

**DRAFT INDUSTRIAL AND INVESTMENT POLICY
OF MIZORAM - 2021**



GOVERNMENT OF MIZORAM

THE DRAFT MIZORAM INDUSTRIAL AND INVESTMENT POLICY 2021

1. Background and necessity:

The first Industrial Policy of Mizoram State was notified on 15.3.1989 to give direction to the strategy for Industrial development of the State. It laid stress on reducing shifting cultivation by encouraging a shift from primary to secondary sectors while protecting the Socio-Cultural and ethnic identity of the indigenous enterprise of Mizoram.

In view of the National Industrial Policy which laid special emphasis for the development of Industries in the North Eastern Region, the Govt. of Mizoram had notified new Industrial Policy 2000 for accelerated Industrial and Economic development of the State. The main objectives of the New Industrial Policy of Mizoram 2000 are to engineer rapid sustainable growth of Industry in the State. It laid stress on encouraging Industries utilizing locally available raw materials.

The enactment of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 in 2nd October 2006 has brought about comprehensive legal framework for the policies and promotional measures for Small & Medium Enterprises. Accordingly, Industrial Policy of Mizoram 2012 has been framed.

The Govt. of Mizoram is mandated in giving sustainable development through its Socio-Economic Development Programme (SEDP) which focused on sustainable development of micro enterprises at the grass root level and start up enterprises with creation of more employment opportunity. At the same time there is a structural change in the country under GST regime. The initiatives of the Central Government under Make in India, Startup India, Skill India, etc. are needed to be reciprocated in the state.

The Corona crisis has brought about paradigm shift in global economy. The approach of the Central Government is now towards self-reliance. Stress has been given to Local manufacturing, Local market and Local supply chain. Promotion of local products, employment of local manpower and value addition of locally available resources are now becoming more and more important. This new approach has given more importance to MSME sector and new classification of MSME has been introduced which broaden the scope of MSME.

This changed scenario has necessitated framing new Industrial and Investment Policy for accelerated growth of industrial enterprises in the State.

2. Vision, mission and Objectives:

2.1 Vision:

The Industrial and Investment Policy of Mizoram 2021 envisions sustainable growth of industrial enterprises by encouraging more investment under conducive environment and better business ecosystem, proper linkage between farm and non-farm sector and creation of better employment opportunity.

2.2 Mission:

The mission of this policy is to accelerate industrial development in the state of Mizoram by creating better business ecosystem for investment, creation of employment opportunities and increase the competitiveness of industrial units in the state by providing better infrastructure, human resources, incentives and administrative support.

2.3 Objectives:

The following are the key objectives of this policy.

- To promote and attract investment in the state.
- To create infrastructure facilities for establishment of industries.

- To provide incentives and technical support for promoting local entrepreneurs in setting up micro, small and medium Enterprises.
- To encourage setting up of industries based on locally available raw materials.
- To create employment opportunities particularly to the vulnerable section of the society and people in rural area, ensuring inclusive development.
- To generate employable skill for local youth and to enhance their entrepreneurial skills and make them self-employed.
- To create conducive ecosystem for Start-up Industries in the state.
- To promote ease of doing business by streamlining and reducing procedural formalities to speed up investment.
- To reduce sectoral and regional imbalance in the industrial development in the State by promoting Industries under all sectors.
- To create proper linkage of processing Industries with the farm produce of agriculture, horticulture, floriculture, forest and livestock.
- To encourage selective thrust sector for small, medium and large industries while ensuring equal development and ecological balance.
- To promote high value, low volume products that are easy to transport in hilly terrain of the state.
- To encourage Research and Development of business and industries.
- To encourage export-oriented industries in the state.
- To promote tourism, sports and other service Industries.

3. **Scope:**

This policy will cover investment and promotion of –

- 1) All enterprises as defined in the MSMED Act 2006 (*The word “Enterprise” means any industrial undertaking or business concern, or any other establishment engage in the manufacture or production of goods pertaining to any industries listed in the schedule of Industries (Development and Regulation) Act 1951 or engage in providing or rendering any services.*)
- 2) Construction of infrastructure, which are required for industrial development.
- 3) Road Transport Industries.
- 4) Farm sector industries such as commercial farming and animal husbandry, fishery etc.
- 5) Warehouse and cold storage which are logistic to the farm produces.
- 6) Community enterprises such as Public Park, library, community centres.
- 7) Indoor and Outdoor Stadiums, Gymnasium.
- 8) Sports Activities like Football leagues, etc.
- 9) Tourism industries including eco-tourism.
- 10) Social enterprises like, Parks, Library, Museum & Traditional Social entertainment.
- 11) Hydro Power and Hydro Power Plant
- 12) Solar Power and Renewable Energy.
- 13) Public distribution system for essential goods, gas supply, water supply and wholesale/retail sale of crops and vegetables.

4. **Strategy and Approach**

The following strategy and approach will be adopted-

- 1) Developing essential infrastructure for town and villages.

