



**Government of Meghalaya**  
**Department of Commerce and Industries**

# **Meghalaya Industrial and Investment Promotion Policy**

## **2024**



# Message

Powered by Meghalaya model of development, we have set our sights on an ambitious goal: **Mission 10**. This mission will propel Meghalaya to an USD 10 billion economy, creating 5 lakh new job opportunities. A key part of Mission 10 is to provide our people with “10 opportunities” and “10 guarantees” that will enable them to live fulfilling lives, where Investment Promotion and private sector development is the priority area.

To realize this vision, I am pleased to launch the **Meghalaya Industrial and Investment Promotion Policy, 2024**.

This comprehensive policy is designed to leverage Meghalaya’s key strengths and actively promotes investment opportunities within the State. Throughout the Policy duration, we are committed to continually enhance the investment climate. We are also establishing a nodal agency- “Invest Meghalaya Authority” to boost the Ease of Doing Business in the State.

I extend our gratitude to the Government of India for launching the Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024. This initiative complements our efforts under the Meghalaya Industrial and Investment Promotion Policy, 2024 and aligns with our vision for becoming North East’s gateway for sustainable industrial development, robust trade, and building world class knowledge economies.

As we walk this path together, Meghalaya shines as a model to the world. With a call to action that is global, our goal is to prove that a small state, rich in heritage and determination, can play a pivotal role in building a better future - for our people, our nation, and beyond.



**CONRAD K. SANGMA**

Hon'ble Chief Minister, Meghalaya

## Message

With the unveiling of **Meghalaya Industrial and Investment Promotion Policy, 2024**, we are embarking on a path of profound transformation towards prosperity and progress. A balanced growth of industries is paramount for the State's accelerated development.

The Policy highlights our commitment to leveraging Meghalaya's unique strengths and resources to drive economic advancement and create meaningful employment opportunities for our people. Furthermore, our alignment with **Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024**, which provides invaluable support to our State Capital, Interest subvention and GST Incentives and to further bolster our industrial endeavours.

Together, these incentives will attract investments in the State and pave the way for growth of industries which will play a pivotal role in enabling Meghalaya to emerge as an **USD 10 Billion** economy in the next 10 years, contributing to the Government of India's vision of economic growth and sustainable development.

We assure you of our unwavering commitment to realizing the full potential of Meghalaya's industrial sector. We will strive to create a vibrant ecosystem that promotes inclusive and sustainable industrial development, benefiting every citizen of Meghalaya.



**SNIAWBHALANG DHAR**

Deputy Chief Minister and  
Minister for Department of  
Commerce and Industries, Meghalaya

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## Preamble

The Government of Meghalaya is dedicated to foster economic and human capital growth, aiming to uplift its position among the top ten states in the country by the end of the decade. As the State is witnessing economic transformation and industrial growth, the vision is to harness the State's optimum potential. Hence, for Meghalaya State to emerge as a leader, it is crucial to have sustainable growth encompassing human, environmental, social, and cultural resources through industrialization, entrepreneurship, innovation, and governance.

The Chief Minister has launched the "Mission 10" with "10 opportunities" and "10 guarantees" - an action plan aimed at building a USD 10 billion economy. Investment Promotion and Private Sector Development is one of the key opportunity to drive economic progress. The State intends to focus upon developing a desirable environment for entrepreneurs and businesses to thrive. Likewise, attracting private investment is identified as a top priority, and the government is actively working towards creating such an investor-friendly ecosystem through a series of initiatives.

The Meghalaya Industrial and Investment Promotion Policy, 2024, will serve as a strategic unified framework, drawing investments at regional, national, and international levels. The Policy aims to align with the Government of India's Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024 which is designed to strengthen the Industrial Eco-System in the Northeast and attract New Investment. This policy aims to leverage benefits of Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024 to provide additional advantages to the investors, streamline administrative processes, consolidating multifaceted initiatives under a single platform to promote economic development, local youth participation, community participation and employment opportunities. Moreover, such a framework will be pivotal in achieving inclusive growth and overall sustainable development.

