

**THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2012
(IIPM, 2012).**

1. Mission:

The present Policy is to facilitate and provide an investor-friendly environment, provision for institutional support, credit flow, attractive incentive packages for optimum utilisation of existing resources to generate employment avenues for the people of Manipur. The Policy also aims at providing access to industrial infrastructure, development of market linkages, use of locally available raw materials, ensuring adequate credit flow from bank and financial institutions, support from universities and technological institutions.

2. The objective of the Industrial Policy

The following are the objectives

- (a) Develop good infrastructure to ensure planned and accelerated industrial development.
- (b) Promote maximum capital investment in the State for economic activities resulting in employment opportunities, improving standard of living of people at large and all-round development of the State.
- (c) Strive for balanced development of all districts.
- (d) Promote export of items in which the State has comparative advantage over other States, based on raw materials and human skills.
- (e) Take steps to promote handicrafts so as to preserve rich cultural heritage, traditions and customs of the State.
- (f) Promote modernization and technology up-gradation of existing industrial units.
- (g) Encourage quality control, standardization and competitiveness of local products.
- (h) Promote Tourism, develop tourism related industry.
- (i) Promote eco-friendly industries.

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 secured environment for entrepreneurs.
- (b) Expedite completion of the on-going industrial infrastructure development projects within a time frame.
- (c) Accord priority to credit flow to all Enterprises by Commercial, Co-operative, Rural Banks, State Financial Coperation and Financial Institutions.
- (d) Establish mechanisms to provide support and linkages for marketing.
- (e) Develop Industrial Parks, Industrial Estates, Special Economic Zones to provide integrated infrastructure to manufacturing units.
- (f) The State Govt. shall establish a "Land Bank" for industrial use.
- (g) Develop specific **Handicraft Villages** with common facility centers for the promotion that handicraft based on available local resources and skills.
- (h) Provide necessary infrastructures for export and import. Take effective steps for establishment of Cold chains and Warehousing facilities.
- (i) Create Enterprises Facilitation Committees with mandate to provide Single Window Clearance to all proposals from investors for establishing Manufacturing and Service Industries.
- (j) Create an Industrial Infrastructures Development Authority of the State.
- (k) Strengthen the State Financial Corporation.
- (l) Conduct special drives to attract investment from investors from inside and outside the State.
- (m) Accelerate exploration and mining of minerals for enhancing the resource base of the State.

- (n) Provide a package of incentive industries not covered by the Central Government policies.
- (o) Devise suitable schemes for self-employment of unemployed youths by setting up new ventures in Manufacturing and Service industries.
- (p) Take effective steps to promote Handloom & Handicraft.
- (q) Take steps to promote Food processing industries.
- (r) Promote Tourism and Tourism related industry.
- (s) Take steps to create “**Tourist Protection Force**” of highly trained Manipur Police.
- (t) Provide schemes for grant of State Awards to 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 to industrial units.
- (w) Tax concessions to attract investment.
- (x) Universities and Institutions in Manipur shall start courses for study of languages of the South East Asian Nations and East Asia.

4. Industrial activities identified as thrust areas.

(a) Agro based industry.

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

(b) Bio-Technology industries.

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

(c) Floriculture.

The eco-climatic factors in Manipur can be used for commercial exploitation of floriculture. Facilities for storage and transport of flowers through cold chain will be developed.

(d) Handloom and Handicraft.

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

(e) Silk and Sericulture.

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

(f) Medicinal Plants.

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

(g) Distillation of oils from aromatic plants.

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

(h) Rubber tree plantation & rubber processing.

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

(i) Bamboo and its processing.

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

(j) Diary and allied products.

In view of large demand - supply gap of milk and allied dairy products in the North-Eastern region, this sector needs to be encouraged.

(k) Meat processing unit.

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

(l) Mineral based industries.

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

(m) Information Technology.

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

(n) Manufacturing of construction material.

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

(o) Health care service, education and Diagnostic centres.

There is a large number of trained manpower in health care sectors. In view of requirements in the State and also to promote health tourism, world class Health care service, education and Diagnostic enterprises will be encouraged and they will be 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 such, Star Hotels, Resorts, Guest houses, Houseboats in Loktak Lake, Adventure & leisure sports, Amusement parks, Cable car, 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.

- (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 on the completion and commissioning of the ongoing industrial infrastructure development projects within a time frame.
- (2) The State Government will undertake development of Industrial infrastructures in every **District** and at advantageous locations.
- (3) The MANIDCO/State Financial Corporation will be strengthened.
- (4) The Industrial Infrastructure Development Authority will be established.
- (5) Government will adopt an integrated approach to infrastructural support and development in addition to up-gradation of basic facilities at the Industrial Estate, Takyelpat, completion of Food Park and setting up of new industrial estates and Textile Park, etc.
- (6) The State Government will encourage creation of supportive infrastructures like cold storage, packing houses, warehouses, pre-cooling facilities, refrigeration, etc. at various identified locations of the State.
- (7) The State Government will encourage all manufacturing and Service Industries except for the items in the negative list, and the eligible enterprises will be provided admissible incentives and support.
- (8) The State Government will encourage mineral exploration and mineral based industry. A separate **“State Mineral Policy”** will be framed.
- (9) The State Government will encourage trade with neighbouring countries as well other countries.

7. 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 a boost to tourism sector by attracting higher investment in the areas with potential for tourism. The following areas will be given priority.

(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 services to tourists. The “Tourism related Industry” includes amongst other the following:-

(i) Travel agencies, tour operators and tourists transport 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;

(v) Convention / seminar units and organisations.