- 2) Industries/Enterprise which can sustain itself on local raw material shall be preferred to units that require imported raw material.
- 3) Industrial products/services that can be marketed locally shall be given priority.
- 4) Low volume high value-product of any kind shall be opted in preference to other products.
- 5) Enterprises having large employment potential shall be given preference.
- 6) Traditional Industries and cultural industrial shall be preserved and up-graded.
- 7) Promotion of IT and IT Enabled Services.
- 8) Food processing industries shall be given priority including post-harvest management and supply chain logistic and commercial crop farming.
- 9) Promotion of farm sector like Sericulture, livestock, fishery and commercial plantation and supply chain logistic.
- 10) Skill Development Training.
- 11) Technology upgradation.
- 12) Marketing assistance – Raw material supply logistic and Market network.
- 13) Cluster development in rural areas, under State Innovative Cluster Development Programme.
- 14) Strengthening backward – forward linkages.
- 15) Proper land utilisation plan and land classification.
- 16) Procurement policy and preferential treatment for local products in Government purchases.
- 17) All developmental programme shall be carried out in the lines of MSME norms and practices.

5. **Potential areas for Industrial Development:**

The hilly terrain of the State and transportation bottleneck has limited the scope for development of large

industries in Mizoram. MSME with tremendous scope of employment will be encouraged. Thrust will be given for those industries based on value addition of locally available resources. The following areas were identified as having potential for investment:

- 1) *Bamboo and forest-based Industries.*
- 2) *Processing of plantation crops.*
- 3) *Food Processing Industries.*
- 4) *Handloom & Handicraft Industries.*
- 5) *Processing of hill brooms.*
- 6) *Textile based industries.*
- 7) *Farm Sector, Animal Husbandry, Animal Feed and poultry feed Industries.*
- 8) *Tourism and Hospitality Industries.*
- 9) *Sport and sports related Service Enterprises.*
- 10) *Mines and Minerals.*
- 11) *Sericulture and silk industries.*

6. Land utilization plant and Industrial Infrastructure:

The Government is aware that infrastructure is a pre-requisite for Industrial Development. Effort will be given to provide better infrastructure for development of Industries in the state. Land availability today is becoming one of the major hurdles for development of Industry and industrial infrastructure. The Government is committed to have proper land utilization plan which will enable to have earmarked land for industrial areas and other purposes. Land will be classified depending on the intended utilization and the following approach will be adopted for land classification.

- Residential and community area mainly for residential and community development under which only green category of enterprise will be allowed.
- Grazing area for promotion of farming industries.
- Agricultural land.
- Land Bank for industrial areas, which will also include existing industrial areas already declared and future development.
- Create an industrial Information system of all the Industrial Estates in Mizoram by using the Geographical Information System. A good ILS would enable the investors to learn about the availability of vacant industrial plots, suitable industrial estates and facilities in the industrial estates. This would attract good investors investment. Further, integrating the information system on land in our industrial estates to the National GIS-enabled Land Bank to attract investments from outside. Development of Industrial Parks with all required infrastructure for quick establishment of industries are required to attract prospective industries as they can plug and play in a short span of time. The Industrial Parks so established would be compliant to the national standards and Industrial Parks Grating System of DPIIT, Ministry of Commerce and Industries, Government of India.
- Reserved land for development of road network and ease of extension.
- Forest reserved for checking global warming and carbon trading including riverine forest reserve and preservation of river catchment for water resource management and village forest for clean environment.

Further, effort will be given for improvement of existing industrial areas and facilities provided therein. Participation of private enterprises, PSUs and industrial associations for

Construction and management of Industrial Area will be encouraged.

7. Fiscal incentives and subsidy support:

7.1 State Incentive Subsidy schemes for MSME:

The existing State incentive subsidy will be discontinued and will be replaced by the incentives mentioned in the following table. These subsidies can be availed as per the detail operating guidelines given in the annexure.

Sl No	Name of subsidy	Eligibility	Amount Claimable
1	Subsidy on Cost of Project Report	All new MSME Unit within 1 yrs of establishment	(i) 75 per cent in case of micro enterprises subject to a ceiling of Rs. 25,000/- per unit. (ii) 50 per cent in case of small enterprises subject to a ceiling of Rs. 50,000/- per unit. (iii) 25 per cent in case of medium enterprises subject to a ceiling of Rs. 75,000/- per unit.
2	Land Development Subsidy	New MSME unit established inside Notified Industrial Area within 5yrs of existence.	(i) 25% of the amount spent by the unit on development of undeveloped land allotted to MSME with prior approval of appropriate authority on the plan and estimate for land development.

3	Interest Subsidy	New micro and small enterprises.	<p>i) The interest on loan paid by an industrial unit in excess of 8.5 per cent shall be subsidized up to a maximum of 4 per cent.</p> <p>ii) Subsidy shall be limited to a claim on a total amount not exceeding Rs. 3,60,000/- paid by an industrial unit towards interest on term loan in a full year. However, for working capital loan, the total amount paid towards interest on which subsidy can be claimed shall be limited to Rs. 1,20,000/- in a full year.</p> <p>iii) If the unit avails interest subsidy under NEIDS and or other Central government scheme, only the shortfall amount, if any, will be applicable for interest subsidy.</p>
4	Power Subsidy	New MSME for a period of 5yrs from the date of commencement of production	<p>i) 50 per cent of total expenditure on power consumption in case of micro enterprises.</p> <p>ii) 25 per cent of the total expenditure on power consumption in case of small enterprises.</p> <p>iii) 15 per cent of the total expenditure on power consumption in case of medium enterprises.</p>
5	Subsidy on Power Line	New MSME within 1yr from the date of commencement of production	50 per cent of the actual expenditure subject to a ceiling of Rs. 1,50,000/- per unit.
6	Subsidy on Captive Power Generating Set	New MSME for a period of 5yrs from the date of commencement of production.	50 per cent of the cost of Captive Power generating set and installation charge thereof subject to a ceiling of Rs. 3,00,000/- per unit.

