

**GOVERNMENT OF MEGHALAYA  
COMMERCE & INDUSTRIES DEPARTMENT**

**NOTIFICATION**

**Dated Shillong, the 23<sup>rd</sup> May, 2017**

No. IND.48/2013/Pt/98 : In pursuance of the Meghalaya Industrial & Investment Promotion Policy, 2012 (MIIPP, 2012) issued by the Department of Commerce & Industries vide Notification No. IND.115/2007/162 dt. 21.12.2012 and published in the Meghalaya Official Gazette dt. 21.12.2012, the Government of Meghalaya is pleased to make the following Scheme with a view to accelerating the industrial development and other investments in the State and thereby creating employment avenues.

1. **Short title** : This Scheme may be called the “Meghalaya Industrial & Investment Promotion Scheme, 2016”.
2. **Commencement and duration** :- It will come into effect from the 21<sup>st</sup> day of December, 2012 and shall remain in force upto and inclusive of 20<sup>th</sup> day of December, 2022 or till such time as the Government may deem fit and proper. The State Government 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.
3. **Definitions** :
  - (a) “Industrial unit” means any industrial undertaking, suitable servicing unit other than that run departmentally by Central/State Government.
  - (b) “New Industrial unit” means an industrial unit/other units which commenced commercial production/operation on or after the 21<sup>st</sup> day of December, 2012 but not later than 20<sup>th</sup> day of December, 2022 or till such time as the Government may deem fit and proper.
  - (c) “Existing Industrial unit” means an industrial unit/other units which commenced commercial production before the 21<sup>st</sup> day of December, 2012 but which undergoes substantial expansion on or after the 21<sup>st</sup> day of December, 2012 but not later than 20<sup>th</sup> day of December, 2022 or till such time as the Government may deem fit and proper.
  - (d) Scheme means the “Meghalaya Industrial & Investment Promotion Scheme, 2016”.
  - (e) “Substantial Expansion” means increase in the value of original fixed capital investment in Plant and Machinery of an industrial unit/other units by not less than 25%, for the purpose of 1<sup>st</sup> expansion of capacity/1<sup>st</sup> modernization/1<sup>st</sup> diversification.
  - (f) “Fixed Capital Investment” means investment made on Factory Building and Plant & Machinery for the purpose of this scheme. Investment made on Factory Building will also include internal wiring for domestic lighting.
  - (g) “Border Area” means any area located within 10 km from international border as the crow flies.
  - (h) “Backward Region” includes all areas within the State except Industrial Area/Industrial Estate/Industrial Growth Centre/Export Promotion Industrial Park/Special Economic Zone.
  - (i) “Local tribal” means local populace either Khasi/Garo/Jaintia/any other ST recognized by the Government of Meghalaya and residing in the State of Meghalaya.

- (j) “Micro Enterprise (manufacturing)” means a unit whose investment in Plant & Machinery is upto ₹25.00 lakh.
- (k) “Small Enterprise (manufacturing)” means a unit whose investment in Plant & Machinery is above ₹25.00 lakh but upto ₹5.00 crore.
- (l) “Medium Enterprise (manufacturing)” means a unit whose investment in Plant & Machinery is above ₹5.00 crore but upto ₹10.00 crore.
- (m) “Large Enterprise (manufacturing)” means a unit whose investment in Plant & Machinery is above ₹10.00 crore but upto ₹500.00 crore.
- (n) “Mega Large Enterprise (manufacturing)” means a unit whose investment in Plant & Machinery is above ₹500.00 crore but upto ₹1000.00 crore.
- (o) “Ultra Large Enterprise (manufacturing)” means a unit whose investment in Plant & Machinery is above ₹1000.00 crore.
- (p) “Micro Enterprise (service)” means a unit whose investment in Plant & Machinery and equipments is upto ₹10.00 lakh.
- (q) “Small Enterprise (service)” means a unit whose investment in Plant & Machinery and equipments is above ₹10.00 lakh but upto ₹2.00 crore.
- (r) “Medium Enterprise (service)” means a unit whose investment in Plant & Machinery and equipments is above ₹2.00 crore but upto ₹5.00 crore.
- (s) “Large Enterprise (service)” means a unit whose investment in Plant & Machinery and equipments is above ₹5.00 crore but upto ₹500.00 crore.
- (t) “Mega Large Enterprise (service)” means a unit whose investment in Plant & Machinery and equipments is above ₹500.00 crore but upto ₹1000.00 crore.
- (u) “Ultra Large Enterprise (service)” means a unit whose investment in Plant & Machinery and equipments is above ₹1000.00 crore.
- (v) “Government approved agency” means any Chartered Accountant having valid membership.
- (w) “Expansion” means increase in manufacturing capacity of the same products.
- (x) “Diversification” means manufacturing new products different from existing products.
- (y) “Modernization” means adoption of new technology for manufacturing and not mere replacement of old machinery(s) with new one(s).

