities and areas where the Central Government policies have not covered.
- (o) Devise suitable schemes for self-employment of unemployed youths to set up new ventures in Manufacturing, and Service sectors.

- (p) Take effective steps to promote Handloom & Handicraft sector by providing marketing access through the Handloom & Handicraft Development Corporation, and through other agency.
- (q) Take effective steps to promote Food processing sectors by promoting marketing access through the Manipur Food Industries Corporation, and through other agency.
- (r) Promote the Tourism and Tourism related industry and provide necessary support available to other industrial activity.
- (s) Take steps for to Create “**Tourist Protection Force**” of highly trained detachment from the elite Manipur Police.
- (t) Provides schemes for grant of State Awards for the entrepreneurs.
- (u) Encourage research and development on medicinal plants available in the State, and promote establishing of industry based on medicinal plant resources.
- (v) Provide security measures to industrial units, movement of raw materials and finished products by appointing a Nodal Officer not below the rank of the Inspector General Police.
- (w) Tax concessions to attract investment.
- (x) Universities and Institutions in Manipur will be requested to start courses for study of languages of the South East Asian Nations and East Asia & to provide facilities for study of Indian Languages.

4. Industrial activities identified as Promotional Areas:

The State Government has identified the following activities as the promotional areas for development as outlined below:

Thrust Areas:

(a) Agro based industry: The State Government is taking up various programmes for enhancing the production of horticulture and agricultural sectors. Keeping in view of emphasis and advantages in these sectors State Government will continue to give priority to agro-based industries, which will not only strengthen the agricultural base of the State but also enhance employment opportunities. Such units will include food processing, fruits and vegetable processing, tea and coffee plantation and processing. The State Government will promote linkages between the growers and the processors of produce.

Those units utilising produces of locally available raw materials from organic farming in the State will be encouraged with enhanced incentives.

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

(c) Floriculture: The eco-climatic factors dwelling in Manipur can be encouraged for commercial exploitation of floriculture. Necessary infrastructures will be developed.

(d) Handloom and Handicraft: Manipur has scope in these sectors. Handloom items made of cotton and silk for export will be promoted. Plantation of KOUNA and CHUMTHANG and production of its eco-friendly items for export will be taken up for further development.

(d) Silk and Sericulture: Production of high quality silk is a heritage of the people of Manipur. From the plantation of feeds for the worm to production of yarn and apparels economic & employment opportunities can be available for the people of Manipur and the sector will be promoted.

(e) Medicinal Plants: Medicinal plants found in Manipur have potential for development. In view suitability of climate for bio-diversity medicinal plants will be identified, based on which drugs and pharmaceuticals units will be encouraged for its establishment in Manipur.

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

(g) Rubber tree plantation & rubber processing: Keeping in view of climate suitable for rubber plantation in some parts of the State the sector can be encouraged.

(h) Plantation of bamboo and processing: Manipur is predominantly a bamboo growing State which possesses exotic climate for development of its plantation. Plantation of varieties of bamboo suitable for commercial exploitation will be taken up for establishing bamboo based enterprises.

(i) Diary and allied products: In view of large demand- supply gap of milk and allied dairy products in the North-Eastern region and also availability of fodders in this State the sector will be promoted.

(j) Animal Husbandry and Meat processing unit: The climate of Manipur is suitable for piggery. In view of large demand- supply gap in the North Eastern Region and its market potential for export this sector can be promoted. Bacon producing unit with piggery/ pig rearing is recognised by the Govt. of India as a manufacturing unit and will be encouraged.

In view of economic viability and employment opportunities, all units with hygienic and scientific processing facilities will be encouraged.

(k) Mineral based industries and industries based on Chemicals & Petrochemicals : Manipur is rich in minerals and as such suitable mineral based industries, like lime stone based industries and other identified resource based industries will be encouraged. Industries based on Chemicals & Petrochemicals will be encouraged in view of availability of raw materials to meet domestic market and export.

(l) Software development & Information Technology: A large number of educated youths in this field were migrated at various parts of the globe and at various part of the country. The State Govt. Will encourage setting up of enterprises of this sector and develop infrastructures in private or joint sectors of under public private partnership mode.

(m) Manufacturing and Service enterprises in the fold of Micro sectors: There are a large number of enterprises of this sector in Manipur. In view of employment and economic viability provided by the sector incentives under the Policy will be eligible for all activities in the sector.

(n) Manufacturing of construction material: There are a large number of enterprises like Brick manufacturing in Manipur. In view of employment generation and economic viability provided by the sector incentives under the Policy will be eligible for all activities of manufacturing of construction material.

(o) Health care service, education and Diagnostic centres. There are a large number of highly trained person in health care sectors. In view of requirements of the State and also to promote health tourism, world class Health care service, education and Diagnostic enterprises will be encouraged eligible for incentives under the Policy.

(p) Tourism and Tourism related Industry: Manipur is rich in culture, ethnic diversity, and scenic beauty and suitable for adventure and amusement. The State Government will promote this sector as the sector has advantages for Manipur. As such, Star Hotels, Houseboats, Resorts, Adventure & leisure sports, Amusement parks, Cable car, Guest houses etc. will be eligible for incentives under the Policy.

(q) Power generation based on both conventional and non-conventional sources: In view of shortage of power for the activities in manufacturing and service sectors, this sector will be promoted and eligible for incentives under the Policy.

(r) Trade and Commerce under Export Import mechanisms.: Manipur is located in an advantageous location for trade & commerce in south east Asian context. In view of advantages available Research & Development in marketing, infrastructure development and related matters will be promoted under the Policy.

5. **Negative list:-**

The following will not be eligible for benefits under the Policy. The State Govt. will review the list from time to time.

- (i) All goods falling under Chapter 24 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) which pertains to tobacco and manufactured tobacco substitutes.
- (ii) Pan Masala as covered under Chapter 21 of the First Schedule to the Central

Excise Tariff Act, 1985 (5 of 1986).

- (iii) Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No.S.O. 705(E) dated 02.09.1999 and S.O.698 (E) dated 17.6.2003.
- (iv) Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985(5 of 1986) produced by petroleum oil or gas refineries.