## Abbreviations

| List of Abbreviations |   |
|-----------------------|---|
| CA                    | Chartered Accountant                                    |
| CAGR                  | Compound Annual Growth Rate                             |
| CGST                  | Central Goods and Services Tax                          |
| CPA                   | Community Participation Agreement                       |
| CPPP                  | Community Public Private Partnership                    |
| DPIIT                 | Department for Promotion of Industry and Internal Trade |
| EPF                   | Employees' Provident Fund                               |
| FCI                   | Fixed Capital Investment                                |
| FPO                   | Farmer Producer Organisations                           |
| GSDP                  | Gross State Domestic Product                            |
| GST                   | Goods & Service Tax                                     |
| GSTIN                 | Goods & Service Tax Identification Number               |
| IT                    | Information Technology                                  |
| ITES                  | Information Technology Enabled Services                 |
| MIIPP                 | Meghalaya Industrial & Investment Promotion Policy      |
| MSME                  | Micro, Small and Medium Enterprise                      |
| NER                   | North-East Region                                       |
| PPP                   | Public Private Partnership                              |
| R&D                   | Research & Development                                  |
| SGST                  | State Goods & Service Tax                               |
| UIP                   | Unified Investment Portal                               |

# Definitions

- i. **“Government”** or **“State Government”** means Government of Meghalaya.
- ii. **“State”** refers and means the State of Meghalaya.
- iii. **“Industrial Policy”** means the “Meghalaya Industrial and Investment Promotion Policy, 2024”.
- iv. **“Turnover”** means the aggregate value of realisation in monetary terms made from the sale of manufactured goods/ services by an Industrial Unit / Enterprise during an accounting year. Income from other sources (non-operating income) like interest received, grants or subsidies, trading activity, resale of products / goods will not be counted in turnover.
- v. **“Investment”** means investment made on plant, machinery, building and other durable physical assets. Investments made on land may also be considered with the approval of the competent authority.
- vi. (a) **“Unit”** means any industrial manufacturing entity or service sector enterprise registered under Goods & Service Tax Act, 2017 or Industrial Park, excluding the Industrial Unit in which Government has more than 50% stake/ shareholding.

(b) **“New Unit”**

- i. For the manufacturing sector, a unit registered after notification of the policy but not later than 30.09.2026. Such a unit has to commence commercial production within 4 years from the date of grant of registration.
- ii. For the Service sector, a unit registered after notification of the policy but not later than 30.09.2026. Such a unit has to commence commercial operation within 4 years from the date of grant of registration.
- iii. A new unit will be required to fulfil the following conditions:
  - It is not formed by splitting up, or reconstruction of a business already in existence.
  - It is not formed by transfer to the new unit of plant or machinery previously used for any other purpose.
  - It has not relocated from elsewhere and/or is not an existing unit reopened under a new name and style.
- iv. New unit must have a new GSTIN, and unit cannot use a GSTIN of any existing unit

*Provided that heritage property, not in use before the date of issue of notification, is restored thereafter for commercial or hospitality or tourism services on a commercial basis, it will also be considered as a new unit as per eligibility conditions to be further elaborated in detailed guidelines.*

- (c) **“Existing Unit”** means a unit that has commenced commercial production/operation prior to date of notification of the Industrial Policy and having a valid GST Identification Number (GSTIN) in the State of Meghalaya.

(d) **“Expansion”** means an additional investment of a minimum of twenty-five percent (25%) of the total amount of investment already made in an existing unit in plant and machinery (for manufacturing sector) or construction of building and other durable physical assets (for service sector).

*The additional investment should increase production capacity/enhancement of Services and should not be a mere replacement of existing plant and machinery.*

vii. (a) **“Manufacturing unit”** means a unit that carries out the processing of raw materials or inputs in any manner that results in the emergence of a new product having a distinct name, character, and use.