8. Single Window Agency:

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

(a) CLEARANCE MECHANISM:

There shall be a Committee, known as “Green Channel Committee”, chaired by the State Chief Secretary, to provide clearances to projects.

(i) The following is the composition of the committee.

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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. |

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| 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 the presence of the latter is considered useful.

9. Definitions:

- (a) 'Existing Industrial Unit' / 'Enterprise' means an industrial unit which has already commenced commercial production or which has taken effective steps prior to the date of enforcement of the Manipur Industrial and Investment Policy, 2012.
- (b) 'Substantial Expansion' means increase in the value of fixed capital investment of an industrial unit / Enterprise by not less than 25%, for the purpose of expansion of capacity / modernisation / and diversification.
- (c) 'Fixed Capital Investment' means investment in land, building, plant and machinery. The method for assessment will be notified separately.
- (d) The Micro, Small and Medium enterprise will be as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).
- (e) 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, 2012.

10. Incentives / Subsidies.

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 industries or enterprises under this Policy. The following are:

- (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 2012, will be effective from the date of enforcement of the Manipur Industrial and Investment Policy,2012 and all provisions outlined under the Industrial Policy of Manipur,1996 shall cease to operate, except where otherwise provided.
- (d) Those existing industries which were availing the incentives under the Industrial Policy of Manipur, 1996 will continue to benefit from similar incentives.
- (e) The subsidy/incentives under the Policy will not be available for the items /products listed under the “Negative List”.
- (f) The benefits under the Policy will not be admissible for goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, re-packing, labeling or re-labeling, sorting, alteration of retail sale price, etc. take place.
- (g) Incentives under the Industrial Policy of Manipur, 1996 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, 2012. However, such units will also be eligible for opting for benefits available under the Industrial and investment Policy, 2012,if such benefits are not available under Industrial Policy of Manipur,1996.

- (h) Only new units set up on or after the effective date of the Industrial and Investment Policy, 2012 and existing units undertaking expansion/ modernization/diversification shall be eligible for incentives/subsidies under the new policy dispensation.
- (i) The term “Weaker Section” will mean ST,SC,Physically Handicapped,OBC and Women Entrepreneurs. An Industrial unit / Enterprise managed by one or more women entrepreneurs in proprietary concerns, or in which she / they individually or jointly have a share capital of not less than 51% as partner/share holders will be taken as unit managed or run by Women Entrepreneurs.
- (j) Expansion / modernization /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.
- (k) The plant and machinery and other components which could be taken into account for the purpose of the Policy in respect of service sector, would be notified separately.
- (l) The 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.
- (m) 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.

11. Clarification and Interpretation:

In case of any doubt regarding the provisions of the Industrial and investment Policy of Manipur, 2012,(IIPM,2012), 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.

12. 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.

Packages of Incentives / Subsidies under Para 10 of “THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2012” (IIPM, 2012).

(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:
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| (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 or rentals to the extent of Rs.1.0 Lac (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.20.0 Lacs (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 up to 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 produced 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 in-aid-Institutions /Non Government 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 fixed 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.
Up to 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 provided land in the developed industrial areas. For EOUs and units using raw materials produced from organic farm and Weaker Section the rate of subsidy shall be provided up to 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 produced 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, up to the premises of the factory.

- (iii)** Subsidy @ 50% will be admissible for transportation of finished products by surface/waterways 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 up to 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 unit 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) The State 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 FPO and MPCO etc:

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 , FPO and MPCO 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 / Up gradation / Diversification:

(a) State Capital investment subsidy on Substantial expansion / Modernisation / Upgradation / Diversification, will be given to units in the fold of 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 at least 60% of the installed capacity of the enterprise is necessary to qualify "Diversification" of the enterprise in addition to provision under 9(b). The Subsidy for Substantial expansion/ Modernisation / Up gradation /Diversification will be given at the rate of 30 % will be admissible for Micro, Small Enterprises, for the purchase of machinery and equipments. The subsidy will be admissible for the expanded, modernised, up-graded and diversified portion only.

(b) Interest subsidy on Substantial expansion/Modernisation/Up-gradation/ Diversification, will be given to units in the fold of Micro, Small Enterprise and in the case of service sector including Medium scale Enterprise, up to 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/ up-gradation/diversification on the condition provided under Para (17)(a)(i)(ii) of annex-1.The subsidy for Substantial Expansion/Modernisation/ Up-gradation / Diversification will be extended on the recommendation of a Committee constituted by the State Government.

(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 /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. will accord first priority to products manufactured by Micro and Small Enterprise established in the State, for the item/ items for which they filled Part-II of the "Entrepreneurs Memorandum"(EM) under the provision of the Micro, Small and Medium Enterprises Development Act,2006, with the District Industries Centre. All other things being equal, such enterprise will be given a price preference up to 15% (fifteen per cent) over the lowest technically and commercially viable rate offered by others outside the State, including Medium and Large Scale of industries established in the State.

(20) Tax Incentives:

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

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

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

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

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

(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(one thousand) 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.

(22) Special incentives for revival of sick units:

(i) Encouragement to entrepreneurs for revival of sick units will be given priority. Detailed operational guidelines including broad principles will be formulated for this purpose.

(ii) A State Level High Power Committee constituted by the State Government considering the guidelines issued by the Reserve Bank of India(RBI) will identify sick unit from time to time for the special incentives for revival.

(iii) A sick unit fulfilling the above condition shall be entitled to exemption of 99% of tax payable under the Manipur Value Added Tax Act,2004 as applicable to new units.

DRAFT

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**THE INDUSTRIAL AND INVESTMENT POLICY OF MANIPUR, 2012
(IIPM, 2012).**

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