

GOVERNMENT OF MEGHALAYA
COMMERCE & INDUSTRIES DEPARTMENT

MEGHALAYA INDUSTRIAL AND INVESTMENT PROMOTION
POLICY (MIIPP), 2012

A. PREAMBLE

Meghalaya with its conducive environment for investment coupled with untapped potentialities, is set to be a major investment destination. Stable Government policy, State's own attractive and balanced investment policy supplemented by Government of India's NEIIPP, 2007 Policy have opened windows for inflow of huge investments in diverse fields enabling the State to register steady growth rate.

The New Industrial & Investment Promotion Policy is designed to facilitate investments in new sectors across the State and thus ensure accelerated and sustained growth. The Policy focuses to attract, facilitate and promote wider expectations and high end investment.

Meghalaya with its special/unique land tenure system will require to adopt appropriate policy for facilitating availability of land for investment which will provide adequate safeguard in this regard. There is an urgent need to promote investment in backward and difficult but resource rich areas. Therefore the policy provides additional incentives and support for such investments.

Investment through such policy will have to ensure that the benefit percolates down to all sections of society through its inclusive and sustained growth projections. Aggressive promotion of Micro and Small Entrepreneurs will have a multiplier effect on the overall investment scenario.

B. BACKGROUND OF THE POLICY

The 1st Industrial Policy of the State of Meghalaya was framed in 1988 and the 2nd Policy in 1997. The Policy of 1997 is still in operation today and is supplemented by the N.E. Industrial Policy announced by the Govt. of India in 1997. During this period 15 years or so, the State could attract quite a substantial investment and becoming one of the leading States of N.E. Region making a mark as prominent investment destination. The State could attract investors from Jammu & Kashmir, West Bengal, Jharkhand U.P and Assam etc. A number of power intensive industries like Steel & Ferro Alloys, Cement Industries etc have also been set up and some more are in the pipe line capable to meet the demands of entire N.E. Region as well as neighboring countries.

However, due to inadequate infrastructural facilities for drawing power from the National Grid, the power situation in the State began to affect the industrial production since 2005, which demanded a policy-shift to address the crisis and bring back steady rate of growth in manufacturing sector.

Another important paradigm shift was observed in the Central Policy of Industries Promotion. Government of India announced 'MSMED Act' to be made operational with effect from 2nd October 2006 all over the Country and similarly approved a package of fiscal incentives and other concessions for the North East Region namely the 'North East Industrial and Investment Promotion Policy (NEIIPP), 2007', effective from 01.04.2007. The rate of growth of Service Sector was acknowledged by the Government of India by giving "INDUSTRY STATUS" to the service sector. This will go a long way in framing the States' Industrial Policies all over the Country.

It is, therefore, necessitated to frame the 3rd and the New Industrial and Investment Promotion Policy for the State of Meghalaya.

C. OBJECTIVE OF THE POLICY

The Objectives of this Policy are as follows :

1. To promote investment in all sectors
2. Generate employment opportunities for the local people in the industries and allied sectors.
3. To provide special incentives for promoting local Entrepreneurs in setting up of micro, small & medium manufacturing and service enterprises.
4. Encourage setting up of export-oriented Agro & Horticulture processing unit.
5. Develop human resources and bring about improvements in the quality of life by promoting industries in sectors where the state has comparative advantage.
6. Achieve a balanced and growth oriented development covering the entire state through promotion of village and small scale industries.
7. Create a conducive environment for industrial development by creation of the basic Infrastructural facilities and by setting up of industrial areas, growth centre and export promotion industrial park.
8. Promote local interests through joint ventures with external investors so as to facilitate technology transfer and capital flow by a package of suitable incentives.
9. Encourage need based development of local entrepreneurial skills through intensive motivation and training programmes at District, Sub-division and Block levels.
10. Provide guidance to prospective entrepreneurs by building up a data bank of project-profiles and other connected information. **Special support to local entrepreneurs will be provided, and monitoring will be done to enable them to be successful.**
11. Simplify rules and procedures by providing a single-window clearance facility for all investment proposals as applicable.
12. Promote the setting up of ancillary units for catering to the requirements of large and medium scale industries.
13. Identify sick units that can be made viable and provide a comprehensive package of assistance for their revival.