7	Subsidy on transportation of Plants & Machineries	New MSME within 1yr from the date of commencement of production	50 per cent of the actual cost of transportation by railway or on road or both of plants and machineries.
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2. a) Tax exemption for tribal:

Mizoram State is a tribal area inhabited by tribal as per the constitution. As such, Income Tax Act 1961 under section 10(26) has exempted tribal earning in tribal areas from paying income tax. The Govt will push forward for giving same privilege in all Central taxes to tribal in tribal areas and tribal owned enterprises established in any form, be it proprietary, society under Societies Registration Act 1860, Companies Act, 2013 etc as long as the same is solely owned by tribal or a group of tribal. Govt will take up the matter with Central Government.

b) Goods and Services Tax (GST) Reimbursement for Manufacturing Micro, Small & Medium Enterprises:

All new Micro Small and Medium Enterprises will be eligible for reimbursement of state share of goods and services Tax (GST) paid on raw materials and finished products for a period of 5 yrs from the date of commencement of commercial production subject to the following condition:

- 1) GST reimbursement is applicable only on the net GST paid, other than the amount of tax paid by utilization of input tax credit.
- 2) Claim of GST reimbursement should be made within 6 months from the date of filing GST returns.
- 3) GST reimbursement is only for registered raw materials and finished products. GST paid for other goods or services will not be reimbursable.

- 4) Government will notify a scheme and guidelines in this regard.

3. *Hand holding support for startups:*

In order to turn the educated youth from job seekers to job creator, support will be given to the 'Start-up' and 'innovative projects' in the state. The Government will encourage establishment of incubators in various institutions such as Universities, NIT and Colleges. Efforts will be given so as to make arrangements for angel investors to support budding entrepreneurs in their endeavors. Incubatees from such centres will be supported to avail SEED capital grants from the Central government. The Govt. will also consider formulation of special incentives scheme for startups. Start-ups, after successful completion of incubation will be given priority in allotment of industrial plot inside Industrial areas.

DIC in each district will continue to act as a support centre for Startups in the state. Hand-holding support and mentorship will be provided to budding entrepreneurs. List of prospective entrepreneurs for acceleration and incubation will be prepared.

4. *Support scheme for bottom end Micro Enterprises:*

The grants-in-aid scheme under the Mizoram Industries (Grant-in-Aid to Industrial Units) Rules 1990 will be discontinued in its present form. Micro Enterprises especially those in village area and home-based cottage industries will be supported so as to achieve sustainable level and to enhance their marketability. Special Grant-in-aid scheme given in the Annexure II will be made available under which eligible micro enterprise and individuals will be given:

- a) *Grant of subsidized Machine:*

b) *Working capital grant for stressed micro enterprise.*

c) *Grant of Subsidized Machines/tools for quality technical service:*

5. Revitalization of Stressed MSME:

Economic downturn caused by Covid pandemic has put many MSME units under stress. The Govt. will give handholding support for eligible MSME to avail various schemes under Admanirbhar Bharat. Separate approach may be adopted for revival of stressed home-based micro enterprise with no credit facility so as to make them sustain and turn them into organized platform. Government will also consider creating **fund of funds** for promotion and revitalization of enterprises.

8. Skill development and training

The Government recognizes that lack of technical, managerial and entrepreneur skill among the people is one of the major problems in the process of Industrialization. Impetus will be given for skill development training and for improvement of training facilities in the State.

9. Information and marketing support

The Govt. will give support to Industrial Units for effective marketing of their products both inside and outside the state as well as export market.

Price preference as provided in the Mizoram Preferential Store Purchase Rules 1994 will continue to operate. However, the same may be reviewed and suitably amended taking into accounts delayed payment provisions under MSMED Act 2006. The Preferential Rules may provide -

- Products of MSME in the state will be given price preference upto 15% over other products of the same quality.

- Micro & Small Enterprises in the State will be exempted from earnest money deposit on Govt. purchases. Hand holding support to on board the local manufacturers to sell/supply their products through Govt. e-Marketplace (Gem) and in popular e-commerce platforms.
- Creation of market intelligence network.
- Formation of marketing network under which the products of Micro & Small Enterprises are marketed under common brand name.
- Sponsorship of deserving entrepreneurs to attend national and international level workshop and seminars which have relevance in promoting marketing and export of their products.

10. State Innovative Cluster Development Programme:

Mizoram, with its hilly terrain and sparsely populated villages in different hills does not always favour having industrial cluster in contiguous geographical location. A new innovative concept has been promulgated that will benefit a group of villages. This new innovative cluster will be a multi-product cluster with varying number of units and trades depending on the condition of a particular cluster. Common facilities such as training centre, common market, dry or wet storage with cold chain facility, packaging house will be provided in each cluster. These clusters will be operated in PPP mode. Essential infrastructures like power line, road, water supply, etc. will be provided.