4. **Applicability :-** Unless otherwise specified, new industrial unit/other eligible units as well as existing units which go in for substantial expansion/diversification/modernization and are located anywhere in the State, will be eligible for incentives/subsidy under this Scheme. The Scheme will also be applicable to the following service sector activities/industries :-

**(i) 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 ₹500.00 lakh. Area of the Park should not be less than 10 acres)

**(ii) Entertainment sector**

- Film Studio (investment in Equipments not less than ₹100.00 lakh)
- Film city with investment not less than ₹10.00 crore
- Acoustic Auditorium with investment not less than ₹10.00 crore.

**(iii) Health sector**

- Nursing Home (with minimum 25 beds)
- Super-speciality Health Care with diagnostic Centre where investment in equipments is not less than ₹5.00 crore.

**(iv) Agro and Horticulture Sector**

- Food & Fruit processing
- Tea processing
- Rubber processing

**(v) Educational Sector**

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

**(vi) IT & IT related service industries**

- Call Centre with minimum investment of ₹1.00 crore in equipments.

**(vii) Power Generating Plants upto 10 MW whether independent or for captive use.**

**4(a). The Scheme shall not be applicable to the units listed in Annexure-I.**

**5. Eligibility : A unit becomes eligible for the subsidies/incentives/benefits 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.

**6. Extent of admissible incentives/subsidy :**

Eligible industrial units/other eligible units located anywhere in the State shall be eligible for the subsidies/incentives mentioned in Annexure-II. New and existing unit undergoing 1<sup>st</sup> expansion/1<sup>st</sup> diversification/1<sup>st</sup> modernization which is otherwise eligible

for incentives under this Scheme shall be extended further incentives/subsidy/benefits for the 1<sup>st</sup> expansion/1<sup>st</sup> diversification/1<sup>st</sup> modernization whichever is earlier.

Breweries/Distilleries unit with inbuilt IMFL Plant will be eligible for all the incentives/subsidies/benefits detailed in Annexure-II from the date of commercial production of its own brand/products only at all sources of taxation. Such units undergoing 1<sup>st</sup> expansion/1<sup>st</sup> diversification/1<sup>st</sup> modernization shall also be extended further incentives/subsidy for the 1<sup>st</sup> expansion/1<sup>st</sup> diversification/1<sup>st</sup> modernization whichever is earlier.

**7(a). Plant & Machinery for manufacturing & service sector (except Tourism Sectors, Entertainment sectors, Health sectors, Educational sectors, IT and IT related service industries, Power Generating Plants).**

- (i) In calculating the value of Plant and Machinery, the cost of industrial Plant and Machinery as erected at site will be taken in to account which will include the cost of productive equipments, such as tools, jigs, dies, moulds and electrification components necessary for plant operation on the plant side from where meter is installed upto the point where finished goods is to be produced/dispatched (i.e. H.T. Motors, L.T. Motors, Switch Boards, Panels, Capacitors, Relay, Circuit Breakers, Panel Boards, Switchgears, Cables).
- (ii) The amount invested in goods carriers to the extent they are actually utilized for transport of raw materials and marketing of the finished products, will be taken in to account.
- (iii) Working capital including raw materials and other consumables, stores, will be excluded from computing the value of plant and machinery.

**7(b). 'Plant and Machinery' in respect of Tourism Sectors (Hotels/SPA unit/Tourism Project/Amusement Park) and Entertainment Sector (Film Studio/Film City/Acoustic Auditorium) :** The cost of construction of building (excluding land) and all the items/components/equipments except consumables and disposables which are basic to the running of the tourism projects will be taken in to account for computing the value of Plant & Machinery. Hired/rented Building will not be taken into account.

**7(c). Definition of 'Plant and Machinery' in respect of Health sectors (Nursing Home and Super-speciality Health Care) :** The cost of construction of building (excluding land) and all the items/components/equipments relating to emergency services, general surgery, maternity facilities, pathology, radiology, E.C.G., except consumables, disposables and ambulances which are basic to the running of the Health unit will be taken in to account for computing the value of Plant & Machinery. Hired/rented Building will not be taken into account.

**7(d). 'Plant and Machinery' in respect of Educational sectors (Vocational Training Centre/Schools/Colleges) and IT & IT related service industries (Call centre) :** The cost of construction of building (excluding land) only necessary for running of the unit will be taken in to account for computing the value of Plant & Machinery. Hired/rented Building will not be taken into account.