14. Promote and encourage high-value, low-volume products, in view of the transportation-bottlenecks in the State.
15. Encourage Research & Development of Traditional medicine.
16. Encourage Vocational Training as a means of alternative employment opportunity.
17. To promote setting up food processing units including breweries/distilleries units in order to encourage local farmers to grow Barley, Maize, Wheat, Rice, Sorghum and all types of fruits so as to boost the agro economy of the State.
18. Promote Tourism, and make Meghalaya a tourist destination.
19. Promote IT as industries.
20. Encourage selective medium & large industries with captive power generation across the State ensuring equal development and ecological balance.
21. Promote first generation entrepreneurs. Government will encourage setting up of Entrepreneurship Development Institute by private or in PPP mode.

D. SALIENT FEATURES OF THE INDUSTRIAL POLICY.

The following are the salient features of the Meghalaya Industrial & Investment Promotion Policy :

1. State Government believes in promoting private enterprises for speedy economic development of the State. **The Government also stands committed to ensuring the healthy growth of existing industries. For this purpose, Government will ensure optimum number of industries by not permitting excess in any specific sector, thereby ensuring sustainability of existing business.**
2. State Government will strictly monitor the transfer/lease of land to the units on need based and actual requirement so as to avoid alienation of the tribal land. **Government will provide land under lease basis for initial requirement and one time expansion. Such land, if not available within the industrial areas/parks, will be provided on 30 year lease basis, on payment of appropriate premium, for which Government will acquire the same.**
3. State Government recognizes that improvement and upgradation of industrial infrastructure is essential for accelerated growth of industries. Emphasis would be on creation of New Industrial Areas/Estates for manufacturing and service enterprises, early completion of Growth Centre, Industrial Infrastructure Development Schemes and Export Infrastructure, improve communications and power supply with other connected facilities. Government would like to promote PPP mode projects. **Government will also examine the need and feasibility of setting up of SEZ in the State.**

4. Enterprises promoted and managed by “Woman Entrepreneur”/physically challenged will get additional 10 % (ten percent) incentives on the State Capital Investment Subsidy.

5. Meghalaya has a long international border which needs immediate attention for development. To address this issue, **10 Kms** towards the State from the International border is declared as “PRIORITY AREA” and enterprises set up within the **10 Kms** area will be given special incentives to be known as “Border Area Subsidy”, **provided that this special incentive will not be applicable to mineral based industries.**

5(1). It is recognized that all parts of the State need to develop, and for this purpose, some additional incentives would be given to industries which come up in backward regions within the State. Such enterprises will get an additional incentive of 15 % on the State Capital Investment Subsidy.

6. Meghalaya Industrial Development Corporation Ltd (MIDC) will be restructured and be given the following responsibility :-

- (i) Project Consultancy and Financial Operation especially for Cluster Development, Self-Help-Group, Vocational Training Institute. Financial operation to individual unit/beneficiaries can be extended on the basis of credit worthiness.
- (ii) Food Park/Marketing Cell will be set up with MIDC as the Nodal Agency.
- (iii) Meghalaya Handloom & Handicrafts Development Corporation Ltd (MH&HDC) will be restructured and be given responsibility to rejuvenate Handloom & Handicraft sector/preservation of dying Crafts. Special emphasis will be given in Cluster Development & Craft Design & Development, provide Marketing Linkage with focus for National & International market.
- (iv) Meghalaya Khadi & Village Industries Board (MKVIB) will be encouraged and supported to pursue cluster development of Village industries/support credit linkage/Training of artisans & entrepreneurs.
- (v) Emphasis will be given to make all Land Custom Station all weather Export – Import Zone within next five years.

7. Government of Meghalaya recognizes :

- (i) Hotels (not below two star category) and Amusement Parks.
- (ii) Medical and health services in the nature of nursing homes with a minimum capacity of 25 beds and Super – Specialty Health Care.
- (iii) Vocational training Institutes.