(b) **“Services Unit”** means Hotels & Hospitality, Tourism (Homestays, Adventure, Health Tourism, Eco-Tourism & MICE), Education (Vocational & Digital/e-learning), skilling, Music, Films and Entertainment and sports, Biotech, Fin-tech & Financial Services, Healthcare (Secondary & Tertiary), IT-ITeS, BPO. EV Charging Stations and Tech-oriented start-ups/units providing services in the field of education, Primary Healthcare, Agriculture, and green start-ups.

(c) **“Commencement of Commercial Production (Manufacturing Sector)”** means starting manufacturing of finished goods on a commercial basis which is preceded by trial production and installation of complete plant and machinery for manufacturing finished products in commercial quantity and all raw materials, consumables, etc. required for manufacture are available.

(d) **“Commencement of Commercial Operation (Service Sector)”** means starting of operation/delivery of services on a commercial basis.

(e) **“Building and other durable physical assets”** in the case of service sector units shall cover new buildings and other durable physical assets for a service sector unit where purchases have been made following an arm’s length pricing. The details of durable physical assets shall be provided in the guidelines.

viii. **“Industrial Park”** means an Private Industrial Estate / Industrial Park / Industrial Growth Centres / Food Processing Park / Pharma Park / Export Promotion Industrial Park developed in Meghalaya in which plots of developed space or built-up space or a combination, with common facilities and quality infrastructure facilities, is developed and made available for establishment of industrial units to manufacture any goods or service and having basic industrial infrastructures like developed plot, internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication faculties and such other facilities as may be required for the purposes of industrial activities or commercial activities in accordance with the provisions under this policy.

ix. **“Plant and Machinery”** in case of Manufacturing units shall cover industrial plant and machinery as erected at the site, which is newly purchased from the open market at an arm’s length price. It excludes relocated/recycled/refurbished plants and machinery. The details of core and non-core components of Plant & Machinery shall be provided in the guidelines.

x. **“Raw material”** means materials or substances used by any unit to produce or manufacture the finished goods.

- xi. **“Finished Good”** means the goods produced and supplied by an industrial unit and for which it is registered under the State of Meghalaya
- xii. **“Building and other durable physical assets”** in the case of service sector units shall cover new buildings and other durable physical assets for a service sector unit where purchases have been made following an arm’s length pricing. The details of durable physical assets shall be provided in the guidelines.
- xiii. **“High-Powered Investment Committee”** means an investment committee constituted under Meghalaya State Investment Promotion and Facilitation Act 2024 for the purpose of approval of Industrial Units of investments of more than Rupees Ten Crore and customized financial incentive packages.
- xiv. **“State Investment Committee”** means an investment committee constituted under Meghalaya State Investment Promotion and Facilitation Act 2024 for the purpose of approval of investments of more than Rupees One Crore to Rupees Ten Crore and financial incentive packages for Medium and Small Industrial Units in Meghalaya.
- xv. **“District Investment Committee”** means an investment committee constituted under Meghalaya State Investment Promotion and Facilitation Act 2024 for the purpose of approval of Industrial Units with investments of up to Rupees One Crore in Meghalaya.
- xvi. **“Unified Investment Portal (UIP)”** means an online system to provide all clearances to the investors as defined under Meghalaya State Investment Promotion and Facilitation Act, 2024.
- xvii. **“Physically Challenged Person”** means a person with disabilities in accordance with the provisions of “The Meghalaya Rights of Persons with Disabilities Rules, 2017” or any other relevant Act of the State.

# 1. Meghalaya – Economic growth potential

Nestled in the North-Eastern Region (NER) of India, Meghalaya is home to approximately 3.3 million people from diverse cultural backgrounds. It is a State of strategic importance, offering unique economic opportunities and contributing to region's overall growth narrative. It is bound by Assam to the north and northeast, and by Bangladesh to the south and south-west. The upcoming BBIN2 Corridor will turn Meghalaya into a strategic connecting node for Bangladesh, Bhutan, and Nepal. In addition, the State's proximity to the Bay of Bengal further accentuates its potential to be an important trade hub for the NER.