**7(e). 'Plant and Machinery' in respect of Power Generating Plant :**

In calculating the value of Generating Plant and Machinery of a Power Station, the cost of Plant and Machinery as erected at site and required for Plan operation will be taken in to account which will include the cost of main plant, any building associated systems, auxiliary equipment and tools but excluding the cost of land.

The amount invested in step-up transformer, switch gear, switch yard, cables or other appurtenant equipment, if any, will be taken into account but does not include any sub-station.

The amount invested in ash disposal system, railway siding at site or merry-go-round system for transport of raw material/fuel or the carriers to the extent they are actually utilized for transport of ash or raw material/fuel or other appurtenant equipment if any, will be taken into account where electricity is generated by a thermal power generation unit.

The amount invested in dam & reservoir regulating system (hoists and gates etc.) head and tail water conductor system or EOT crane or other appurtenant equipment if any, will be taken into account where electricity is generated by using water power in a power generating unit.

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

#### **8. Designated Agency for disbursement of subsidy**

Meghalaya Industrial Development Corporation Ltd. (MIDC Ltd.) shall be the designated nodal agency for disbursement of incentives/subsidies under the Scheme on the basis of the recommendation of State Level Committee (SLC)/District Level Committee (DLC) as the case may be.

#### **9. Procedure for claiming of subsidy under the Scheme.**

- (i) Units intending to avail the benefits under the Scheme shall apply in Form-1 marked as Annexure-III for “Eligibility Certificate” to the concerned District Commerce & Industries Centre (DC&IC) after commencement of commercial production/operation.
- (ii) Application for “Eligibility Certificate” submitted by eligible unit shall be scrutinized by the DC&IC concerned and their official(s) shall also carry out physical verification of the industrial unit to ensure its physical existence as well as fulfillment of eligibility criteria before forwarding its recommendation to the Directorate of Commerce & Industries for further consideration.
- (iii) Director of Commerce & Industries shall be the competent authority to issue the “Eligibility Certificate” for all categories of Enterprises on recommendation of DC&IC concerned and on fulfillment of eligibility criteria.
- (iv) “Eligibility Certificate” should not be recommended by the DC&IC on the basis of incomplete information/documents.
- (v) It may ensure that no unit should be issued “Eligibility Certificate” for benefits under the Scheme if it is covered under the Negative List.
- (vi) Submission of claims for subsidies/benefits under the Scheme by eligible units shall be in the prescribed Application Form-2 marked as Annexure-IV.
- (vii) Application for benefits under the Scheme along with requisite documents shall be submitted within 1 year from the date of commencement of commercial production/operation for claim under State Capital Investment Subsidy/Feasibility Study & Project Report Subsidy/Development Subsidy/Quality control measures/Reimbursement of Stamps Duty & Registration Fees/Refund of CST/Pollution Control Measures/DG Sets including Non-conventional or Renewable Energy Generating Sets/Service Connection/Drawal of Power Line and within 1 year from the date of incurring expenditure for Interest Subsidy and Power Tariff Subsidy. Claims submitted after the above timeline will be time-barred and such claims will not be entertained.
- (viii) The DC&IC must ensure the claim application for subsidies is complete in all respects and accompanied by all requisite documents.
- (ix) Incomplete application or application without the required documents shall not be considered under any circumstances.

- (x) The claim documents submitted by eligible unit shall be scrutinized by the District Commerce & Industries Centre concerned and their official(s) shall also carry out physical verification of the applicant unit to ensure its physical existence, genuineness of the claim and fulfillment of eligibility criteria before placing its recommendation to District Level Committee (DLC) for Micro units and to Directorate of Commerce & Industries for units other than Micro units for consideration of State Level Committee (SLC).
- (xi) DC&IC shall coordinate meetings of DLC, prepare agenda notes and minutes of such meetings.
- (xii) Directorate of Commerce & Industries shall verify the claim documents and the recommendations of the DC&IC prior to placing the same before SLC. They will coordinate the meetings of the SLC, prepare agenda notes and minutes of such meetings.
- (xiii) The subsidy/benefits under the scheme should not be disbursed if the claim is sub-judice.
- (xiv) The quantum of subsidy payable to the unit should be worked out/calculated on the eligible components as laid down in the Scheme. In case of any doubt in this regard, the matter may be referred to Department of Commerce & Industries for clarification. The decision of Department of Commerce & Industries will be final in this regard.
- (xv) All expenses must be certified by Chartered Accountant having valid membership except for units falling under the Micro Category.
- (xvi) The cost of land will not be taken into account for the purpose of determining the eligibility of subsidy under the scheme.
- (xvii) All mandatory “no objection certificates”/clearances etc. must be obtained by the unit from the concerned Department/Authority before consideration of claims.
- (xviii) The subsidy claim will be considered by SLC/DLC only after the unit has started commercial production or has become operational/functional.