6. Policy Framework:

- (1) The policy accords top priority and urgency for the completion and commissioning of the ongoing industrial infrastructure development projects within a time frame.
- (2) The State Government will undertake development of Industrial infrastructures at every **District, Block** and at advantageous locations.
- (3) The MANIDCO/State Financial Corporation will be strengthened.
- (4) The Industrial Infrastructure Development Authority will be established
- (5) Government will adopt an integrated approach to infrastructural support and development in addition to the upgradation of basic facilities at the Industrial Estate, Takyelpat, completion of Growth Centre project, and Food Park.
- (6) The State Government will undertake phased identification and development of the following:
 - (a) Industrial location, Park in the Imphal West, East and Thoubal Districts.
 - (b) Additional industrial locations at Jiribam, Imphal East, Litan, in Ukhrul-district, Noney in Tamenglong district, Nambol in Bishnupur district, one in Churachanpur and Thoubal district, to catalyse balance dispersal of industries.
 - (c) Development of quality infrastructures for the promotion of tourism at suitable locations in the State. To begin with near the “Tulihal Airport” in Imphal, and at suitable locations in “Kakching” in Thoubal district and at “Loktak Lake” areas.
 - (d) Development of Industrial areas in Senapati District, in the proximity of National Highways and, in the proximity of up-comings Railway Stations preferably at the **non-agricultural areas / foot hills**.
- (7) The State Government will encourage creation of supportive infrastructures like cold storage, packing houses, warehouses, pre-cooling facilities, refrigeration, etc. at various identified locations of the State.
- (8) The State Government will encourage all manufacturing and Service Sectors except the items in the negative list, and the eligible enterprises will be provided admissible incentives and support.
- (9) The State Government will encourage mineral exploration and mineral based industry. A separate “**State Mineral Policy**” will be framed.
- (10) The State Government will encourage Border trade with the neighbouring countries and export-import activities.
- (11) Marketing mechanisms will be improved.

6.1. Encouragement to investment from outside:

The Industrial Policy seeks to address itself to ensure various forms of encouragement to the flow of investment from outside, among others in the areas identified as **“Industries identified as Promotional Areas and areas identified by the State Government from time to time.”**

6.2 Land Policy as a component of Industrial Policy:

The Industrial Policy takes note of the increasing pressure on land particularly in the valley. The productive use of available land in the hill districts, foot hill areas and identified industrial location in the valley districts, is a promising option for industrial development. The Policy will further address in the following:

- (a)** The efforts for availing adequate and suitable land in time for industrial use at a reasonable and competitive price or on lease, without any hassle is the main concern of every investor from outside and inside the state to ensure that the project goes on without undue delay.
- (b)** The State Government will, therefore, take-up the issues of providing land for industrial purposes on priority. The important issues involved are:
 - (i)** easy availability of Government land / private land, by land acquisition and purchase of land from the land owners.
 - (ii)** Clearance or no-objection, from the various Board, Commission, Agencies, Central Government, and State Government Organisation / Departments
 - (iii)** Public hearing wherever necessary and applicable,
 - (iv)** Government providing permission,
 - (v)** Land acquisition and evaluation of land, payment of adequate compensation promptly to the affected owner.
 - (vi)** Facilitate quicker possession of land for industrial purposes and handing over of the land to the investors / Entrepreneurs.
- (c)** To fulfill the objective of land acquisition for industrial purposes, the State Government will take-up the following steps to facilitate allocation of land to Government Agencies/ concerned Department / Investor/ Entrepreneurs, etc.
 - (i)** Maintain data of Government khas land in the Revenue Dept. and in the office of the District Collector/Deputy Commissioner, to allow a bonafide investor / entrepreneur to acquire land,
 - (ii)** The State Government by notification constitutes a District Level Committee under the Chairmanship of the District Collector to oversee updating and upgradation of

- land records, and to identify parcels of Government land available for potential development of industrial areas,
- (iii) The State Government by notification constitutes a Committee for zoning of land / areas for sitting of Industries, or adopt report of the (Manipur pollution Control Board (MPCB) which identify Areas/Zones for sitting of industry,
 - (iv) The State Government by notification constitutes a High Powered Single Window Agency / Committee, under the Chairmanship of the State Chief Minister, to provide clearance for the allotment of land or allotment of land on lease, in the identified zone / areas/ acquired land, for handing over to the concerned Government Dept./ investor / entrepreneur for use in the industrial purposes,
 - (v) State Government will create a Land Bank by acquiring suitable land to meet the requirement of future industrial units.
 - (vi) Necessary amendments are made in the relevant Act, Rules to enable a bonafide investor/ entrepreneur to possess **non-agricultural land** for setting up of industry.
 - (vii) For valuation of Government land is done by the State Revenue Department.

For valuation of private land acquired or purchased under the Policy upto the value of land of Rs.50 lakhs in each case, is decided by a District Level Pricing Committee. In case of value exceeding Rs.50 lakhs is decided by a State Level Pricing Committee. This mechanism will facilitate appropriate and quick evaluation of land.

6.3 Industrial / Enterprises Infrastructure Development Authority (IIDA) and creation of a Fund:

The effective policy coordination and policy implementation is the outcome of collective commitment that appointment of Nodal Officer from each of the related Departments with specific assignment to look after industrial requirements could be a step forward to the formation of “**The Industrial / Enterprises Infrastructure Development Authority**”(IIDA) with the State Chief Secretary as the Chairman. The “Authority” co-opting experts from the different fields shall be attached to as the advisor to the Authority. The State Government will consider the recommendations of the IIDA for development and upgradation of new and existing infrastructures.

A fund called the “**Industrial / Enterprises Infrastructures Development Fund**” will be created.

6.4 Capacity building and skill up-gradation measures for enhancement of productivity/Entrepreneurial Development:

(a) The State Government desired the upgradation of skills of workers employed in industrial units. The upgradation of skills of the workers will result to better productivity. The training will normally provide ability for the workers or artisans to adapt introduction of new technology in modernisation / technological upgradation and diversification of the unit. The person with better skills & knowledge has better opportunity for employment avenue and earnings which can generate competitiveness amongst them.

The Government will provide incentive for the training.

(b) The State Govt. in consultation with the Ministry of MSME, Govt. of India, will endeavour to train selected educated youths, entrepreneurs, Members of the Self Help Group to attain EDP for proficiency and managerial skills.

(d) The ITIs, and Departmental Training Centers, have to introduce new trades as per the requirements of the industries and exclusively for the industrial clusters on demand. The ITI's may emphasis for introducing training in multi-skilling courses after obtaining basic foundation courses , such as, Operator in Advance Precision, Machine shop training, Diamond cutting and polishing, Gemology, Jewellery and Ornamentation, operation & management of machinery for industry base on local resources like Bamboo, Food preservation, Silk yarn production, etc

(e) The State Government desired to update, upgrade and enrich the entrepreneurial skill of the "Winners" and "Upcomings" with a twin programme of "new orientation" and "on the job-training". "Trade Mission" should be a necessary component of the entrepreneurial development.