- (iv) Entertainment Sectors such as Film Studio, Acoustic Auditorium and Film City.
- (v) Call Centers.

E. POTENTIAL AREAS

The following areas have been declared as potential area in the promotion of industrial activities in the state of Meghalaya.

1. Agro & Horticulture Processing Unit:

Thrust on the post harvest management is given in view of the conducive Agro-climatic condition and surplus Agro-Horticultural products in the State.

2. Processing of Plantation Crops :

Processing of tea, rubber, including medicinal plant (into herbal medicine) : Government will provide necessary support for development in these areas.

3. Development of Traditional Handloom & Handicraft.

4. Tissue Culture and Bio-Technology :

Export oriented Orchid cultivation (Tissue Culture) is given the status of an industry in the State in view of a high value realisation in the international markets. Encouragement will be given to large-scale commercial exploitation in a systematic and scientific manner through tissue culture. Export oriented Floriculture will also be encouraged on a similar basis.

5. Spices Oleoresin and other Essential Oils Units :

Export oriented unit on spice oils, oleoresin and other essential oils will be encouraged.

6. Animal Husbandry and Meat Processing Industries :

Government encourages dairy products including hygienic and scientific processing of poultry, piggery and other meat products.

7. Development of Mineral based Industries :

The following mineral based industries will be encouraged.

- Cement
- Lime and hydrated Lime (coal fired)
- Precipitated and Activated Calcium Carbonate
- Calcium Carbide
- Coal briquette and high temperature Carbonization Plant
- Low Ash Metallurgical Coke/Coke Breeze.
- Wall/Floor tiles
- Earthen-wares (crocker, novelties etc)
- Stone wares (sanitary wares etc.)
- Fire bricks

8. Electronics & Information Technology:

The State government will encourage setting up of electronic/IT based industries and complexes in private sector as well as in PPP mode.

9. Bamboo/Reclaimed Wood based & Products :

The State government will encourage setting up of Bamboo/Reclaimed Wood based Industries in rural areas to encourage local entrepreneurs at the village level.

10. Hotel/Nursing Homes/Captive Power Generation:

The State government will encourage/facilitate setting up Hotels/**Nursing Homes/Power Generation units in private sector or in PPP model. Such Power Generation units including captive generation upto 10 MW will be eligible.**

F. FISCAL INCENTIVES & SUBSIDIES:

“The Meghalaya Industrial and Investment Promotion Policy, 2012.” will provide a package of subsidies, incentives and assistance to Micro, Small, Medium, Large, Mega Large and Ultra Large manufacturing and service enterprises.

(a) (i) Micro/Small/Medium Manufacturing Enterprise is defined in terms of investment in Plant & Machinery (excluding land & building).

(a) (ii) Large/Mega large/Ultra Large manufacturing Enterprise is defined in terms of investment in Plant & Machinery.

The above (a)(i) and (a)(ii) are further classified into :

Micro Enterprises	- investment up to Rs.25.00 lakhs
Small Enterprises	- investment above Rs.25.00 lakhs & up to Rs. 5.00 crores
Medium Enterprises	- investment above Rs.5.00 crores & up to Rs. 10.00 crores
Large Enterprises	- investment above Rs.10.00 crores & upto Rs.500.00 crores.
Mega Large Enterprises	- investment above Rs.500.00 crores & upto Rs.1000.00 crores
Ultra Large Enterprises	- investment above Rs.1000.00 crores.

(b)(i) Micro/Small/Medium Service Enterprise is defined in terms of investment in equipment.

(b)(ii) Large/Mega Large/Ultra large Service Enterprise is defined in terms of investment in equipment.

