



**NEW INDUSTRIAL POLICY
OF MANIPUR
2002**



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

NEW INDUSTRIAL POLICY OF MANIPUR, 2002

1.0 Mission:

To facilitate rapid and substantial industrial development in the State through enhanced investment, an investor-friendly environment, provision for infrastructure and institutional support, attractive incentive package and optimum utilisation of existing resources in order to gainfully exploit emerging opportunities in the National and International markets and generate substantial income and employment avenues for the people of Manipur. This will be done by providing industry access to high quality infrastructure, extending institutional support for technology upgradation, deregulating the business environment for an efficient, proactive and transparent administrative frame-work and catalysing the entrepreneurial as well as creative capabilities of the human resources.

2.0 The Goal of the Industrial Policy:

- a) Create necessary conditions for maximum possible utilisation by tapping locally available raw-material and human resources for industrialisation.
- b) Create gainful employment opportunities for local population.
- c) Develop industrial infrastructure in selected areas by providing common facilities in a compact area for specialised categories of industrial units. Provide other critical infrastructure such as power, water, communication, etc.
- d) Promote export oriented industries with a view to exploit the emerging market opportunities in the neighbouring countries.
- e) Develop marketing facilities for industrial products.
- f) Encourage large and medium industries in public, private, joint and assisted sectors to create an industrial base making use of the available resource base of the State in selective categories compatible with local environment and ecology.
- g) Develop village and small scale service and Business Enterprises (SSSBE) to provide self-employment to educated youths.
- h) Develop and promote Tourism industry in the State.
- i) Revive and rehabilitate sick industrial units in the State.
- j) Develop Food processing industry by facilitating forward and backward linkages.
- k) Expedite formalisation and development of cross border trade with Myanmar.
- l) Provide investor-friendly environment by removing procedural bottlenecks and legal hurdles.
- m) Provide industry access to high quality infrastructure.

- n) Enhance value addition in products and processes through rapid technology upgradation.
- o) Encouraging quality control, standardisation and competitiveness of the local products.
- p) Ensuring minimisation of pollution and encouraging eco-friendly units.
- q) Encouraging industry based on medicinal plants and encouraging Research and development in the field.

3.0 Strategy:

- a) Take effective steps to promote industrial culture and create a secure environment for entrepreneurs.
- b) Expedite completion of the on-going Growth Centre and Export promotion Industrial Park (EPIP) projects and take measure to revitalize the existing Industrial Estates.
- c) Create quality Industrial Infrastructure in compact areas such as Integrated Infrastructure Development Centre, Food Parks, Information Technology parks, Bio-technology parks, Cold storage chains and Warehousing etc.
- d) Enhance availability of other critical infrastructure such as power, water and communication for industrial use.
- e) Create Industrial Facilitation Committees with the mandate to provide single window clearance to Small Scale Industrial units, Large & Medium industrial units. Adopt the same frame-work at the District level.
- f) Identify thrust areas for attracting investment keeping in view the comparative advantages of the State.
- g) Provide necessary infrastructure at identified International Trade points in the State. Expedite operationalisation and up-gradation of the Trading points.
- h) Strengthen the network of training institutions in the State and create quality training facilities in sophisticated and specialised trades by encouraging investment in such facilities by the government of India, the State Government and the private sector.
- i) Provide liberal support to training of the entrepreneurs.
- J) Strengthen the role of MANIDCO as the premier promotor of Large and Medium scale industries by extending suitable financial and policy support to it.
- k) Provide an incentive package of subsidies and concession over and above the incentive available in the Central government's North-East industrial Policy, 1997 and other concessions so as to attract substantial private establishment in the State.
- l) Devise a suitable self-employment scheme for unemployed youths to set up new ventures in service, small business and tiny manufacturing sectors.

- m) Facilitate credit availability from the banks and other financial institutions for promoting industrial activity.
- n) Accelerate exploration of mines and minerals for enhancing the resources base of the State.
- o) Take effective steps to promote handloom & handicraft sector by providing, inter-alia, marketing access to handloom & handicraft produce through MHHDC and other means.
- p) To develop Tourism industry and provide necessary support available to other industrial activity.
- q) Revive potentially viable sick State PSUs by taking effective steps including privatisation and, close down unviable sick PSUs.
- r) Adoption of broad Policy or Foreign Direct investment (FDI) and joint venture proposals.