Meghalaya has a multi-sectoral advantage in terms of its socio-economic characteristics. The State has a young population with approximately 70% of the population being under 35 years of age. There is a growing entrepreneurial ecosystem supported by the State Government to empower Start-ups to flourish through innovation and design. Furthermore, the State of Meghalaya has launched numerous initiatives as well as Governance & Citizen Engagements to create an environment conducive for economic development such as Entrepreneurships and Start-up Programs for Promoting Meghalaya Youth like CM Elevate, PRIME, ASPIRE, STAR, MGMP, etc.

Meghalaya is endowed with rich diverse agroclimatic zones, unique waterfalls, and root bridges providing rare natural scenic beauty offering opportunities for both high-value tourism and agri-based industries.

## 1.1 Meghalaya Next

The government of Meghalaya has set a realistic but bold objective to expand its economy to USD 10 billion by 2028, aiming to rank among the top ten Indian states by economic size. To attain this target, the strategy involves boosting private investments, with a focus on enhancing trade, tourism, high-value agriculture, and fostering a knowledge-based economy.

Meghalaya will contribute to the vision of a 'Viksit Bharat' by increasing its GDP to 10 billion US Dollar by 2028. The vision of doubling the State GSDP and making Meghalaya a 10- billion US Dollar economy was set with GSDP of 2022-23 as the benchmark, when the State's GSDP was Rs 42,697 Cr or 5.3 billion US Dollar. The GSDP for 2024-25 is projected at ₹ 52,973 crore or 6.6 billion US Dollar. The annual growth rate for the period 2023-25 has been a reassuring 11.4%.

## 1.2 Improved Connectivity

Meghalaya has a road network of about 13,000 Km and intra-state passenger connectivity is facilitated by bus terminals in Phulbari, Tura, William Nagar, Sonapahar and Shillong while inter-state connectivity is handled by ISBT in Shillong and Tura. Government of India is also planning to develop BBIN2 corridor, which will connect Meghalaya with Bangladesh, Nepal, and Bhutan.

In terms of air and rail connectivity, the state has an airport at Umroi which is at around 30 kilometres from the State Capital Shillong, has helicopter service connecting Shillong to Guwahati and Tura and railhead at Mendipathar with regular train service connecting Guwahati in Assam.

Additionally, the Government of India has envisioned speedy growth of North-East Region (NER), through development of rail sections, air-connectivity between NER and Association of Southeast Asian Nations (ASEAN) countries, as well as National Highway corridors to connect with Bangladesh.

### 1.3 Growing Demand Centres

Cities and towns such as Shillong, Tura, Jowai, Nongpoh, William Nagar, Nongstoin, Baghmara, Resubelpara, Byrnihat and Cherrapunji have organically become major markets and represent state's majority of the economic activity arising from active tourism, agricultural hubs, and industrial estates. In terms of movement of the goods within the State, Shillong serves as a central hub for distribution to the smaller cities in the centre and east, while Tura caters to the West.

### 1.4 Globally marketable commodities

Meghalaya has abundance of mineral deposits such as coal, limestone, uranium, quartz, kaolin, granite, industrial clay, and sillimanite. Farmers in the state use traditional methods of cultivation for naturally organic production of fruits, nuts, and spices. The State's produce includes several high-ticket export items such as Khasi Oranges (exported to Dubai), Pineapple, Strawberry, Lakadong Turmeric (exported to UK & Netherland), Ginger, Honey, Black Pepper, Areca Nuts, Jackfruit, and various exotic flowers (Anthurium, Carnation, different types of Orchids etc.)