The Government will provide incentive for the mission.

6.5 Cluster development:

(a) **Concept:**

The cluster is, a Sectoral and Geographical concentration of enterprises facing common opportunities and threats.

In certain areas of the State traditional industry are found in the fold of the Micro enterprise or in group operating in the same or in related industrial sector which tend to close to one another. Some of the economic reasons for such closeness are: proximity to sources of raw materials, presence of skilled labour force, responsiveness to market challenges, abundance of customers attracted by such mechanisms and traditional structure.

(b) **A wider appropriation of benefits.**

Micro enterprises in clusters can boost their competitiveness through

networking; process is easier and more sustainable if they work very closely with one another in clusters and can identify

(a) new markets, (b) to trigger technological upgradation, (c) to fight poverty and (d) to address economic imbalances.

(c) Cluster of the Traditional Industries / activities:

Enterprises like Handloom weaving, 'Muga' or Silk yarn producing, Handicraft 'Kouna', Jewellery, foundry, Brass & Bell metal, Stone carving, Stone-ware, Pottery, Blacksmithy, Tinsmithy, Wood craft / Furniture, food items producing units like, 'Kabok', 'Ladu', 'Heingal', 'Wateel', 'Boree', 'Muree', 'Chengpak', 'Soibum', 'Soijeen, etc. in large number in the State. In spite of the individual unit are in lesser scale of economy, provide a vibrant labour intensive economic activity located concentrating at particular location of the State.

(d) Traditional Cluster as defined under the Policy:

The Government for the purpose of the Policy define a cluster as a group of traditional industries manufacturing identical and complimentary products with a critical mass of a minimum of 50 units located within the radius of 5 Kms at a particular location.

(e) Relaxation to Cluster size & number :

The State Government in regards to the managerial and technical competence, dispersal, and the inherent characteristic nature, the number of 50 units and the location / dispersal within 5 Kms can be relaxed by notification.

(f) Strengthening the Cluster:

The State Govt. to strengthen the existing traditional clusters to survive and prosper, will encourage to the formation of associations to take up :

- (i) upgradation of technology with the help of Government,
- (ii) the association has to make periodic review of their member units to the use of Improve technology and quality product,
- (iii) the Government will assist the Associations to tie up Bank finance and at the same time will also help the Banks to recover their dues.
- (iv) arrange for participation in National as well as International fairs.
- (v) incentives under the Policy will be made available to the cluster.

6.6 Government Interventions on Mission Mode Approach:

The State Government to strengthen any sector of industry will provide interventions in the following manner:

(i) Sector under focus:

The Government will decide to immediately focus and activate on specific sectors, in view of its comparative advantages enjoyed, in the regional, bilateral and global context. The State Government will propose to adopt a

“Mission Mode Approach” and the sector will be eligible for grant of incentives available under the Industrial and Investment Policy of Manipur, 2011(IIMP, 2011), notwithstanding anything mentioned, and specified, under the **Para 12, Annexure-1**, of the Policy.

6.7 Market development and promotion:

For the success of any enterprise, marketing assumes a critical business function and therefore, rated as a pre-requisite. The importance of effective communication between the sellers and buyers has reached new heights. The Government of Manipur will focus in streamlining its initiatives with global realities. The Government view the difficulties of the enterprises to reach to the international arena, for participation in trade fairs and exhibitions abroad which is an expensive proposition. The Government will adopt a multi-pronged approaches to tackle this issue as under:

(a) Common Branding &Marketing Fund : The Government would like to create a Common Branding, and Marketing Fund under which all the products manufactured by the typical manufacturers or clusters is to be promoted and marketed under a Common Brand name. The State Government will consider the important aspect to market and position the image of the State. For the purpose, initially some of the products will be chosen on an experimental basis and funds under this scheme will be available to those manufacturers / individual /clusters, either through the State Government marketing nodal agencies or directly to them, for promoting the products as the products of Manipur.

(b) Developing virtual exhibition:
The Government will develop and launch a virtual Exhibition Portal to facilitate boundary-less and barrier-less trade between the buyers all across the world and sellers from Manipur. The portal will enable a Local & traditional manufacturers / artisans / Cluster/ Government Agency/ traders, to create business presentation online

(c) Participation in Exhibition, trade Expo, Trade Fairs inside the country and at various locations within the State:

The Government will encourage the manufacturers / Industrial units /Clusters to attend, Exhibition, Product-Specific Exhibition, Expo, and Trade Fairs within the country. This will enable them to approach the buyers in a cost-effective manner.

(i) Space to the eligible manufacturers in the Manipur Pavilion at concessional rentals to the extent of 50% of the rent in the Trade Fairs, and similar concessional rentals will be available for participation in Exhibition, Trade Expo, Trade Fairs, etc.

(ii) Transport subsidy will be available to the selected manufacturers in

the Micro, small and cluster for the cost incurred as provided under para 12 Annexure-1,(12)(E),(F), for:

- (a) surface transportation of items for the Exhibition, Trade Fair, Trade Expo ,etc. outside the State.
- (b) air transportation of items for the Exhibition, Trade Fair, Trade Expo etc. outside the country.
- (c) surface transportation of items for participating Exhibition, Trade Fair, Trade Expo ,etc. within the State.

- (d) **Participation in Exhibition, Trade Expo, Trade Fairs, abroad:** Government will provide subsidy to the extent of 90% of the travelling expenses of the participant in the form of reimbursement. The concerned should obtain prior approval of the Government for availing the subsidy.
- (e) **Assistance for sending product samples abroad:**
The Government will provide assistance for sending product samples abroad to the prospective buyers for approval.
The subsidy will be considered to the extent of 50% of the cost incurred.
- (f) **Setting up permanent exhibition-cum-convention centers:**
The State Government will endeavour to set up a permanent Exhibition Centre, attached with convention hall of international standard within the greater Imphal areas.
- (g)(i) **Apparel Parks:**
The State Government will endeavour to set up Apparel Park at appropriate locations of the State in order to increase the production of apparels both for exports and domestic consumption. Focus will be given for items made from silk and cotton.
- (ii) The Government interventions for setting up of Textile parks in private sectors or under Public Private Partnership mechanisms will be considered.
- (h) **Gems and Jewellery Parks:**
Gems and Jewellery parks will be set up at Imphal and Kakching areas or at any identified areas. In addition to, the Government will also encourage setting up of such parks in the private sector.
- (i) **Seminars, Research & Development:** The research and development activities will be of paramount importance with the onset of competitive market. The State Government will develop a “**Forum**” for continuing such discussion and interaction with the Universities / Institute of repute, for the benefit of the entrepreneurs of this State to gain a cutting edge in terms of Production, Dynamics of economy, Management, Market, etc. The State Govt. will make available the necessary fund.