4.0 Industries identified as Thrust Areas:

- a) Food Processing Industries.
- b) Tourism Industry.
- c) Agro-based industries.
- d) Mineral based industries.
- e) Handloom and Handicrafts industries.
- f) Sericulture industries.
- g) Floriculture industries.
- h) Electronics & Information Technology.
- i) Pharmaceuticals.
- j) Petrochemicals.
- k) Bio-tech industries.
- l) KVI sector units.
- m) Bamboo based and timber based products.'
- n) Export and Import through Indo-Myanmar mechanism with commercial links in the South-East Asia regions.

5.0 Policy Framework:

I: A practical industrial policy accords top priority and urgency to the infrastructure planning and development Corporation limited (MANIDCO) should now therefore be revamped and duly strengthened to play a more effective role as infrastructure Development Corporation in the areas of lasting concern such as:-

- (a) Increasing credit mobilisation: (i) by tapping available resources in the financial institutions such as the Small Industries Development bank of India (SIDBI), the National Bank for Agriculture and Rural Development (NABARD) and other foreign agencies and (ii) by converting the non performing assets of the MANIDCO into equity of the borrowing units:

(b) Investment Planning and development:

(c) Project – supervision and implementation:

II: The State Government will adopt an integrated approach to infrastructural support/ development. In addition to the upgradation of basic facilities at the Takyelpat Industrial Estate, the State Government has to undertake phased development of the following.

- Integrated Infrastructural, Development Centre at Moreh in Chandel District.
 - Export Promotion Industrial Park at Kakching in Thoubal District.
 - Export Processing Zone at Khongjom.
 - Industrial Growth Centre at Napet Palli, Imphal East District.
 - Four additional Industrial locations at Jiribam (Imphal East), Litan (Ukhrul), Noney (Tamenglong) and Nambol (Bishnupur) to catalyse balance dispersal of industries.
- (i) The above named Centres will be provided security, water, power communication and other basic facilities essential to establishment/ functioning of industrial units.
- (ii) The development of these centres will be compatible with environmental/ ecological priorities.
- (iii) The State Government will encourage the creation of supportive infrastructure like cold storage, packing houses, pre-cooling facilities, refrigeration, etc.

5.1 Encouragement to investment from outside:

The New Industrial Policy seeks to address itself to ensuing various forms of encouragement to the flow of investment from outside in a comprehensive attempt for strengthening capital base and transfer of technology.

5.2 Land Policy as a component of Industrial Policy:

The New Industrial Policy takes note of the increasing pressure on land particularly in the valley. The productive use of available land in the hill area is a promising option for industrial development for which suitable land policy has to apply to the hill areas.

5.3 Information Technology Centre:

The New Industrial Policy regards “information” as one of the important industrial inputs. The organisational behaviour, production efficiency, technological response and quality improvement are considerably changed by the market signals. Poor information breeds poor planning. Poor planning, produces poor performance. The “information

package” needs to be delivered at the doorstep of the enterprise. The Information Technology Centres will be essential part of the New Policy.

5.4 Industrial Development Authority:

The effective policy coordination and policy implementation is the outcome of collective commitment particularly, of Departments of Commerce & Industries, Finance, Power and Communications.

The appointment of one Nodal Officer each in relevant departments with specific assignment to look after industrial requirements could be a step forward. Besides, formation of the Industrial Development Authority consisting of experts in different fields will be attempted to aid and advise and also to coordinate various policy initiatives.

5.5 Entrepreneurial Development:

The New Industrial Policy seeks 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”.

The follow-up is considered absolutely necessary for sustaining the rising entrepreneurial spirits and professional acumen. As such the New Industrial Policy intends to emphasise the follow-up (physical support-package) more than training programme.

“Trade Mission” should be a necessary component of the entrepreneurial development.

6.0 Incentives:

The State Government will offer a special package of supplemental/ additional incentives/ subsidies over and above those provided by the Government of India to offset the disadvantages of geo-physical handicap, infrastructure bottleneck etc. and to invigorate industries. The list of package of incentives/ subsidies is appended at Para 23.0 .

7.0 Marketing Strategy:

In view of increasing competition and rising sophistication, the New Industrial Policy contemplates a separate State Commercial Policy in a detailed marketing strategy is spelt out.