The above (b)(i) and (b)(ii) are further classified into :

- | | |
|---------------------------|--|
| Micro Enterprises | - investment up to Rs.10.00 lakhs |
| Small Enterprises | - investment above Rs.10.00 lakhs & up to Rs.2.00 crores |
| Medium Enterprises | - investment above Rs.2.00 crores & up to Rs.5.00 crore. |
| Large Enterprises | - investment above Rs.5.00 crores & upto Rs.500.00 crores. |
| Mega Large Enterprises | - investment above Rs.500.00 crores & upto Rs.1000.00 crores |
| • Ultra Large Enterprises | - investment above Rs.1000.00 crores. |

G. 1. VALIDITY PERIOD :

This new package of incentives herein after referred to as “Meghalaya Industrial & Investment Promotion Policy, 2012”, shall remain in operation for a period of 10 (ten) years commencing **from the date of notification in the official gazette** or till such time as the Government may deem fit and proper. The State Government also reserves the right to make any amendments to the scheme from time to time. However, in such cases, proper notice will be given and also final commitments already made will not be affected by such amendments.

G. 2. EFFECTIVE DATE :

Effective date of implementation of Meghalaya Industrial & Investment Promotion Policy, 2012 is **from the date of notification in the official gazette** and from this date, the Meghalaya Package Scheme of Incentives, 1997 and other relevant Industrial Policy resolutions will cease to be operative unless specifically provided for hereinafter.

Those industrial units which have been committed to by Government for incentives under the Meghalaya Industrial Policy, 1997 will continue to avail such incentives under the said scheme for the period of commitment.

G. 3. Incentives under the Meghalaya Industrial & Investment Promotion Scheme, 2012 will be available to eligible units in the private sector, Joint Sector, State Public Sector and the Co-operative Sector.

G. 4. ELIGIBLE UNIT :

G. 4. 1. Only new units whose date of commercial production is on or **after the date of notification in the official gazette and existing units undertaking 1st expansion/1st modernization or 1st diversification** (Minimum of 25 % on the original investment in Plant & Machinery/Equipments) at the same location in the State of Meghalaya will be eligible for incentives under the MIIPP Scheme, 2012 provided that :

(a) A unit employs local tribal (Khasi/Garo/Jaintia/any other ST recognized by the Government of Meghalaya) people not less than 60 % of the total employee strength of the enterprises. The enterprise will have to follow the minimum wage policies of the Govt. of Meghalaya.

(b) Its registered office is located within the State of Meghalaya.

The unit should give an undertaking that if the above conditions are violated, State Government Subsidies/Incentives so availed by them would be fully refunded. In exceptional cases where a unit can prove to the satisfaction of the Single Window Agency

that persons with required skill and expertise are not locally available, relaxation of the above clause will be allowed for a specified period.

G. 5. NON-ELIGIBLE UNIT

(a) Value Addition : In order to ensure genuine industrial activities in the State, benefits under MIIPP, 2012 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.

(b) Negative list :

- All types of Saw Mills and Veneer Mills.
- Tobacco and manufactured tobacco substitutes
- Pan Masala
- Non Biodegradable Plastic Carry Bags
- Wood-fuelled Lime Kilns
- Goods produced by Petroleum Oil or Gas Refineries.

Central Public Sector Undertakings will not be considered as eligible for incentives under Meghalaya Industrial and Investment Promotion Policy, 2012.

G. 6. DEFINITION :

G. 6. 1. NEW ENTERPRISE : A Manufacturing/Service enterprise, whose date of commercial production is on or after **the date of notification in the official gazette** will be considered as a new enterprise.

G. 6. 2. EXISTING ENTERPRISE : An enterprise which is or was in commercial production at any time prior to **the date of notification in the official gazette** will be considered as an existing enterprise for the purpose of the Meghalaya Industrial & Investment Promotion Policy, 2012.

G. 6. 3. PACKAGES SCHEME OF INCENTIVES/SUBSIDIES : The following incentives/subsidies will be available to eligible units/activities classified under this Policy. In the event of Central Government/other State Government Departments granting similar such incentives/subsidies and the incentives/subsidies under the MIIPP, 2012 being greater than the same, incentives/subsidies under the MIIPP, 2012 would be limited to the difference between the two subsidies.

G. 6. 4. EFFECTIVE STEPS : Effective steps for implementation of the project will comprise of initial effective steps and final effective steps.

(a) An enterprise will be deemed to complete the initial effective steps if all the following have been achieved.

- Effective possession of land.
- Registration of the firm or the company or the society or the trust with the appropriate authority.
- Registration with the appropriate authority.
- Preparation of Project Report.
- Sanction of Power Connection.
- Settlement of the means of finance for the project including sanction of the terms loan.