6.8 Tourism and Tourism Related Industries:

State Government will accord the status of an Industry to Tourism and provide admissible support accordingly. The State Government intends to give boost to tourism sector by attracting higher investment in the areas with tourist potential and to generate employment opportunities through combined efforts of Governmental agencies and the Investor. Priority will be accorded to develop in the following areas:

- (a) Adventure tourism, Eco-tourism, Health tourism, Heritage- tourism, Ethnic tourism, Amusement parks, etc.
- (b) **Hotel and Tourism related industries.** The term “Hotel”, includes restaurants and other Tourist complexes providing accommodation or catering and food facilities to tourists. The “Tourism related Industry” includes amongst other the following:-
 - (i) Travel agencies, tour operating agencies and tourists transport operating agencies.
 - (ii) Units providing facilities for Cultural, adventure, and Wild life experience to tourists.
 - (iii) Surface, air and water transport facilities to tourists, ropeways etc.
 - (iv) Leisure, entertainment, amusement, sports and health units for tourists; and
 - (v) Convention/seminar units and organisations.

6.9 Single Window Agency:

The State Government has to set-up an agency for providing Single Window facilitation/escort mechanism to investors.

(a) CLEARANCE MECHANISM:

Their shall be a Committee, known as “Green Channel Committee”, chaired by the State Chief Secretary, to provide clearances required from the State Govt. to the Investors for their projects. The Project proposals which may be considered by the Committee includes, Manufacturing sectors(above Medium scale of enterprise), Service Sector(above Medium scale of enterprise) like, Tourism related projects, Hotels above three Star category, Adventure and leisure sports, Ropeways, Nursing Home with a minimum of 25 beds, Health care diagnostic unit, Information Technology, Biotechnology, Power generating unit, Industrial infrastructure project, Infrastructures required for the promotion of Export Import, Trade and Commerce.

(i) The following is the composition of the committee and consist of the

following members:-

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

The Chairman of the Committee is empowered to co-opt experts for a particular meeting wherein his presence is likely to facilitate decision.

- (ii) There will be one High Level Committee (HLC) chaired by the Hon'ble Chief Minister. The HLC will consider the proposals submitted through the State Level Green Channel Committee, and approve investment proposals.

6.10 Investment:

The State of Manipur is economically backward State inspite of its vast natural resources and its vibrant people. The State Government will encourage Foreign Direct Investment and also investment from outside the State to offset the geographical disadvantageous position of the State. The development of Trans Asian Highways and Railways, with proper development of critical infrastructures can boost-up investment in this region. The State Government will fully take advantages for creating an investor friendly environment. The following areas among others will be encouraged for investment:

- (1) Tourism, and Tourism related industries, (2) Adventure Tourism.
(3) Infrastructures development.(4) Generation of Power both from conventional and non-conventional sources. (5) "KOUNA" & "Chumthang" plantation and processing,(6) Plantation of medicinal plant and Extraction.(7) Silk rearing and production of yarn.(8)Food and Fruit processing.(9) Mineral exploration and processing.(10) Bamboo base industry,(11) Tea plantation and processing.(12) Rubber plantation and processing.(13) Biotechnology.(14) Floriculture.(15) Leather and allied base industry.(16) Ceramics. (17) Electronics.

6.11 Industrial Sickness:

- (i) The State Government views the problems of industrial sickness with concern and will endeavour to assist sick industries that can be revived with the financing Bank. Detailed operational guidelines will be formulated for this purpose.
- (ii) The State Government will initiate for rehabilitation of sick public sector undertaking the possibility of converting these into a joint sector unit in collaboration with private partners will be explored and given priority; failing which privatization will be considered.
- (iii) For the small sector unit, a cell in the Directorate of Commerce and Industries will function to monitor the sick units. Initially, a survey of the existing small scale units in the State will be carried out to categories these units according to their potential for revival. Based on this survey a package of Policy measures will be initiated to make these sick units viable wherever cost effective.

7. Export and Import development:

- (a) Promotion of trade and commerce advantages with the “Look East Policy” , trade with the neighbouring Countries:
 - (i) The State Government has taken positive steps to optimise the advantages offered by the opening of the Border Trade with Myanmar at Moreh in Chandel District
 - (ii) The Government will endeavor to regulate trade share with Bangladesh since Bangladesh is the largest trading partner on the NE region. Scope for opening up of facility at Jiribam (Imphal East District) shall be taken up.
 - (iii) The Commerce Section in the Directorate of Commerce & Industries will function to undertake among other things the following promotional measures:-
 - Educate, train and guide traders/entrepreneurs in international trading,
 - Conduct an export potential survey
 - Undertake measures to promote trade motivated industrial activity,
 - Optimise use of agricultural/horticultural/forest resources,
 - Facilitate setting up of export oriented units,
 - Construct Trade Centers and allot rooms of the show rooms-cum- sales counter to the prospective entrepreneurs, artisans and traders as per MANIPUR TRADE CENTRE RULES, 2000.
 - Set up Export Facilitation Committee for awarding “BEST EXPORT AWARD” and “EXCELLENCE EXPORT AWARD” to the exporters of the State.
 - Co-ordinate with the trade related bodies/recognised chamber of Commerce & industry for promotion of export-import activities such as:

- Identification of export-worthy products,
- survey of foreign markets,
- processing and executing of export orders,
- providing finance through bank/ or by Financial Institution,
- helping to get incentives against exports,
- helping procurement of raw-materials,
- Product development,
- export promotion literature,
- Seminars, workshops, conferences and training programmes,
- Participation in national and international trade fairs,
- group visits to overseas/trade delegation relating to infrastructure and market survey.

(b) Creation of initiatives to boost exports:

- (i) In order to review the strategy for Export- Import promotion of the State, a Council / Board shall be constituted.
- (ii) The State Government shall also constitute a State Level Export -Import Promotion Committee (SLEIPC) headed by Chief Secretary, Manipur. The SLEIPC shall discuss the issues relating to, infrastructure, environment, and monitor the performance, implementation of development plan for export-Import related schemes and review action taken status on issues, schemes and projects.
- (iii) The State Government shall seek interventionist role of the Central Government on radical transformation with growing integration of economic and social activities and canvass for financial assistance for creation of export-based investment environment.