8.0 Emphasis on providing a simplified and investor-friendly climate especially in the new/ Export Sector:

9.0 Research and Development:

The most critical input could be fundings after “continuing” a research works on key sectors in this age of global competition. The New Industrial Policy encourages constant interaction between the Department of Commerce & Industries and the Universities and other research institutions. Adequate fund shall be created to encourage industrial research activities.

10.0 Tourism Related Industries:

Hotel and Tourism related industries falls in the list of high priority industries. This is a sector with immense possibilities for foreign investment. State Government shall have to notify the modalities in this regard.

The term “Hotel”, includes restaurants and other Tourist complexes providing accommodation and / or catering and food facilities to tourists. It may further be clarified that “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.
- iv) Leisure, entertainment, amusement, sports and health units for tourists;
and
- v) Convention/seminar units and organisations.

11.0 Single Window Mechanism:

In order to facilitate investment the State Government has set-up a Single Window facilitation/ escort Mechanism which seeks to provide and/ or Co-ordinate all services and clearance essential for expeditious establishment of industrial unit.

12.0 Investment Facilitation Cell:

Set up a special Cell in the Directorate of Commerce & Industries to act as Escort mechanism for investment related Control Board.

13.0 Environment and Pollution Control:

- i. All new units, excepting those under IT Sectors will necessarily obtain clearance from State Pollution Control Board.
- ii. All existing units shall also endeavour to make their units compatible to Rules and Regulation under State Pollution Control Board within 3 years from the date of issue of this policy.
- iii. Prior clearance of department of Environment and Forest, Government of Manipur shall be obtained before setting up new units in areas other than Industrial Estate, Growth Centres, EPIP, IT parks, IIDC and declared Industrial area.

14.0 Policy on foreign direct investment (FDI) including investment from outside the State:

The State of Manipur is economically backward State inhabited by multi-ethnic group having their distinct socio-cultural and religious-identity. Nevertheless, the State Government will encourage foreign direct investment and from outside the State with caution not to offset the geo-political structure of the State.

The State Government fully appreciate the Policy of Privatisation, Liberalisation and globalisation and the benefit derived thereof, does not like to lag behind other states to attract investment from outside. FDI in fruit processing, bamboo processing, Tourism related industries Bio-technology, Electronics and communication will be given higher preference.

15.0 Promotion of Indo-Myanmar Border Trade:

- i) The State Government has taken positive steps to optimise the advantage offered by the opening of the Border Trade with Myanmar at Moreh in Chandel District.
- ii) An Export Cell in the Directorate of Commerce & Industries will be the Nodal Agency which inter-alia will:
 - Educate, train and guide traders/ entrepreneurs in international trading.
 - conduct an export oriented survey.
 - undertake measures to promote trade-motivated industrial activity.
 - Optimise use of agriculture/ horticulture/ forest resources across the border.
 - Facilitate setting-up of trade centres with integrated and in-house basic facilities.

16.0 Incentives under the Industrial Policy, 1996 will continue to be available on a case to case basis to all units which have gone into commercial production between 1-12-2001 and the effective date of this new policy. However, such units will also be eligible for opting for benefits available under industrial policy, 2002.

- a) Only new units set-up on or after the effective date of the new industrial Policy, 2002 and existing units undertaking expansion/modernisation/diversification shall be eligible for incentives/subsidies under the new policy dispensation.
- b) An industrial unit which started commercial production on or after 1-1-2001 would be considered as a new unit.
- c) Any unit which is/was in commercial production, at any time prior to 1-1-2001 will be considered as an existing unit for the purpose of the incentive scheme, 2002.
- d) The Term “Weaker Section” will mean ST, SC, Physically handicapped, OBC and woman entrepreneurs.
- e) An industrial unit set-up by women with not less than 51% share from women entrepreneurs will be taken as an unit managed or run by women entrepreneurs.
- f) An Industrial unit exporting at least 30% of its production or technology will be termed as an Export Oriented Unit (EOU) for the purpose of Industrial Policy of Manipur, 2002.
- g) 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 package of incentive admissible to the unit shall relate to the expanded portion only. For the purpose of this calculation un-depreciated value of the capital investment made on building, plant and machinery of the unit will be taken in-to consideration.