11. Support for quality products, patent, R&D

The Government will provide all support for the Industrial units and Industrial association for availing schemes to be implemented under the National Manufacturing Competitiveness Programme (NMCP) and other schemes of Govt.

of India. Scheme will be formulated to support industrial unit for obtaining quality certification, patent for their products and to undertake R&D activities for development of new design, products, machines and technology. The Govt. will give impetus on having systematic data required for industrial research and policy formulation

12. Investment promotion by creating an ecosystem for Ease Of Doing Business (EoDB)

Reducing the regulatory burden is necessary to attract investments and to drive economic growth in the State. The peace strategy to rationalize regulatory compliance would include higher periodicity of renewals, self-certification, risk based central inspection system, simplified application forms, digitized filings, decriminalization and removal of redundant acts and compliances.

EoDB progress in the State can only be achieved by effective implementation of the State Reforms Action Plan set out by Departmental of Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industries, Govt. of India. At the District Level, the District Business Reforms Action Plan shall have to effectively implemented by the Deputy Commissioners.

The Government will take efforts to create conducive environment for promotion of Investment in the State. The Government will ensure ease of doing business by streamlining the approval process for investors especially from outside the state.

Single Window Act may be enacted to streamline the process of giving clearance for investment. Under Single Window act, there will be State Level and District Level Single Investment Board. State level Investment board will give clearance for investment proposal for medium and large enterprises and proposal for investment from outside the state

while district level investment board will be responsible for micro and small Enterprises. A Comprehensive guideline will be put in place for giving clearance to various investment proposals which may also include provision to address labour issues. To facilitate investment and ease of doing business Single window investment portal will be created through which all investment proposal will be monitored, facilitated for speedy clearance of viable projects. The Government may also select strategic sectors for which fast track clearance may be given.

Venture capital investment will be encouraged to provide necessary capital for business development and acceleration of innovative and scalable entrepreneurial units. The Government will consider Creation of a Venture capital fund in tandem with venture capital units of financial institution(s).

13. Public Sector Enterprises:

The Public Sector Undertaking (PSU) enterprises in the State are established with a different mandate. There are many factors contributing towards below-expected performance of these PSUs. Those factors inter alia include slow and irregular capital fund flow, poor management, and infrastructure problem of the State etc. In view of the entrepreneurship levels and sub-optimal Industrial infrastructure in the State, the Govt. will keep all options open for restructuring these PSUs including amalgamation or disinvestment based on systematic studies.

14. Promotion and Regulation of Enterprises –

A number of enterprises are presently functioning in the unorganized sector. These units needed to be mainstreamed in order to enable them to avail the benefits of MSME. The Government may setup

Enterprises Promotion and Regulation Body which will inter alia –

- 1) Collection of data about the informal enterprises (micro or small industrial units) and to support them to get registered under the MSME Act as a regulatory authority in categorisation of enterprises based on pollution norms.
- 2) frame measures for the welfare of industrial workers including classification of skills and their registration.
- 3) look into promotional needs of micro enterprises for their graduation to smaller or medium enterprises.

15. Administrative reforms

In order to effectively implement these policy resolutions, the following administrative reforms will be taken up by the Government.

- To ease the business activity, time bound delivery of public services is vital. To achieve time bound delivery of services to the entrepreneurs and business community to Government clearances, Renewals and Certification will be brought under the ambit of Mizoram Right To Public Services Act, 2015. By bringing Govt. services under MRTPS Act, 2015 all services will be delivered within a legally bound timeline. This would be achieved through a rigorous Govt. Process Re-engineering.
- Administrative machinery of Industries Department would be suitably strengthened and resources provided to cope up with the emerging trends and play a facilitating role.
- Re-engineering of DICs with modern IT- enabled facilities and training so as to keep them updated with the emerging industrial environment of the country as well as global industrialization trend.

- Industrial Resource Centre will be set up in the Directorate of Industries which will supply all kinds of information regarding policies, schemes, technologies etc. required by the entrepreneurs. This resource centre will be equipped with modern IT-enabled facilities.
- Establish an Industrial Information System under the Industrial Resource Centre by creating a GIS enabled database of Industrial areas, clusters, etc to help investors identify their preferred location for investment.
- Entrepreneur's facilitation centre will be set up in all the DICs which will be networked to the resource centre in the Directorate of Industries. This centre will act as source of information for the entrepreneurs and will extend guidance support to entrepreneurs.
- A State Investor Clearance Cell (SICC) will be set up as a Single Window Clearance Cell in the same line of Central Government's Investment Clearance Cell that is being established for attracting investments in India. The SICC will have a single, unified application form for getting clearances from all the state holder departments in Mizoram. The SICC's portal will be linked to the National Portal to attract foreign investments. The SICC will act as a one stop digital platform to obtain all requisite clearance from the State to start business operations in Mizoram. This will eliminate the need for investors to visit multiple platforms/offices to gather information and obtain clearance from different stake holders and provide time-bound approvals and real time status update to investors.
- Opening of business and industrial research and development Wing or Cell in the Directorate of Industries for regular and continuous business research will be considered by the Government. Deployment of research professionals to identify and diagnose market and other operational failures, gaps and opportunities will also be

considered with the involvement of professionals from University and other institutions.