(b) An enterprise will be deemed to have completed the final effective steps if the following have been achieved :

- Total disbursement of term loan.
- Receipt of all relevant approvals and clearances from the appropriate authorities.
- Connection of power.
- Sanction of financial assistance (if applicable) for the project.
- Commissioning of the plant.

The incentives under the Scheme for any category of enterprises cannot be claimed unless the “Eligible Certificate (EC)” is issued by the Director of Commerce & Industries or his authorized person. Disbursement of all State Subsidies will be through the Meghalaya Industrial Development Corporation Ltd.

H. PACKAGE SCHEME OF INCENTIVES, 2012

H.1. CATEGORY: MICRO AND SMALL ENTERPRISES :

New as well as existing industrial units will be eligible for the following incentives :

H.1.1. State Capital Investment Subsidy :

(a) State Capital Investment Subsidy on cost of Factory Building & Plant & Machinery will be provided to Micro Enterprises at the rate of 35 % (thirty five percent) of the fixed capital subject to a ceiling of Rs 7.00 lakhs

(b) State Capital Investment Subsidy on cost of Factory Building & Plant & Machinery will be provided to Small Enterprises at the rate of 30 % (thirty percent) of the fixed capital subject to a ceiling of Rs 75.00 lakhs

H.1.2. Subsidy on the cost incurred for Feasibility Study and Project Reports :

Subsidy will be provided at 100 % (hundred percent) for meeting the cost incurred on the preparation of Feasibility/Project Report subject to a maximum of Rs.50000.00 for Micro Enterprise and Rs.1.00 lakh for Small Enterprises provided that the Report is prepared by a Government approved agency.

H.1.3. Development Subsidy.

Development Subsidy will be provided at the rate of 75 % (seventy five percent) on the expenses incurred on the following items subject to a ceiling of Rs.3.00 lakhs :

- (a) Charges payable to statutory bodies for any permission or registration.
- (b) Procurement of know – how from a well established and approved Research and Development Organization.

H.1.4. Interest Subsidy :

Subsidy on interest payments to Banks/Financial Institutions will be provided at the rate of 4 % (four percent) with a ceiling of Rs.1 lakh per annum on term loans (excluding working capital loans) availed by an entrepreneur for setting up of approved Micro & Small Enterprises for a period of 5 (five) years from the date of disbursement of loan.

This subsidy will be in the form of re – imbursement of actual payments made.

H.1.5. Subsidy on Power :

(a) Subsidy on power tariff will be provided at the rates of 30 % (thirty percent) for loads up to 2 MW for a period of 5 (five) years from the date of commercial production. This subsidy will be granted on the basis of actual consumption of power for the manufacturing process only subject to a ceiling of Rs.25.00 lakhs per annum.

(b) Subsidy up to 50 % (fifty percent) of the cost of Generating Sets including Non-Conventional/Renewable Energy Generating Sets, subject to a ceiling of Rs.20.00 lakhs per unit will be granted to all categories of enterprises in the rural/urban areas.

(c) In case a Project is located in an area, which requires drawal of power line of 20 KV and above, the Government will reimburse the cost incurred on drawal of such power line including the cost of transformers, if any, subject to a maximum limit of Rs.10.00 (ten) lakhs and provided that the location has been approved by the Government.

(d) Fifty percent of the cost incurred on service connection (excluding internal wiring) will be reimbursed subject to a maximum of Rs.2.00 lakhs for each industrial unit.

H.1.6. Subsidy on cost incurred on Quality Control Measures :

Cost of Laboratory Equipment for the purpose of quality control and ISI/BIS certification @ 50 %, subject to a maximum of Rs.5.00 lakhs per unit will be reimbursed.

H.1.7. Price preference :

Price preference in accordance with the existing Meghalaya preferential Stores Purchase Rules, 1990 will be allowed for all eligible manufacturing units only.