(c) Infrastructural Development / Support:

The State Govt. shall continue to impress upon the Central Government to establish infrastructures essential for the promotion of export-import schemes.

(d) Integrated approach to infrastructural support:

The State Government shall adopt an integrated approach to infrastructural support through the Ministry of Commerce under the existing scheme of "Assistance to States for Infrastructure Development on Export and Allied Activities (ASIDE) Scheme" for creation of common facility centres, roads, power, water, dedicated security arrangement, telecommunication, Inland Container Depot, Warehouse, Cargo Aggregation Centre, Customs clearance, documentation & inspection, developed plots & built up factories including non-polluting export-oriented industrial units. Besides, facilities launched by Central Government under Export Development Fund of NE region, CRITICAL

INFRASTRUCTURE BALANCE, EXPORT PROMOTION INDUSTRIAL PARKS now merged under ASIDE scheme will also be tapped by State Government. The State Government will accord priority to mobilisation of financial credit / support/linkage for export related units from/through North East Development Financial Corporation Ltd. (NEDFI), EXIM Bank, Export Promotion Councils/Commodity Boards like APEDA, AEPC, TEXPROCIL, CAPEXIL, Tea-Board, Rubber Board, Spices Board, Gem & Jewellery Export Promotion Council, Handloom Export Promotion Council, Export Promotion Council for Handicrafts, Federation of Indian Export Organisation etc.

(e) **Maximising Resource Utilisation:**

The State Government shall accord priority to investment opportunity in the Export Oriented Industrial facility and Agri Export Zone, and in the following.

(1)Tourism,(2)Floriculture,(3)Horticulture & Agriculture,(4)Medicinal plant & its extraction,(5)Regional Air Service network and helicopter service,(6) Animal Husbandry & Leather based activities,(7) Cold Storage & warehousing,(8)Border Trade.

(f) **Competitiveness, Quality Improvement, Skill Upgradation:**

(i) With a view to improve the competitiveness of manufacturing units, programme for modernisation and up-gradation of technology will be implemented. Package of financial incentives and improvement of training facilities will be provided for acquiring ISO 9000 (series) or IS/ISO 9000 (series) or ISO 14000 (series) or HACCP or WHO-GMP or SEI CMM level 2 and above accreditation/certification. To enhance export competitiveness of the products and to promote compliance with prevalent/international best practices, the State Government shall emphasize and insist on as requisite criterion the Bar Coding using International symbologies /Numbering System for all those units functioning in the Export related units.

(ii) Training programmes implant study, open house discussions, workshops, seminars on export import and border trade shall be organised.

(g) **Promotion of Export-Import/Border Trade:**

(i) The State Government will take steps to optimise the advantages offered by the opening of border trade with Myanmar at Moreh in Chandel District.

(ii) Myanmar entered in ASEAN and Sub-regional grouping BIMST-EC in 1997, and got a new boost with the opening up of 165 kilometer Tamu-Kalemyo-Kalewa Road by MEA, and facility thrown by the proposed Trans-Asian Super Highway along the NH-39 of Moreh-Tamu corridor, and in view of the proposed railway connecting South East Asian countries passing through the State, there will be considerable area for promoting, and sitting of industry in infrastructures like, Special Economic Zone (SEZ) / Agri Export

Zone.

- (iii) The State Govt. shall take up to regulate trade share with Bangladesh and explore of a connecting road-link to Chittagong and Chittagong port via Jiribam to serve as a conduit for goods movement for Trade & Commerce mechanism.
- (iv) Scope for opening up of Export Oriented Industrial facility/Agri Export Zone at Jiribam (Imphal East District) shall be taken up.

(h) **Agricultural Export Zones:**

Establishment of Agricultural Export Zones would provide remunerative returns to the farming community in sustained manner through improved access to the produce/products of the Agriculture and Allied sectors in the international market.

(i) **Special Economic Zones (SEZs) :**

Setting up of Special Economic Zone would permit duty free import / procurement of goods for factories in the zone. The units in SEZ is allowed to bring back their export proceeds in 365 days as against normal period of 180 days and may be able to retain 100% of the proceeds in the Exchange Earner's Foreign Currency (EEFC) accounts. SEZ developer will be accorded infrastructure status under Income Tax Act as provided by the Finance Ministry.

8. Steps for Foreign Direct Investment (FDI):

Creating an Foreign Direct Investment (FDI) entity with a clear vision and action plan for the future requires political will to address and implement the following key tasks:-

- Formation of a top-level Private Sector Forum Steer Committee, with Government and Academician.
- Setting up an investment co-ordination network.
- Private sector network amongst the business chambers.
- Network amongst FDI research bodies.
- Developing an agenda and action plan for investment enhancement measures.
- Developing an action plan for FDI facilitation.

9. Neutrality of location:

Incentives will be available to all eligible enterprises/ industrial units, new as well existing units on their substantial expansion, unless otherwise specified, during the operation of Policy from the date of commencement of commercial production.

10. Opening of Cell :

The following additional Cells will function in the Directorate of Commerce & Industries

- (1) Industrial Policy and Promotion Cell,
- (2) Information (with IT facilities) cell
- (3) Export , Import Cell and Investment Cell,
- (4) Infrastructure Development Cell,
- (5) Monitoring cell.

11. Definitions:

- (a) 'Industrial unit' / 'Enterprise' means any industrial undertaking, suitable servicing unit other than that run departmentally by Government.
- (b) 'New industrial unit / Enterprise means an industrial unit for the setting up of which effective steps were not taken prior to the date of enforcement of the Manipur Industrial and Investment Policy,2011.
- (c) 'Existing Industrial Unit' / 'Enterprise' means an industrial unit for the setting up of which effective steps were taken prior to the date of enforcement of the Manipur Industrial and Investment Policy,2011.
- (d) 'Substantial Expansion' means increase in the value of fixed capital investment in plant and machinery of an industrial unit / Enterprise by not less than 25%, for the purpose of expansion of capacity / modernisation / and diversification.
- (e) 'Effective steps' means one or more of the following steps:-
 - (i) that 10% or more of the capital issued for the industrial unit /enterprise has been paid up.
 - (ii) that any part of the factory building has been constructed.
 - (iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
- (f) 'Fixed Capital Investment' means investment in land, building, plant and machinery. The method for assessment will be notified separately
- (g) The Small Scale Industry, Medium Scale of Industry means an industrial unit as defined by the Central Government from time to time.
- (h) The Micro, Small and Medium enterprise means and enterprise in the manufacturing and service sectors as defined under the Micro, Small and Medium Enterprises Development Act,2006 (MSMED Act,2006).
- (i) Export Oriented Unit (EOU): Means an Industrial Unit exporting at least 30% of its annual production by the end of the 3rd year from the date of its commencing production, such a unit may be termed as an "Export

Oriented Unit”(EOU) for the purpose of the Manipur Industrial and Investment Policy, 2011.