16. **Monitoring Implementation of Policy**

For the effective implementation of this policy, an **Empowered Committee** will be set up under the Chairmanship of Industries Minister with Secretaries of all stakeholder departments as members and Secretary, Commerce and Industries will function as a member Secretary of this Committee. The Empowered Committee will continuously monitor the progress of implementation of this policy.

Annexure-I

THE MIZORAM INCENTIVE SUBSIDY SCHEME, 2021

1. **Scheme title** : This scheme will be called The Mizoram Incentive Subsidy Scheme, 2021.
2. **Coverage** : The scheme will cover the state of Mizoram.
3. **Commencement and duration** : The scheme will be effective from the date of publication in the Mizoram Gazette and will remain in force for a period of five years.
4. **Definitions** : In this scheme, unless the context otherwise requires, -
 - (a) **Commencement of Commercial Production** – means starting of manufacture of finished products on commercial scale which is preceded by trial production and installation of complete plant and machinery and on that day the plant must be ready in all respects for manufacture of finished products in commercial quantity and all raw materials, consumables, etc. required for manufacture are available and as per date of registration with Central Excise/Goods and Services Tax (GST) authorities.
 - (b) **Department** – means Commerce and Industries Department Government of Mizoram.
 - (c) **Director of Commerce and Industries** – means Director of Commerce and Industries Department Government of Mizoram.
 - (d) **District Office** – means District Industries Centre or any other District offices under Department of Commerce and Industries Government of Mizoram.
 - (e) **Effective steps** – means one or more of the following steps:
 - i) that 60% or more of the capital issued for the industrial unit has been paid up.
 - ii) that at least 75% of the factory building has been constructed.
 - iii) that a firm order has been placed for any plant and machinery required for the industrial unit.
 - (f) **Enterprise** – means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the Firsty Schedule to the

Industries (Development and Regulation) Act, 1951 or engaged in providing or rendering of any service or services.

- (g) **Existing Enterprise** – means an enterprise which commences commercial production/operation before the commencement of this scheme.
- (h) **Government** – means Government of Mizoram.
- (i) **Industrial Area** – means. Industrial estate, industrial growth centre, Park or an area by whatever name called declared by the Government of Mizoram for Industrial area.
- (j) **Medium Enterprise** – means an enterprise where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.
- (k) **Micro Enterprise** – means an enterprise where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.
- (l) **New enterprise** – means an industrial enterprise which commences commercial production on or after the commencement of this scheme.
- (m) **Plant and Machinery** – shall cover the cost of newly purchased industrial plant and machinery as erected at site. Relocated/Recycled/Refurbished plant and machinery is not eligible for assistance under the Scheme.
- (n) **Power and Electricity Department** – means Power and Electricity Department Government of Mizoram.
- (o) **Small Enterprise** – means an enterprise where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.

5. **Eligibility :** Unless otherwise specified the following are general eligibility conditions for availing incentives available under this scheme-

- (i) It should be new enterprise(s) located in the state, having valid Udyam Registration.
- (ii) It should have employment of minimum 75% bonafide citizen of the state at all levels, directly on regular, contractual or daily basis.
- (iii) An enterprise desirous of availing incentives under this scheme shall file GST returns regularly.
- (iv) An enterprise under negative list shall not be eligible.

6. **Negative List:** An enterprise manufacturing the following products shall be under negative list.

- i) Tobacco and tobacco products.
- ii) Non-biodegradable plastic carry bags.
- iii) Liquor.

7. Packages of Incentives:

The following incentives will be available under this scheme –

- i) ***Subsidy on cost of project report –***
 - a) Subsidy will be provided to micro, small and medium enterprise for meeting the cost incurred on preparation of feasibility study and preparation of project report. Provided that the project report is prepared by agency approved by the Government.
 - b) Subsidy can be claimed only after taking effective steps and within one year of commencement of commercial production.
 - c) An amount claimable is 75% with a ceiling of Rs. 25,000 in case of micro enterprise, 50% with a ceiling of Rs. 50,000 in case of small enterprise and 25% with a ceiling of Rs. 75,000 in case of medium enterprise.

- ii) ***Land Development Subsidy –***
 - a) Subsidy will be given to an enterprise for development of undeveloped land allotted to the unit inside Industrial area.
 - b) For claiming this subsidy site development plan and estimate should be approved by the competent authority prior to execution of any work.
 - c) Field measurement shall be taken at the time of execution of works by qualified engineer appointed by the competent authority for taking such measurement.
 - d) The subsidy amount claimable is 25% of the amount spent as per actual measurement or Rs. 5 lakhs whichever is less.
 - e) An enterprise should take effective steps within twelve (12) months from the date of allotment of plot.
 - f) Subsidy can be claimed only after taking effective steps and within one year of commencement of commercial production.
 - g) Condition and terms of allotment of Industrial plot should be properly followed.

- iii) ***Interest Subsidy –***
 - a) New micro and small enterprises shall be eligible for reimbursement of interest on loan paid in excess of 8.5% or 4% whichever is less.
 - b) Amount of subsidy claimable shall not exceed Rs. 3.6 lakhs per annum in case of term loan and Rs. 1.2 lakhs per annum in case of working capital loan.