H.1.8. Reimbursement of Stamps Duty & Registration Fees :

75 % (seventy five percent) of the applicable Stamp Duty & Registration Fees for the Micro & Small Enterprises only will be reimbursed to assist entrepreneur in execution of deeds of conveyance/mortgage pertaining to loans from Financial Institutions and Banks within the State of Meghalaya subject to a maximum of Rs.3.00 lakhs.

H.1.9. Enterprises owned by Women & Physically Challenged persons :

Enterprises promoted and managed by “Woman Entrepreneur” & “Physically Challenged” will get additional 10 % (ten percent) on the State Capital Investment Subsidy subject to a ceiling of Rs.5.00 lakhs. Physically challenged persons will pay only 50 % of the

applicable lease rent if allotted land/shed/shop in Industrial Area/Industrial Estate/Growth Centre.

H.1.10. Enterprises set up by Tribal entrepreneur :

Enterprises set up by Tribal entrepreneur will get preference in allotment of land/shed in the industrial area/estate with concession of 25 percent of the prevailing rate in lease rent.

H.1.11. Sales Tax/VAT Remission :

The State Government shall provide 99 % Sales Tax (MVAT) remission to eligible industrial units on sale of finished goods/by products within the State for a period of 7 (seven) years from the date of commencement of commercial production. Accordingly, the unit shall pay 1 % of the tax amount payable in accordance with tax return under MVAT to the State Government. Similarly for sale of goods/by products between interstate the unit shall be eligible for remission of 99 % of the CST amount as applicable and shall pay only 1 % of the tax amount under CST to the State Government for sale of finished goods / by products to any registered dealer/customer and submit "C" form wherever applicable. All new & existing units undergoing expansion of 25 % or more shall be eligible for exemption for the further period of 5 years.

In case GST becoming applicable during the tenure of this Policy, the above said concession shall be extended to **State GST only**.

H.1.12. Refund of Central Sales Tax (CST) :

Enterprises will be reimbursed 100 % on the amount of CST actually paid on purchases of such machinery and equipments which are genuinely required as is installed upto the date of commissioning of the unit subject to a ceiling of Rs.25.00 lakhs.

In case GST becoming applicable during the tenure of this Policy, the above said concession shall be extended to **State GST only**.

**H.2. CATEGORY: MEDIUM, LARGE, MEGA AND ULTRA MEGA
MANUFACTURING AND SERVICE ENTERPRISES :**

New as well as existing industrial units will be eligible for the following incentives :

H.2.1. State Capital Investment Subsidy :

(a) State Capital Investment Subsidy on cost of Factory Building, Plant and Machinery will be provided to Large & Medium enterprises at the rate of 30 % (thirty percent) of the fixed capital investment subject to a ceiling of Rs.100.00 lakhs

H.2.2. Subsidy on cost incurred on Quality Control Measures :

Cost of laboratory equipment for the purpose of quality control and ISI Certification @ 50 % subject to a maximum of Rs.20.00 lakhs will be reimbursed.

H.2.3. Subsidy on Pollution Control Measures :

50 % of the cost of approved pollution control measures will be reimbursed upto a maximum of Rs.25.00 lakhs per unit.

H.2.4. Subsidy on D.G. Set :

Subsidy will be provided at the rate of 30 % (thirty percent) on the cost D.G. Set for the captive use of energy subject to a ceiling of Rs.50.00 lakhs.

H.2.5. Reimbursement of Stamp Duty & Registration fees :

Approved Projects will be reimbursed Stamp Duty up to 75 % with a maximum limit of Rs.5.00 lakh of the applicable amount to assist execution of deeds of conveyance/ mortgage pertaining to loans from Financial Institutions and Banks within the State of Meghalaya.

H.2.6. Refund of Central Sales Tax (CST) :

Enterprises will be reimbursed 100 % on the amount of CST actually paid on purchases of such machinery and equipments which are genuinely required as is installed upto the date of commissioning of the unit subject to a ceiling of Rs.100.00 lakhs.

In case GST becoming applicable during the tenure of this Policy, the above said concession shall be extended to **State GST only**.