17.0 Export Policy of Manipur:

Export performance is influenced by international market conditions, supportive infrastructure, credit availability and policy framework. Export promotion measures are continuously being taken through changes in policies and procedures for providing an export friendly environment, involvement of States in export promotion and also consultation with trade and industry. Central Government has been framing Export and Import Policy (EXIM Policy) from time to time for a period of five years focussing on liberalization, openness, transparency and globalisation. To augment State's export performance, Government of Manipur has strived to formulate State's own export Policy for balanced economic growth which can optimise productivity, modernisation and competitiveness in the field of industry, agriculture and service sectors at internationally accepted standards of quality.

To identify potential products of export focus, items with high potential in world market will be analysed by looking at the import basket of SEAN. The potential items identified can be grouped into six focus sector : Engineering/Electrical/Electronics (including instruments and CKD/SKD items), Textiles, Gems and jewellery, Chemicals and allied (including pharmaceuticals), Agriculture & allied sector (including tea, rubber, cashew-nuts), Leather & footwear.

FDI linked export policy and special preferential trading arrangements will be on priority sector.

The basic four strategies related products and markets will be followed

(i) Product-Market Penetration strategy for existing products, (ii) Market Diversification strategy for existing products, (iii) Product Diversification strategy markets and (iv) Product market diversification in the case of new products and new markets.

The changing economic and industrial climate in the country has provided freedom to investors and entrepreneurs to set up units for economic/industrial activity and accordingly, State Government has decided to adopt a NEW EXPORT POLICY for creation of an integrated investor-friendly environment inter-alia multilateralism through WTO regime.

18.A. Creation of Initiatives to Boost Exports :

- i) In order to review the strategy for export promotion of the State, an Export Promotion Council/Board headed by Chief Secretary Manipur shall be constituted.
- ii) The State Government shall also form a State Level Export Promotion Committee (SLEPC) headed by Chief Secretary, Manipur. The SLEPC shall discuss the issues relating to (a) infrastructure, (b) environment, (c) Monitor the export performance, (d) monitor the preparation, approval and implementation of development plan for export related schemes and (e) review action taken status on issues & schemes/projects of Central Government.
- iii) To guide prospective entrepreneurs, artisans & traders and also for redressal of their grievances State Government shall constitute Counselling-cum-Grievances Redressal Committee in Manipur.
- iv) The State Government shall also constitute District Level Export Promotion Committee (DLEPC) to be chaired by the District Magistrate/Deputy Commissioner of the respective district to identify the infrastructural gap that exist with respect to export promotion.
- v) The State Government shall also 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. The State shall also continue to impress upon the Central Government to establish Special Economic Zones (SEZs) and Agricultural Export Zones (AEZs).

B. Infrastructural Development/Support :

The State Government shall adopt an integrated approach to infrastructural support through Ministry of Commerce & Industry 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.

C. Maximising Recourse Utilisation :

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

- ⇒ Tourism
- ⇒ Floriculture, Horticulture & Agriculture
- ⇒ Medicinal plant & its extraction
- ⇒ Regional Air Service network and helicopter service
- ⇒ Animal Husbandry & Leather based activities
- ⇒ Cold Storage & warehousing
- ⇒ Border Trade.

D. 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.

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

E. Promotion Of Export-Import/Border Trade :

- i) The State Government shall take positive 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 shall be looked into consideration for creation of Special Economic Zone (SEZ)/Agri Export Zone by providing necessary infrastructure support.
- iii) State shall endeavor to regulate trade share with Bangladesh since Bangladesh is the largest trading partner on the NE region. Scope for opening up of Export Oriented Industrial facility/Agri Export Zone at Jiribam (Imphal East District) shall be taken up.

19. *Main Features Of*

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.

20. **Special Economic Zones (SEZs) :**

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

The Commerce Cell/Export Promotion Cell in the Directorate of Commerce & Industries, Manipur shall be the Nodal Agency which, inter-alia, will :

- 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 Centres 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.

21. **Steps for Foreign Direct Investment(FDI):**

Creating an 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 Steering Committee, with special invitees from Government and academia as required
- Setting up an investment co-ordination network at two levels
 - ❖ Private sector network amongst the business chambers.
 - ❖ Network amongst FDI research bodies.
- Developing an agenda and action plan for investment enhancement measures
- Setting up a trade facilitation action group consisting of private sector representatives, officials, and researchers
- Developing an action plan for improving trade facilitation

22. **SINGLE WINDOW CLEARANCE MECHANISM:**

A prospective investor should get all his requirements and information to setting up of a Industry cleared through a Single Authority. The Department of Industry will offer this single window facility through a green Channel Committee of officials of all other concerned Departments with a view to facilitate and expedite the various clearance and Government approval required by entrepreneurs as also to promote investments in the state. In order to ensure that the Single Window mechanism for approval /monitoring of project is made more effective, the following modifications in the existing scheme will be incorporated.