- (j) Transferred Unit means an industrial unit whose ownership / management has been transferred in pursuance of provisions of the State Financial Corporation Act, 1951 or transferred with the approval of Financial Institutions / Banks.
- (k) Weaker Section means Scheduled Castes, Scheduled Tribes, Other Backward Classes, Handicapped, and Women.

12. Incentives / subsidies scheme:

The State Government, as an integral part of the strategy for industrial development, will provide a comprehensive and attractive package of incentives and subsidies as detailed in **Annexure-1**, to the enterprises under this Policy.

The State Govt. will institute a scheme for grant of State Award to outstanding entrepreneurs of the state.

- (a) The State Government will offer a package of incentives/ subsidies in certain areas of traditional industrial activities/ sectors, where the artisans / units are financially weak as they are using obsolete or rudimentary traditional tools & equipments. These manufacturers/ artisans are to be made competitive for quality products, resulting in a better quality of life for them.
- (b) (i)The State Government under the “Transport Subsidy Scheme” shall provide subsidies for transportation of raw materials within the State which is not covered under the Central Transport subsidy scheme of the Government of India.
(ii) The Transport subsidy shall be provided to supplement and cover such areas where subsidy under the Transport Subsidy Scheme, 1971 (as amended from time to time) of the Government of India has not provided.
- (c) The new package of incentives/subsidies hereinafter referred to as Incentive Scheme 2011, will be effective from the date of enforcement of the Manipur Industrial and Investment Policy,2011 and all provisions outlined under the Industrial Policy of Manipur,1996 shall cease to operate, except where otherwise provided.
- (e) Those existing industries which were availing the incentives under the Industrial Policy of Manipur, 1996 will continue to benefit from similar incentives.
- (f) The subsidy/incentives under the Policy will not be available for the items /products listed under the “Negative List”.
- (g) The benefits under the Policy will not be admissible to goods in respect of

which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labeling or re-labeling, sorting, alteration of retail sale price, etc. take place.

- (h)** Incentives under the Industrial Policy of Manipur, 1996 will continue to be available on a case to case basis to all units which have gone into commercial production between 01-01-1995 and the effective date of this Industrial and Investment Policy, 2011. However, such units will also be eligible for opting for benefits available under the Industrial and investment Policy, 2011, if such benefits are not available under Industrial Policy of Manipur, 1996.
- (i)** Only new units set up on or after the effective date of the Industrial and Investment Policy, 2011 and existing units undertaking expansion/modernisation/diversification shall be eligible for incentives/subsidies under the new policy dispensation.
- (j)** An Industrial unit / Enterprise managed by one or more women entrepreneurs in proprietary concerns, or in which she / they individually or jointly have a share capital of not less than 51% as partner/share holders will be taken as unit managed or run by Women Entrepreneurs.
- (k)** Expansion / modernisation /diversification of an existing industrial unit will also be eligible for incentives if the capital investment on plant and machinery is more than 25% of the total fixed capital investment of the existing unit. The expansion should entail enhancement in the existing capacity by at least 25% and the package of incentive admissible to the unit shall relate to the expanded portion only. For the purpose of this calculation value of the capital investment made on, plant and machinery of the unit will be taken into consideration.
- (l)** The plant and machinery and other components which could be taken into account for the purpose of the Policy in respect of service sector, would be notified separately.
- (m)** The Industrial unit/ Enterprise eligible for subsidy under the Policy will be required to get themselves registered with the District Industries centre (DIC), prior to taking effective steps for setting up new industrial unit / Enterprise or before undertaking substantial expansion / modernization diversification of existing units and to indicate their assessment of the total new or additional fixed capital likely to be invested by them in plant and machinery.
- (o)** The State Government, by notification will set up State Level Committee

(SLC), for each scheme, to go into details of each case to decide whether the unit qualifies for the grant of subsidy and also about the quantum of subsidy.

13. Clarification and Interpretation:

In case of any doubt regarding the provisions of the Industrial and investment Policy of Manipur, 2011,(IIPM,2011) only the State Government shall be competent to clarify or interpret and such clarification or interpretation shall be final and binding on all concerned. The Government of Manipur reserves the right to modify any part of the Policy in public interest.

14. Monitoring and Laying down of Roadmap:

- (a) A “Monitoring Committee” under the Chairmanship of Hon’ble Minister, Commerce & Industry, Government of Manipur, with the Secretary Commerce & Industries, Government of Manipur as the Member, Director of Commerce & Industries, Govt. of Manipur as the Member Secretary, will function to review the implementation of the Policy at regular intervals and strive to remove all the possible bottlenecks coming in the way of speedy implementation of the Policy. The other members of this Committee will include representative of the Industry Association.
- (b) The State Government will further constitute a Committee under the Chairmanship of the Commissioner/ Secretary, Commerce & Industries, Government of Manipur with the Director of Commerce & Industries, Government of Manipur as the Member Secretary, to prepare strategic blue prints for growth of Manufacturing and Service Sectors over the next 10-20 years. The suggestive sector may include: Traditional Industries, Engineering, Chemicals, Petrochemicals, Drugs and Pharmaceuticals, Textiles, Agro and Food processing, Mineral-based industries, Knowledge-based industries, Tourism, Trade and Service sector, etc. The Committee will compile the reports in their respective sectors with concrete recommendations to the Government within a period of one year from the date the Committee is constituted.

ANNEXURE-1

Packages of Incentives / Subsidies under Para 12 of “THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR,2011”(IIPM,2011).

(1) Allotment of land :

The state Government will endeavour to provide (a) developed land with all infrastructural facilities at major infrastructural Centres, and (b) undeveloped land, to manufacturing and Service Sector Enterprises/industrial units.

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

(b) The State Government will subsidize the cost of land development at the rate given below;

- | | | |
|--------------|---|-----|
| (i) | Micro , Small Enterprise, | 25% |
| (ii) | Micro, Small Enterprise for EOU, and Micro, Small Enterprise units owned & managed by Weaker sections , | 30% |
| (iii) | Medium and Large scale Industries/Enterprises. | 15% |

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

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

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

(3) Special scheme for the development of Handicraft:

(a) Land and building:

The State Government will endeavour to provide developed land with built-up buildings in cluster with common facilities centre, to develop Handicraft villages for the Handicraft artisans on hire purchase basis with

suitable terms of installments, as a special scheme, at suitable location in all districts. The state Government will provide adequate forward and backward linkages, to enhance their activities and earnings.