H.2.7. Sales Tax/VAT Remission :

The State Government shall provide 99 % Sales Tax (MVAT) remission to eligible industrial units on sale of goods/by products within the State for a period of 7 (seven) years from the date of commencement of commercial production. Accordingly, the unit shall pay 1 % of the tax amount payable in accordance with tax return under MVAT to the State Government. Similarly for sale of goods/by products between interstate the unit shall be eligible for remission of 99 % of the CST amount as applicable and shall pay only 1 % of the tax amount under CST to the State Government for sale of finished goods/by products to any registered dealer/customer and submit "C" form wherever applicable. All new & existing units undergoing expansion of 25 % or more shall be eligible for exemption for the further period of 5 years.

In case GST becoming applicable during the tenure of this Policy, the above said concession shall be extended to **State GST only**.

H.2.8. Special incentives for Export Oriented Units :

Export Oriented Units exporting minimum 25% of its installed capacity for at least 3 consecutive years, shall be given additional 15% capital investment subsidy subject to a maximum of Rs.50 lakhs.

H.2.9. Special Incentives for Food Processing Industries :

All Food Processing Industries including local Breweries/Distilleries will be eligible for all incentives at all sources on its own brand/products.

H.2.10. Interest Subsidy :

Subsidy on interest payments to Banks/Financial Institutions will be provided at the rate of 4 % (four percent) with a ceiling of Rs.30000.00 per month on term loans(excluding working capital loans) availed by an entrepreneur for setting up of approved enterprises for a period of 3 (three) years from the date of disbursement of the loan.

This subsidy will be in the form of re – imbursement of actual payments made.

H.2.11. Special incentives for Mega Large Enterprises :

An approved Project in the Border Area will be granted exemption from paying royalty on those minerals which are use on manufacturing activity for 6 months.

H.2.12. Special incentives for Ultra Large Enterprises :

An approved Project in the Border Area will be granted exemption from paying royalty on those minerals which are use on manufacturing activity for 1 year.

H.2.13. Border Area Subsidy :

Micro & Small and all eligible Units/Enterprises set up in Border Areas within **10 Kms** from the international border will be entitled to additional State Capital Investment Subsidy of 15 % (fifteen percent) provided such additional incentives shall not exceed Rs.50.00 lakhs per such unit.

H.3. OTHER SECTORS :

Incentives under the Meghalaya Industrial & Investment Promotion Policy, 2012 under **MICRO, SMALL, MEDIUM, LARGE, MEGA and ULTRA MEGA MANUFACTURING AND SERVICE ENTERPRISES** will also be applicable to the following sector/activities/industries :

H.3.1. TOURISM SECTOR

- Hotel (not below 2 Star category)
- SPA units and self identified Tourism Projects approved by Government.
- Amusement Parks (not less than 10 different mechanical rides and investment in Equipments not less than Rs.500.00 lakhs. Area of the Park should not be less than 10 acres)

H.3.2. ENTERTAINMENT SECTOR

- Film Studio (investment in Equipments not less than Rs.100.00 lakhs)
- Film city with investment not less than Rs.10.00 crores.
- Acoustic Auditorium with investment not less than Rs.10.00 crores.

H.3.3. HEALTH SECTOR

- Nursing Home (with minimum 25 beds)
- Super – Speciality Health Care with diagnostic Centre where investment in equipments is not less than Rs.5.00 crores.

H.3.4. AGRO AND HORTICULTURE SECTOR

- Food & Fruit processing
- Tea processing
- Rubber processing

H.3.5. EDUCATIONAL SECTOR

- Vocational Training Centre (Recognized by State Education Department or Central Government)
- Recognized Schools upto Class XII standard /Colleges by the State/Central Government.

G.3.6. IT & IT RELATED SERVICE INDUSTRIES

- Call Centres with minimum investment of Rs.1.00 crore in Equipments.

I. CORPORATE SOCIAL RESPONSIBILITY :

I. 1. Units in the Large Category will be mandatorily required to carry out social responsibilities as below :

1. Establishment of at least 1 (one) Primary Health Centre. Such Health Centres will be governed by guidelines of the State Industries Department in consultation with the State Health Department except appointment/salary of employees.
2. Identify and sponsor at least 5 (five) meritorious students for Graduate Studies in Engineering/Medical & Health Sciences. Such sponsored students will be paid monthly stipend for the whole course at the rate to be determined by the State Industries Department in consultation with the Education/Health Department.
3. Free Health Camps.