- (a) There will be only one High Level Committee chaired by the Hon'ble Minister, Commerce & Industries to consider and to approve all investment proposals in excess of Rs.50 crores in all sectors including industry, Tourism, IT, BT, Agro Food Processing and Infrastructure. The composition of the committee will be suitably constituted to include the concerned Ministers and Officers.
- (b) The State level single window agency under the Chairmanship of Commissioner/Secretary (Com. & Ind), Govt. of Manipur will consider and approve all projects of investment upto Rs. 50 crores in each case including Industry, Tourism, Information Technology, Bio-technology, Agro Food Processing and infrastructure.

State Level Single Window Agency.

The Committee will consist of the following members.

- | | |
|---|-----------------------|
| 1. The Commissioner/Secretary (Com. & Ind),
Government of Manipur. | Chairman. |
| 2. The Chairman,
State Pollution Control Board. | Member. |
| 3. The Commissioner/Secretary (Finance),
Government of Manipur. | Member. |
| 4. The Commissioner/Secretary (Rev),
Government of Manipur. | Member. |
| 5. The Commissioner/Secretary (Power),
Government of Manipur. | Member. |
| 6. The Secretary (Law),
Government of Manipur. | Member. |
| 7. The Principal Chief Conservator of Forest,
Government of Manipur. | Member. |
| 8. The Managing Director,
Manipur Industrial Development Corpn. Ltd. | Member, |
| 9. The Director of Commerce & Industries,
Government of Manipur. | Member-
Secretary. |

Chairman is empowered to co-opt Member(s) for a particular meeting where his presence is likely to facilitate decision.

- (c) The District level Single Window Agency headed by the Deputy Commissioner will examine all proposals in all sectors including Industry, Tourism, Information Technology, Bio-technology, Agro Food Processing and infrastructure with investment upto Rs. 3.00 crores.

District Level Single Window Agency.

- | | | |
|---|---|-----------------------|
| 1. Deputy Commissioner. | - | Chairman. |
| 2. Dist. Level Pollution Control Board. | - | Member. |
| 3. Representative of the
Commissioner/Secretary (Finance),
Government of Manipur. | - | Member. |
| 4. Representative of the
Commissioner/Secretary (Rev),
Government of Manipur. | - | Member. |
| 5. .Representative of the Secretary (Law),
Government of Manipur. | - | Member. |
| 6. Dist. Level Forest Officer. | - | Member. |
| 7. Dist. Level Officer (Power). | - | Member. |
| 8. General Manager, DIC. | - | Member-
Secretary. |

Chairman is empowered to co-opt member(s) for a particular meeting where his presence is likely to facilitate decision.

Separate orders detailing the powers, authorities and functioning of the above Committees will be issued.

The Committee will :

- Facilitate the expeditious issue of all clearance /approvals required from the various departments and Agencies of the State Govt. to any entrepreneur applying for the same and to assist therein obtaining clearance from other bodies/organisation in the State.
- -Assist entrepreneurs in obtaining various clearances and approvals from the Central Govt. and its Agencies..
- Take up with financial Institutions/Commercial Banks, wherever required, for expediting sanction and disbursement of loans/working capital to prospective entrepreneurs.
- Facilitate and expedite on land matters for setting up of a industry.
- Facilitate local entrepreneurs in having an interface with industrial associations, Central Government, Boards and Authorities, etc.
- attend to all enquiries from all prospective entrepreneurs relating to the law, procedures, practices, etc. governing investments in the State.
- continuously review the various clearances and approvals required for investment in the State by entrepreneurs, who with a view to simplify them as also to minimise procedural constraints to ensure flow of investments in the State.

Director (Commerce & Industries) will function as the Nodal Authority to receive and process all reference made to the Committee and will also act as “Escort” for intending entrepreneurs.

The Principal Chief Conservator of Forest & Wild Life, Manipur will also be requested to attend as a special invitee wherever so required and in cases requiring urgent/ immediate disposal. The Committee would take resolution/ decisions through circulation.