- c) Interest subsidy shall not be available for cash credit loan even if the same is issued for working capital.
- d) If the enterprise avails interest subsidy under NEIDS and or other Central Government scheme, only the shortfall amount, if any, shall be applicable for interest subsidy.
- e) To avail interest subsidy an enterprise shall make timely repayment. No subsidy will be paid on overdue loans due to irregular repayment.
- f) Claim of subsidy should be made on yearly basis and should be submitted within 6 months from the date of expiry of 1 year.
- g) Interest subsidy shall be available only for a period of 5 years. There will be no subsidy on interest paid on loan beyond 5 years from the date of sanction of the loan.
- h) Interest subsidy is admissible for loan availed by an entrepreneur for starting his enterprise during the initial stage of establishment. No interest subsidy for subsequent loan availed by the enterprise.

iv) Power Subsidy –

- a) New micro, small and medium enterprises shall be eligible for reimbursement of charges on electric power consumed for Industrial production for a period of 5 years from the date of commencement of the production.
- b) The amount of subsidy claimable is limited to 50%, 25% and 15% for micro, small and medium enterprise respectively.
- c) For claim of power subsidy, the enterprise unit shall have separate power supply connection for their commercial operation.
- d) No subsidy will be available if power consumed is charge under domestic category. In other words, no subsidy will be available for power consumed for domestic purposes.
- e) Claim of subsidy should be submitted within 1 year of consumption. No subsidy claim will be entertained after 1 year.
- f) Interest and penalty due to non-payment of bills shall not be eligible for subsidy.

v) Subsidy on power line –

- a) MSME unit is eligible to claim subsidy on cost of drawal of power line from the main power lines to the site of the Industrial unit/factory shed which is executed by Power and Electricity Department or approved agency.

- b) The amount of subsidy shall be 50% of actual expenditure or Rs. 1,50,000 whichever is less. For calculating actual expenditure, the amount deposited by the unit to P&E Department through treasury challan shall be taken. Additional amount directly spent, if any, by the unit at site shall not be taken into account.
- c) Claim of subsidy should be submitted within 1 year from the date of commencement of production. No subsidy claim will be entertained after 1 year.

vi) Subsidy on Captive Power Generating Set –

- a) MSME unit is eligible for claim of reimbursement of the cost of captive power generating set and installation charge thereof actually used for Industrial purpose.
- b) Subsidy shall be limited to 50% of the cost of generating set and installation charge thereof subject to a ceiling of Rs. 3 lakhs per unit.
- c) Portable Generating Set, even if utilized for Industrial activities shall not be eligible. Only stationery generating set installed surely for commercial use by the unit shall be eligible.
- d) The captive generating set for which subsidy claimed should be brand new and purchased directly from the manufacturers or its regional/ local agent.
- e) No subsidy shall be given for purchase of secondhand generating set.
- f) The installation of the generating set, on whose charge the subsidy to be claimed should be executed by the supplier of the generating set or its regional/local agent or other approved agency.
- g) This subsidy will be available during five years of existence from the date of commencement of production. Claim of subsidy should be submitted within 1 year from the date of purchase of generating set.

vii) Subsidy on transportation of plants and machineries–

- a) New MSME unit is eligible to claim the subsidy on actual cost of transportation of plants and machineries from place of purchase to location of the unit.
- b) For movement of plants and machineries from outside the state actual cost of transportation by railway or on road or both from place of

- purchase to location of the industrial unit is eligible for the subsidy.
- c) For movement of plants and machineries within the state, actual cost of transportation on road from the godown of the approved supplier/regional or local agent of the manufacturer/supplier of the plants and machineries to location of the industrial unit is eligible for the subsidy.
 - d) For the cost of transportation on road, the cost of transportation charged by the road transport agency approved by the Director of Commerce and Industries or the rate of transportation approved by the Director of Commerce and Industries will be eligible.
 - e) Subsidy claimable shall be 50% of the actual cost of transportation by railway or on road or both.
 - f) Claim of subsidy on transportation of plants and machineries shall be submitted within 1 year from the date of commencement of commercial production/operation.

8. State Level Committee –

- i) There shall be State Level Committee consisting of the following members –
 - a) Secretary to the Government of Mizoram, Commerce and Industries Department -
Chairman
 - b) Secretary to the Government of Mizoram, Finance Department or his nominee not below the rank of Deputy Secretary - *Member*
 - c) Secretary to the Government of Mizoram, Planning Department or his nominee not below the rank of Deputy Secretary - *Member*
 - d) Secretary to the Government of Mizoram, Law Department or his nominee not below the rank of Deputy Secretary - *Member*
 - e) Engineer-in-Chief, Power & Electricity Department, Mizoram or his nominee not below the rank of Executive Engineer - *Member*
 - f) Director, Transport Department, Mizoram - *Member*
 - g) General Managers, District Industries Centre - *Members*
 - h) Director of Commerce and Industries - *Member Secretary*
- ii) All subsidy claims under this scheme shall be scrutinized and approved by the State Level Committee.