#### **10. Sanction of Incentives/subsidies :**

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

#### **11. State Level Committee (SLC).**

The State Level Committee (SLC) will be constituted with the following members :

- |   |                    |
|---|--------------------|
| (i) Chief Secretary/Additional Chief Secretary  | - Chairman         |
| (ii) Addl. Chief Secretary/Principal Secretary/<br>Commissioner & Secretary/Secretary<br>Commerce & Industries Department | - Member           |
| (iii) Commissioner & Secretary/Secretary/<br>Representative of Planning Deptt.  | - Member           |
| (iv) Commissioner & Secretary/Secretary/<br>Representative of Finance Deptt.  | - Member           |
| (v) Managing Director, Meghalaya Industrial<br>Development Corporation Ltd.   | - Member           |
| (vi) Chief Manager, SBI   | - Member           |
| (v) Secretary General, CIM  | - Member           |
| (vi) Director of Commerce & Industries  | - Member Secretary |

The functions of the State Level committee shall be to :-

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

## **12. District Level Committee (DLC).**

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

- |       |   |                    |
|-------|---|--------------------|
| (i)   | Deputy Commissioner   | – Chairman         |
| (ii)  | Representative of Planning Deptt.                           | - Member           |
| (iii) | Representative of Finance Deptt.                            | - Member           |
| (iv)  | MD, MIDC Ltd./Representative                                | – Member           |
| (v)   | Chief Manager, SBI/any other Bank operating in the District | – Member           |
| (vi)  | Representative of Branch MSME                               | – Member           |
| (vii) | General Manager, District Commerce & Industries Centre      | – Member Secretary |

The functions of the District Level Committee shall be to :

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

## **13. Allocation of fund for subsidy :**

75 % of the fund available under the Scheme shall meet the claims approved by SLC/DLC for manufacturing & service enterprises. The balance 25 % of the fund available shall meet the claims approved by SLC/DLC for “Other Sectors” like Tourism Sectors, Entertainment sectors, Health sectors, Educational sectors, IT and IT related service industries. However in case of allotted/available fund could not be utilized for the purpose for which it is allocated, the unutilized amount may be diverted to other sectors.

## **14. Limit of subsidy/incentives :**

In the event of Central Government/other State Government Departments granting similar such incentives/subsidies and the incentives/subsidies under the Scheme being greater than the same, incentives/subsidies under the Scheme would be limited to the difference between the two subsidies.

## **15. Land :**

Land will be made available to the industrial units by the Government on payment of premium and as per the procedures prescribed in the guidelines at Annexure-V.

**16. Rights of the State Government :**

If the State Government is satisfied that the subsidy to an industrial unit has been obtained by misrepresentation as to an essential fact or furnishing of false information, the State Government may ask the unit to refund the grant or subsidy after giving an opportunity to the unit of being heard.

**17. Changing of location :**

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

**18. Miscellaneous :** Though the Meghalaya Industrial and Investment Promotion Policy, 2012/Meghalaya Industrial & Investment Promotion Scheme, 2016 aims to promote and attract investment in the State, it should be ensured that there is judicious utilization of limited natural resources for the benefit of the people of the State on sustainable basis.

**19. Interpretation :**

If any question arises relating to the interpretation of these Rules, it shall be referred to the Government in the Commerce & Industries Department, whose decision thereon shall be final.

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

Sd/-  
(P.W. Ingty, IAS)  
Addl. Chief Secretary to the Govt. of Meghalaya  
Commerce & Industries Department etc.



## ANNEXURE-I

**(a) Negative list :** The following units will not be eligible for benefits under the Meghalaya Industrial & Investment Promotion Scheme (MIIPS), 2016

- (i) All types of Saw Mills and Veneer Mills.
- (ii) Tobacco and manufactured tobacco substitutes.
- (iii) Pan Masala.
- (iv) Non Biodegradable Plastic Carry Bags.
- (v) Wood-fuelled Lime Kilns.
- (vi) Goods produced by Petroleum Oil or Gas Refineries units
- (vii) Central Public Sector Undertakings.

**(b) Value Addition :** In order to ensure genuine industrial activities in the State, benefits under MIIPP, 2012/MIIPS, 2016 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.