23.0 Package of Incentives:

- 1. Allotment of Land:** The State Government will make efforts to provide (a) developed land with infrastructural facilities and (b) undeveloped land to manufacturing industrial units only including village industries sector.
 - i) The developed land will be allotted on hire purchase basis with suitable terms of installments subsidising of the cost of land development 25% for SSI 30% for EOUs and units owned by weaker sections and 15% for large and medium units as per definition from the effective date of enforcement of this policy. Action taken on each of the land should be communicated within 3 months from the date of submission of application.
 - ii) Rules for allotment of land including recovery of cost of land development shall be framed and modified by the State Government.
- 2. Allotment of Sheds to SSI Units:** The State Government will provide available sheds to SSI units in infrastructural centres at monthly rental basis. Subsidy on the monthly rent will be eligible @ 50% for entrepreneurs of all categories and 55% in case of EOUs and units set up by weaker sections. This subsidy will be applicable for 5 year only from the date of occupations, of the shed.
- 3. Manpower Development:** Subsidy @ Rs. 10,000 per trainee or 50% of the actual cost of training whichever is less subject to a maximum ceiling of Rs. 30,000 per year industrial unit shall be provided to industrial units which depute their workers for technical training in Government recognised/ reputed training institutions or established industrial concerns.
- 4. State Capital Investment Subsidy:** The State Government will provide Subsidy to the industries establish in thrust areas 30% on the total capital investment on plant and machinery and miscellaneous fixed assets subject to ceiling of Rs. 15.00 lakhs per unit. For EOUs, the rate of subsidy shall be 35% subject to a maximum of Rs. 20.00 lakhs per unit.

5. **State Transport Subsidy:** Subsidy @ 10% of the actual freight and air transport charges subject to a maximum of Rs. 1.50 lakhs per unit shall be provided to industrial units for transportation of raw materials from Calcutta/ Patna/ Siliguri to the industrial location in Manipur and for transportation of finished product to Kolkata/ Patna or for both, for EOUs the maximum limits will be Rs. 2.00 lakhs.

Manipur Handloom & Handicraft Development Corporation Limited, Manipur Development Society, Manipur Handloom Weavers Co-operative Societies Limited, Manipur Spinning Mills Corporation also eligible for this scheme.

6. **Interest Subsidy:** Small Scale Industries will be provided an interest subsidy of 5% per annum on working capital and term loan taken from banks and financial institutions. This subsidy will be available for the first five years from the date of commercial production or from the date of release of loan in case of revival of sick units. In case of weaker sections and EOUs, the subsidy will be 7% per annum. However, in case of working capital the subsidy will be computed for the actual period which the industrial unit has been in commercial production during the first 5 (five) years from the beginning of commercial production.

7. **Power Subsidy:**

- a) Power subsidy will be provided to SSI units for the first 5 (five) years from the date of commercial production of the unit at the rates fixed by the Government from time to time.
- b) 50% of the cost incurred on linking of power from the main line to the factory shed will be subsidised subject to a ceiling of Rs. 50,000 per unit for such units which are not provided land in developed industrial areas. In case of Weaker Sections and EOUs the subsidy will be 55% subject to a maximum of Rs. 55,000 per unit.
- c) 40% subsidy will be admissible for purchase of Diesel Generating sets of 10 H.P. or more subject to ceiling of Rs. 90,000. In case of Weaker Sections and EOUs, the subsidy shall be 50% subject to a maximum of Rs. 1.00 lakhs.

8. Subsidy for Feasibility Study and Project Report Preparation:

Subsidy of 50% will be admissible to meet the cost of feasibility study and project report preparation subject to a maximum ceiling of Rs. 50,000 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 Handicraft Development Corporation, Manipur Development Society and Manipur State Handloom Weavers Co-operative subsidy will also be eligible for the subsidy. An enhanced subsidy @ 60% subject to a ceiling of Rs. 60,000 will be admissible in case of Weaker Sections and EOUs. The subsidy shall however, be released after commercial production of the unit is started.

9. Subsidy for Technical Know-How:

A subsidy of 50% will be admissible to meet the cost of technical know-how obtained by SSI unit from organisations approved in advance by Government of Manipur. The subsidy will be released only on commencement of commercial production. The subsidy will be 60% in case of Weaker Sections and EOUs.

10. Exclusive Purchase Programme:

The State Government will commit to the policy of purchasing the products of SSI units in the State for Official requirement whenever their products are manufactured locally subject to fulfilment 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 from time to time.