(b) Special Subsidy for Handicraft unit in the rural areas, construction of work-shed/ store-room :

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

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

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

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

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

- (i) Employing 20 to 50 artisans, 50% concession on floor space rentals or to the extent of Rs.50,000/- (Rupees fifty thousand) whichever is less per year(twelve months), for a duration of five years.
- (ii) Employing above 50 artisans, 50% concession on floor space rentals or to the extent of Rs.1,00,000/- (Rupees one lac)per year(twelve months), for a duration of 5(five)years.
- (iii) Employing above 100 artisans, 50% concession on floor space rentals or to the extent of Rs.20,0000/- (Rupees twenty lac) per year(twelve months), for a duration of 5(five) years.

The State Government will constitute a Committee, by notification, with the Secretary in charge, of Commerce & Industries as the Chairman of the

Committee to oversee these schemes. The Committee will decide the number of unit to be benefited during a Financial Year, examining at least the following criteria:-

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

(4) Manpower Development:

Industrial Units which depute their workers for technical training in Central Government / State government Training Centers/ Central Government undertakings/ITI/Government recognized Centre will be eligible for subsidy / reimbursement of the admission fee incurred to the extent of 50%. The enterprise has to submit an undertaking to the state Government that such trained person will be employed by the industrial unit on successful completion of training, and in case of misrepresentation of the facts under the scheme the sponsoring enterprise has to refund the subsidy/incentives in full within a period prescribed by the State Government.

The ITI passed-out candidate and candidate passed from the Polytechnic / Engineering college, and from the other Training centers/Institutes, recognised by the State Government will be eligible for reimbursement of the admission fee, as well as course fee to the extent of 50%,for inplant training, or Tool room training at State Government recognised Centers inside, and outside the State.

(5) Incentives to the innovator / inventor:

The state Government will encourage innovator/ inventor by providing financial assistance upto 90% of the cost involved in R&D.

The incentive will be granted on production of documentary proof.

The innovator/inventor to avail the benefit under the scheme is to get registered / enlisted with the District Industries Centres, before starting the innovation/ invention work.

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

A subsidy to the extent of 50% will be admissible for the enterprise in the fold of Micro, Small and Medium to meet the cost of feasibility study and project report preparation in each case. The study / report should be prepared by an approved consultant registered either with the Government of Manipur or the Government of India.

The Manipur Handloom and Handicrafts Development Corporation will also be eligible for the subsidy.

An enhanced subsidy to the extent of 60% will be admissible in case of Weaker sections and EOUs.

(7) Subsidy for Technical Know-How:

A subsidy to the extent of 50% will be admissible for the enterprise in the fold of Micro, Small and Medium to meet the cost of technical know-how obtained from organisations approved by Government of Manipur. The subsidy will be released only on commencement of commercial production. The subsidy will be 55% for EOUs, units using raw materials produce from organic farm and Weaker Section. The enterprise is to obtain prior permission of the State Government to qualify under the scheme

(8) Exemption of Earnest Money and Security Deposit:

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

(9) State Capital Investment Subsidy:

The State Government will provide Capital Investment Subsidy to all eligible new as well as existing units, including Service Sector Enterprise/ unit, in the fold of Micro, Small enterprises and in the case of service sector upto Medium scale, at the rate of 20 %(twenty per cent) on the total capital investment on plant and machinery/ machinery or equipment for Service sectors per unit. For EOUs, units using raw materials produced from organic farm and Weaker Section the rate of subsidy shall be 25%(twenty five per cent) per unit.

(10) Interest Subsidy:

Micro, Small and in the case of service sector upto Medium scale Enterprises, both in the fold of Manufacturing and Service sectors, will be provided an interest subsidy upto 4% per annum on term loan and 3% on working capital loan taken from Bank and Financial Institution. This subsidy will be available for the first five years from the date of commercial production or from the date of release of loan, extendable for another five years on expansion/modernization/diversification, on the consideration of the State Govt. on case to case basis.

(11) Power Subsidy:

(a) Power subsidy will be provided to eligible units on power tariff paid by the unit on actual units consumed for a period of 5(five) years at the rates fixed by the Government from time to time from the date of commercial production subject to ceiling given below:

Connected load	Rate of subsidy	Ceiling of subsidy per annum
Upto 1.0 MW	30%	Rs.10.00 lakh
Above 1.0 MW	25%	Rs.25.00 Lakh

(b) 50% of the cost incurred on linking of power from the main line to the factory shed will be subsidised for unit which are not provided land in developed industrial areas.

For EOUs and units using raw materials produce from organic farm and Weaker Section the rate of subsidy shall be provided upto the extent of 55% per unit.

(c) 30% Subsidy will be admissible for purchase of Diesel Generating sets of 10 H.P. or more for the enterprises in the fold of Micro and Small manufacturing sector and the enterprises in the fold of Micro, Small and Medium enterprises service sector which will be listed under notification by the state Government. For EOUs, units using raw materials produce from organic farm and Weaker Section the rate of subsidy shall be provided upto the extent of 35%.

(12) State Transport subsidy:

(A) The State Government will endeavour to provide transport subsidy at the rates to be notified categorically from time to time for transportation of raw materials and finished products. The subsidy will be provided to supplement and cover such areas where subsidy provided under the Transport Subsidy Scheme, 1971 (as amended from time to time) of the Government of India has not provided. The rates of subsidy will be as prescribed under the Transport Subsidy Scheme,1971(as amended from time to time) of the Government of India except where specifically mentioned under this policy. The transport subsidy will be available for a period of 5(five) years from the date of commercial production.

(B)The transport subsidy will be provided for another 5(five) years after expansion/diversification for Micro and Small enterprises only at the prescribed rates as available under the Transport Subsidy Scheme,1971(as amended from time to time) of the Government of India.

(C) (i) Transport subsidy will be provided for movement of raw materials and finished goods within the State.

(ii) Subsidy @ 90% will be admissible for transportation of raw materials by surface/waterways from any place of the State exceeding a distance of 50(fifty) Kms. by shortest roadways/ waterways or combined together with waterways and roadways, upto the premises of the factory.