9. Claim of subsidy –

- i) The Government will prepare prescribed application form for claiming subsidy under this scheme. In addition to the conditions mentioned in this scheme, the Government may also formulate operational guidelines for successful implementations of this scheme.
- ii) Application for grant of subsidy under this scheme shall be submitted to the concerned District office within stipulated time using prescribed form.
- iii) Application for claim of subsidy shall be supported by relevant documents specified by the Government from time to time.
- iv) On receipt of application, necessary inquiry/verification will be made by the concerned District Office if found eligible, the original copy of the application with its enclosures will be forwarded to the Director of Commerce and Industries with recommendation along with a consolidated list.
- v) The Director of Commerce and Industries will prepare consolidated statements of the cases proposed in order of merit for consideration of granting subsidy and will place before the committee for scrutiny and approval.
- vi) The Committee will scrutinize the applications and select the applicants who are eligible for the subsidy and also set guidelines and priorities in selecting applicants.
- vii) On the basis of recommendation of the Committee the Director of Commerce and Industries shall submit to the Government the proposal for sanction of the subsidy clearly indicating the names of individual units and amounts of subsidy recommended against each unit supported by a copy of the minutes of the Committee.

10. Disbursement

On obtaining sanction, the Director of Commerce and Industries will draw the amount and transfer to the concerned District Officer through cheque/Bank draft who will ultimately disburse to the concerned Industrial units.

The District Officer disbursing the subsidy shall maintain separate Registers for each and every Incentive/Subsidy scheme in which he shall enter the names of individual units receiving the subsidy with amounts of subsidized received.

11. Other conditions for grant of subsidy

- a) Any enterprise receiving the subsidy shall give an undertaking to the effect that he/she will continue to run the unit for a Period as specified in the respective

afore mentioned subsidy scheme after receiving the subsidy.

- b) In the event of non-fulfillment of the above condition, the entire subsidy amount disbursed to the unit shall be refundable to the Government by the enterprise.
- c) Any enterprise, while claiming subsidy under this scheme shall make declaration that in the event of false information and use of fake documents, the entire subsidy amount disbursed to the unit shall be refundable to the Government by the enterprise.

12. Interpretation

In any matter of doubt arising out of interpretation of this scheme the interpretation by and decision of the Director of Commerce and Industries shall be final.

Annexure – II

THE MIZORAM GRANTS IN AID AND SUBSIDY SCHEME FOR ARTISAN AND HOME-BASED MICRO ENTERPRISES, 2021.

1. **Scheme title** : This scheme will be called ***The Mizoram Grants in Aid and Subsidy Scheme for Artisan and home-based micro Enterprises, 2021.***
2. **Coverage** : The scheme will cover the state of Mizoram.
3. **Commencement and duration** : The scheme will be effective from the date of publication in the Mizoram Gazette and will remain in force for a period of five years.
4. **Definitions** : In this scheme, unless the context otherwise requires:
 - (a) **Artisan** – means a person having skill in the manufacturing, processing, repair and servicing of various articles of Industrial products including Handloom and Handicraft items.
 - (b) **Department** – means Commerce and Industries Department Government of Mizoram.
 - (c) **Director of Commerce and Industries** – means Director of Commerce and Industries Department Government of Mizoram.
 - (d) **District Office** – means District Industries Centre or any other District offices under Department of Commerce and Industries Government of Mizoram.
 - (e) **Enterprise** – means an industrial undertaking or a business concern or any other establishment, by whatever name called, engaged in the manufacture or production of goods, in any manner, pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 or

engaged in providing or rendering of any service or services.

- (f) **Existing Enterprise** – means an enterprise which commences commercial production/operation before the commencement of this scheme.
- (g) **Government** – means Government of Mizoram.
- (h) **Micro Enterprise** – means an enterprise where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.
- (i) **New enterprise** – means an industrial enterprise which commences commercial production on or after the commencement of this scheme.
- (j) **Plant and Machinery** – shall cover the cost of newly purchased industrial plant and machinery as erected at site. Relocated/Recycled/Refurbished plant and machinery is not eligible for assistance under the Scheme.

5. **Eligibility :** Unless otherwise specified the following will generally eligibility to avail grants in aid under this scheme-

- 1) Micro enterprise(s) located in the state, with capital investment of less than Rs 5 lakh.
- 2) Artisans engaged in traditional and village industries.
- 3) Individual weavers, craftsman and individual engaged in technical service in different field.
- 4) Should be a domicile of the state living at least three years at the place from which grants in aid is applied.
- 5) An enterprise under negative list shall not be eligible.

6. **Negative List:** An enterprise or persons engaged in manufacturing the following products shall be under negative list.

- 1) Tobacco and tobacco products.
- 2) Non-biodegradable plastic carry bags.
- 3) Liquor.

7. **Packages of Incentives:**

The Grants in Aid will be available under this scheme –

- 1) **Grant of subsidized machine** –
 - a) Grant will be provided to micro enterprise with lower end investment of less than 5 lakh in plant and machineries for procurement of critical machine for enhancement of their production capacity.
 - b) Individual engaged in traditional and village enterprise will also be eligible for grants of subsidized machine.
 - c) It should be an existing unit with at least 2 years of existence.
 - d) The amount grant is limited to 75% of the cost of machine or Rs. 75,000 whichever is less.