I. 2. Units in the Mega Large/Ultra Large Category will be mandatorily required to carry out social responsibilities as below :

1. Establishment and management of at least 1 (one) School upto Class XII standard. Such school will be governed by guidelines of the State Industries Department in consultation with the State Education Department except appointment/salary of teachers/staff.
2. Establishment of at least 1 (one) Primary Health Centre. Such Health Centres will be governed by guidelines of the State Industries Department in consultation with the State Health Department except appointment/salary of employees.
3. Identify and sponsor at least 5 (five) meritorious students for Graduate Studies in Engineering/Medical & Health Sciences. Such sponsored students will be paid monthly stipend for the whole course at the rate to be determined by the State Industries Department in consultation with the Education/Health Department.
4. Free Health Camps.

J. ISSUES ADDRESSED IN THIS POLICY :

The following are the issues addressed in the policy:

- (a) In order to protect alienation of land and promote local entrepreneurs, the transfer/ lease/mortgage of land other than Govt. land to Company's/Partnership/non-tribal proprietor enterprises shall be strictly regulated as per the actual requirement and subject to the condition that land is used only for the purpose which it is sanctioned under the Meghalaya Transfer of Land (regulation Act, 1971) as applicable. Industrial Zones would be set up in all Districts and allot land on lease basis for all round development of the State.
- (b) Government invites promoters in Public-Private-Partnership (PPP) mode.

- (c) State Government recognizes that improvement and up gradation of industrial infrastructure is essential for accelerated growth of industries. Government welcomes Project developer(s) in “Turnkey” basis on industrial infrastructure.
- (d) Government stresses emphasis on implementation of Rural Employment Generation Programme, Self Employment to Educated Unemployed Youths especially handicapped and women entrepreneurs.
- (e) Meghalaya has a long international border. The area near to the border of Bangladesh is much undeveloped. To address this issue it is proposed that **10 Kms** towards the State from the International border be declared as “PRIORITY AREA”.
- (f) Government shall encourage Non Polluting sectors like food based, education, hospitals etc. along the national highways.
- (g) Meghalaya Industrial Development Corporation Ltd (MIDC) will be restructured and be given the following responsibility:
- Financial Operation by MIDC shall mean financing of clusters, Self Help Groups, Training cum Production Centres, Vocational Training Institutes and tiny Industrial /service enterprises not being in the purview of Central Schemes. Financial operation to credit worthy individual unit/beneficiaries can be given only in those cases where central linkage is available.
 - Food Park/Marketing Cell will be set up with MIDC as the Nodal Agency.
 - Project Finance & Recovery Cell will be strengthened.
 - To assist in all the activities of MIDC, this Policy agrees for deputation of Industries Department Officers to MIDC on requirement basis.
 - Meghalaya Handloom & Handicrafts Development Corporation Ltd (MH&HDC) will be restructured and be given responsibility to rejuvenate Handloom & Handicraft sector, preserve dying crafts, cluster development, explore market avenues, and provide market linkage for rural artisans thereby bringing rural economic development along with employment generation.
 - Meghalaya Khadi & Village Industries Board (MKVIB) will be encouraged and supported to pursue Khadi & cottage industries, cluster development of Village

industries, facilitating Training of Artisans & Entrepreneurs, and proper implementation of Rural Employment Generation Scheme.

- This Policy thrust will be on Horticulture & Agro based post harvest management, tourism related service activities, optimum utilization of Bamboo Resources, Pharmaceutical & Food processing activities including Honey processing.
- Growth of both manufacturing & service enterprises in the Border Areas has been taken into serious consideration for promotion of export and improve the standard of living of the people living in border areas. All Land Custom Stations (LCS) will be made into all season export towns within next 5 (five) years.
- State Government has set up a Single Window Agency under the Chairmanship of the Chief Minister to provide time-bound decisions and clearances in respect of investment proposal.