(iii) Subsidy @ 50% will be admissible for transportation of finished products by surface/waterways from from the enterprise to any place of the State exceeding a distance of 50(fifty) Kms. by shortest roadways/ waterways or combined together with waterways and roadways on a case by case

basis.

- (D)** (i) The State Government will endeavour to provide transport subsidy to the enterprise eligible and availing subsidy under the Transport Subsidy Scheme, 1971 (as amended from time to time) of the Government of India @ 90% for transportation of raw materials by surface in between the railhead nearest to source of raw material located outside the N-E Region upto Siliguri.
- (ii) The State Government will endeavour to provide transport subsidy to the enterprise eligible and availing subsidy under the Transport Subsidy Scheme, 1971 (as amended from time to time) of the Government of India @ 90% for transportation of finished products by surface in between the railhead nearest to destination of finished products located outside the N-E Region from Siliguri.
- (E)** (i) Subsidy to the extent of 75 % for air transport (maximum of Rs.5.0 lakhs by air cargo per annum) for participation in Exhibition, Trade Expo, Trade Fairs, etc. outside the country, for a period of five years from the date of commercial production.
- (ii) Subsidy to the extent of @ 90% by surface transport (maximum of Rs.2.0 lakhs per annum) will be available for the transportation of products / items, for participation in Exhibition, Trade Expo, Trade Fairs, etc. within the country, for a period of five years from the date of commercial production.
- (iii) Subsidy to the extent of @ 50% by surface transport will be available for the transportation of products / items, for participation in Exhibition, Trade Expo, Trade Fairs, etc. within the State, for a period of five years from the date of commercial production.
- (iv) The subsidy for air transport as indicated under 12(E)(i) will be admissible to the units in the fold of Micro and Small Enterprise for transportation of finished products from the Imphal airport to the destination airport, for attending exhibition/Expo/ Trade Fairs, etc. for the following category:
- (a)** Handicraft items made from the locally available/indigenous raw materials,
- (b)** Handloom products/ dress materials made from the raw materials of Silk, Tasar, and cotton yarn,
- (c)** Food products made from the indigenous raw materials.
- (F)** Similar Subsidy will be admissible to the Manipur Handloom and Handicraft Development Co-operation, and the Manipur Food Industries Development Corporation. The subsidy will be provided for another period of five years on expansion and diversification of the enterprise.
- (G)** The concerned Enterprise/ Unit /Corporation are to register with the concerned District Industries Centre, Government of Manipur in the

prescribed format for the scheme.

(H) Government will frame Rules for the Transport Subsidy scheme.

(13) Reimbursement of Fee / Registration fee/ Renewal Fee for registering with the Office of the Controller General of Patents, Designs & Trade Marks (CGPDTM): Micro, Small and in the case of service sector upto Medium scale Enterprises / Individual /Organisation/ Association, etc. will be reimbursed in full for the amount paid towards Fee / Registration Fee, for getting certificate from the Office of the Controller General of Patents, Designs & Trade Marks (CGPDTM), Government of India.

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

Micro, Small and in the case of service sector upto Medium scale Enterprises will be reimbursed in full of the amount paid for the Registration fee/ Renewal fee in getting, BIS/ ISI, ISO, AGMARK and FPO etc. for a period of five years.

(15) Reimbursement of Stamp Duty and Registration:

Micro, Small, Medium enterprises and other category of Industries will be reimbursed in full of the amount paid towards Stamp Duty and Registration Fee for securing loans and other incentives from financial institutions including mortgage of fixed assets. The reimbursement will be admissible after disbursement of loan by Financial Institutions/ Banks and will be subject to condition that the assets mortgaged would not be transferred for a period of 5 (five) years .

(16) Quality Control:

For purchase of testing equipments, 75% subsidy will be admissible to Micro, Small Enterprise. Subsidy will be 80% in case of Weaker Section and EOUs in the fold of Micro and Small Enterprise.

(17) Subsidy for Substantial Expansion/Modernisation /Upgradation/ Diversification:

(a) State Capital investment subsidy on Substantial expansion / Modernisation / Diversification, will be given to units in the fold Micro, Small Enterprise and in the case of service sector including Medium scale Enterprise, on the following condition :

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

(ii) Utilisation of atleast 60% of the installed capacity of the enterprise is necessary to qualify “Diversification”. The Subsidy for Substantial expansion/ Modernisation / Diversification will be given at the rate of 20 %

will be admissible for Micro, Small Enterprises, for the purchase of machinery and equipments. The subsidy will be admissible for the expanded, modernized and diversified portion only.

- (b)** Interest subsidy on Substantial expansion / Modernisation / Diversification, will be given to units in the fold of Micro, Small Enterprise and in the case of service sector including Medium scale Enterprise, upto 4% per annum on term loan and 3% working capital taken from Bank and Financial Institution, for a period of 5 years from the date of expansion / modernisation / diversification on the condition provided under Para 17(a)(i)(ii).

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

(18) Exclusive Purchase Programme:

The State Government, undertakings, including organisations, and institute, getting grants, and beneficiary of the state Government will commit to purchasing the products of Micro, Small enterprise located in the State subject to fulfillment of the quality, standards and specification.

The Department of Commerce & Industries will circulate a list of locally manufactured products to all the offices of the State Government, and to all concerned from time to time.

(19) Price Preference:

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

(20) Tax Incentives:

All eligible units, which manufacture goods in Manipur, will be entitled to exemption of 99% of tax payable under the Manipur Value Added Tax Act, 2004, the Central Sales Tax Act, 1956, subject to the limit mentioned below:-

Category	Year	Term of Exemption
Micro,	Seven years	subject to maximum of 200% of fixed capital investment.
Small,	Seven years	subject to maximum of 150% of fixed capital investment.
Medium & Large.	Seven years	subject to maximum of 100% of fixed capital investment.

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

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

(21) Special Incentives for Mega projects:

(a) Project with large capital investment with a minimum of Rs.100 crores or generating a minimum of 1000 regular employment and having potential for development of ancillary industries based on their products will be given Mega Project Status.

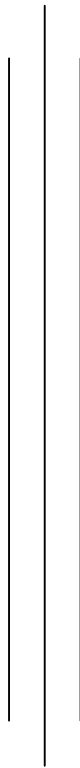
(b) To encourage the establishment of Mega Projects, all incentives including land allotment, subsidy and tax concessions under the Policy will be relaxable on case to case basis to be decided by a High Power Committee specially constituted by the State Government for the purpose.

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**THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2011
(IIPM, 2011)**



**DEPARTMENT OF COMMERCE & INDUSTRIES
GOVERNMENT OF MANIPUR**