2) **Working capital grant for stressed micro Enterprise-**

- a) Grants in aid will be given to stressed micro enterprise with very low capital investment and home-based artisans for their sustenance.
- b) The amount grants will be limited to working capital required for one cycle of operation or Rs 25,000 whichever is less.
- c) Handloom Weavers and Handicrafts artisans are also eligible for grant of working Capital Subsidy. However, their income from handloom or handicrafts activity will form at least half of their financial income.
- d) Handloom units with more than two looms will not be eligible.

3) **Grant of subsidized machine/tools for individual engaged in technical service -**

- a) Grants in Aid will be available for Individual engaged in various technical services such as plumbing, carpentry, electrical and electronics, etc.
- b) Amount of grant will be limited to 75% cost of machine/tools or Rs 10,000 whichever is less.
- c) Machine/tools may be single or multiple machine/tools depending on the type and requirement of individual and the cost of such machine or tools.

8. District Level Selection Committee -

- i) There shall be District Level Committee consisting of the following members in each District -
 - a) Deputy Commissioner of the concerned District
- *Chairman*
 - b) Representative of Industries Association/NGO/
Prominent Citizen/ appointed by the
Government - *Member*
 - c) General Managers/Functional Manager/SDIO,
in charge of concerned District Industries
Centre
- *Member Secretary*
- ii) All applications for grant-in-aid under this scheme received in the District shall be scrutinized by District Level Selection Committee.
- iii) Consolidated listed of recommended applicants will be prepared and forwarded to Director of Commerce and Industries for consideration and approval of the State Level Selection Committee.

9. State Level Selection Committee -

- i) There shall be State Level Committee consisting of the following members –
- a) Secretary to the Government of Mizoram, Commerce and Industries Department
- *Chairman*
 - b) Secretary to the Government of Mizoram, Finance Department or his nominee not below the rank of Deputy Secretary - *Member*
 - c) Representative of Industries Association/NGO/ Prominent Citizen/ appointed by the Government - *Member*
 - d) General Managers/Functional Manager/SDIO, District Industries Centre - *Members*
 - e) Director of Commerce and Industries
- *Member Secretary*
- ii) All applications for grant-in-aid under this scheme received from the District Office shall be scrutinized and approved by the State Level Selection Committee.

10.Claim of subsidy –

- i) The Government will prepare prescribed application form for grant-in-aid under this scheme. In addition to the conditions mentioned in this scheme, the Government may also formulate operational guidelines for successful implementations of this scheme.
- ii) Grant-in-aid application under this scheme shall be submitted to the concerned District office within stipulated time using prescribed form.
- iii) Application shall be supported by relevant documents specified by the Government from time to time.
- iv) On receipt of application, necessary inquiry/ verification will be made by the concerned District Office if found eligible, the original copy of the application with its enclosures will be placed before the District Level Selection Committee with recommendation along with a consolidated list.
- v) The concerned District Office, while making recommendation shall indicate as to how grant-in-aid, if given will enhanced the productivity and sustainability of the applicant.
- vi) The District Level Selection Committee will further scrutinize applications and make consolidated list of eligible applicants in the District taking into consideration of the target allotted to the District.
- vii) Member Secretary of the District Level Selection Committee will forward the consolidated list of eligible applicants to the Director of Commerce and Industries.
- viii) The Director of Commerce and Industries will prepare consolidated statements of the cases proposed in order

- of merit for consideration of grant-in-aid and will place before the committee for scrutiny and approval.
- ix) The Committee will scrutinize the applications and select the applicants for receipt of grant-in-aid and also set guidelines and priorities in selecting applicants.
 - x) On the basis of recommendation of the Committee the Director of Commerce and Industries shall submit to the Government the proposal for sanction of grant-in-aid clearly indicating the names of selected applicant and details of grant-in-aid recommended against each applicant supported by a copy of the minutes of the Committee.

11. Annual Target –

- a) The Government, considering the availability of fund will make target for each District in terms of number of units to be assisted under each package of incentive mentioned in section 7 of this scheme.
- b) The Government may formulate norms for making target allotment for the Districts in terms of population, number of villages, backwardness of the District, etc.

12. Disbursement

- a) Grant-in-aid pertaining to para 7 (i) and (iii) will be given in kind while para 7 (ii) will be given in cash.
- b) The Director of Commerce and Industries shall have approved supplier and approved rate for different machines/tools to be given in kind as Grant-in-aid.
- c) As per the approved list of applicants, District Office shall issue delivery order to the supplier. The applicant will collect machines/tools on payment of balance amount, if any.

13. Other conditions for grant of subsidy

- a) Any applicant receiving grant-in-aid shall give an undertaking to the effect that he/she will continue to utilize grant-in-aid for the purpose for which it has been given.
- b) In the event of non-fulfillment of the above condition, the recipient shall refund an amount equivalent to grant-in-aid received to the Government.
- c) Any applicant, while applying for grant-in-aid under this scheme shall make declaration that in the event of false information and use of fake documents, the grant-in-aid shall be refunded to the Government.

14. Interpretation

In any matter of doubt arising out of interpretation of this scheme the interpretation by and decision of the Director of Commerce and Industries shall be final.