11. Exemption of Local Sales Tax:

- a) The MANIDCO will be eligible for requirement of Sales Tax on sale of raw-materials.
- b) For individual units purchasing of raw-materials directly, a concessional rate of 4% of value of raw-materials will be admissible as full tax set-off against any sales tax paid by them.
- c) The Manipur Handloom & Handicraft Development Corporation, The Manipur Handloom Weavers Co-operative Society will be eligible for reimbursement of Sales Tax on handicraft products.

12. Reimbursement of Stamp Duty and Registration:

Small Scale, Village and Cottage Industrial Units will be reimbursed in full for 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.

13. Quality Control:

For purchase of testing equipments, 25% subsidy will be admissible to SSI units. Registratioin fee and annual fee with BIS etc. will be re-imbursed in full for the first 5 years. Subsidy will be 30% in case of Weaker Section and EOUs.

14. Subsidy for Modernisation/Expansion/Diversification:

- a) A State Capital Investment Subsidy for the purpose of modernisation/expansion/diversification at the rate of 15% or Rs. 1.00 lakh, whichever is less, will be admissible for the purchase of plant and machinery.
- b) A subsidy of 5% per annum will be admissible on interest in respect of loan raised from financial institutions upto a maximum limit of Rs. 0.80 lakh per year for a period of 5 years.
- c) The subsidy will be extended to the industrial unit on the recommendation of a committee to be constituted and notified by the Government in this regard.

15. Exemption of Earnest Money and Security Deposit:

All eligible units will be exempted from payment of earnest money and security deposits for items for which they are registered, on tender by the State Government agencies (including Deptts/Corpns/Undertakings/autonomous bodies of the State Government).

16. Special Incentives for IT Industries:

For IT industries (hardware and software) the incentives stated in other clauses, would be applicable as a thrust sector industry, unless specified otherwise. In addition, an IT industries would be given the following incentive support:-

All IT industries employing a minimum of 25 persons would be entitled to:

- a) 50% concession on floor space rentals for a maximum of 5 years [including clause (b) below wherever applicable]
- b) All IT industries set up by local entrepreneurs would be given 50% concession on floor space rentals for a period of 2 years from the date of setting up of the unit. Provided that the 50% concession on the floor space rentals will be subject to a ceiling, to be notified by the State Government.

17. Closed and Sick Units:

i) The State Government may lay down any general or specific conditions in case of closed units where the operation of the unit with fixed assets is taken over by a new owner/ management for granting incentives, equivalent to that of a new unit, provided that, incentives if any disbursed to the closed unit, shall be deducted from the corresponding incentive admissible under Industrial Policy, 2002.

ii) The State Government may lay down any general or specific conditions in case of sick units for granting incentives, equivalent to that to a new unit based on an agreed and approved rehabilitation/ revival package, provided that, incentives, if any disbursed to the unit earlier shall be deducted from the corresponding incentive admissible under the Industrial Policy, 2002.

18. Clarification and Interpretation:

In case of any doubt regarding the provisions of Industrial Policy, 2002, only the State Government shall be competent to clarify or interpret and such clarification or interpretation shall be final and binding on all concerned.

ILLUSTRATIVE LIST OF AGRO-BASED INDUSTRIES

1. **Fruit and Vegetable Processing:**
 - i) Canned/ Bottled Products
 - ii) Aseptic Packaged Products
 - iii) Frozen Products
 - iv) Dehydrated Products
 - v) Oleoresins
2. **Meat and Poultry Products:**
 - i) Meat Product (buffalo, sheep, goat and pork)
 - ii) Poultry Production
 - iii) Egg Power Plant
3. **Cereal Based Products:**
 - i) Bread Biscuits, Breakfast, Cereals etc.
4. **Consumer Industry:**
 - i) Snacks
 - ii) Non-Alcoholic Beverages
 - iii) Confectioneries
 - iv) Pasta Products
 - v) Processed Spices, etc.
 - vi) Processed Pulses
 - vii) Tapioca Products
5. **Milk and Milk-Based Products:**
 - i) Cheese
 - ii) Butter/ Ghee
 - iii) Infant Food
 - iv) Weaning Food
6. **Food Packaging**
7. **Paper Products**
8. **Cattle/Poultry/Fishery Feed Production**
9. **Edible Oil Processing/Vanaspati**
10. **Processing of Essential Oils & Fragrances**
11. **Agro Forestry**
12. **Horticulture**