### 1.5 Fostering Industrial ecosystem

Meghalaya has largely been an agrarian economy with majority of its population dependent on land. In the last few decades, the State has witnessed a structural transformation in the economy with a growing contribution from the secondary and tertiary sectors to the State GSDP. To facilitate this transformation, the State has a well spread-out industrial infrastructure comprising of Industrial Estates, Industrial Areas, Growth Centres, Export Promotion Park, and Information Technology Park to facilitate growth of industrial activity in the State. The key industrial sectors include Food Processing, Tourism, Textiles and Handlooms with approximately 95% Micro industrial units. There is potential to develop large units through a creation of seamless regulations, infrastructure development, land bank creation through community-based ownership models, and new focus sectors. According to the Meghalaya Vision 2028, the State envisions to ***“Transform to become North East's gateway of sustainable industrial development, robust trade and world class knowledge economies”***.

### 1.6 Need for the policy

The Investment Promotion and Private Sector Development plays a pivotal role for the state to achieve the “Mission 10” with “10 opportunities” and “10 guarantees”- an action plan aimed at building a USD 10 billion economy. Hence, the implementation of reforms such as the comprehensive industrial policy is paramount for the State's sustainable and inclusive growth, benefiting communities and businesses. By strategically addressing entrepreneurship, priority sectors, sustainable industrial development, advanced infrastructure, investment promotion, and various other dimensions, the policy sets stage for a resilient and thriving economic landscape. To strengthen the Industrial Eco-System in the North-East region and attract new Investments, Government of India has launched the Uttar Poorva Transformative Industrialization Scheme (UNNATI), 2024. Therefore, it is necessary to align state incentives with the UNNATI Scheme, 2024, this convergence will synchronize the development efforts and will enable the State to bring in new investments, thus, creating job opportunities and achieving a holistic economic growth.



## **A conducive environment for your business to grow.**

The collaboration between the Department for Promotion of Industry and Internal Trade (DPIIT) and the Indian States, has played a pivotal role in enhancing the Ease of Doing Business (EoDB) landscape across the nation. Meghalaya, though initially at a lower rank, has made substantial progress, earning recognition as an "Emerging Business Ecosystem" in the 2020 Business Reform Action Plan by DPIIT- an acknowledgement that is a testament to the state's dedicated commitment to creating a favourable business environment. The Meghalaya Government is now aiming to uplift this position in the subsequent ranking system.

Continuing its dedication to fostering a conducive environment for "Ease of Doing Business", the State is in process of simplifying investor onboarding, and addressing any challenges encountered. In addition to this, the State is also focusing on minimizing regulatory compliance burden which improves Ease of Doing Business, developing Unified Investment Portal, creating new Land-banks, etc. The State is establishing the "Invest Meghalaya Authority (IMA)" to oversee the investment promotion ecosystem. To facilitate this initiative, the Cabinet approved the Meghalaya State Investment Promotion and Facilitation (MSIPF), 2024, Act.

## 2. Policy Roadmap

### 2.1 Vision



To transform Meghalaya into an investment destination for achieving holistic green growth, empowering local communities, and fostering a sustainable economy.



### 2.2 Key Objectives

The key objectives that MIIPP 2024 aims to achieve are as follows:



Leveraging the Uttar Poorva Transformative Industrialization Scheme, 2024 (UNNATI 2024) to attract investments in the State.



Act as a growth catalyst for promotion of entrepreneurship and employment generation in the State.



Promote grassroot participation in strengthening the industrial eco-system of the State through proper incentivization.



Achieve development of the entire State through judicious harnessing of natural resources in a sustainable manner and promoting green growth.



Provide required impetus to the 'Priority Sectors' carrying significant revenue generation, employment creation, exports, and investment potential.



Develop and maintain state of art industrial infrastructure in the State for facilitating fast track industrial progress.

## 2.3 Core Values

The foundation on which MIIPP 2024 endeavours to achieve its desired objectives is as follows:

01

**Sustainable and green growth of existing industries**

02

**Creation of industrial land-bank with state of art infrastructure**

03

**Employment generation for youth**

04

**Developing an efficient institutional framework**

05

**Focus on regional development**

06

**Encourage Community Participation**

## 2.4 Priority Sectors

To realise the economic vision, the following sectors have been identified as 'Priority Sectors' based on their potential of contributing to the economic growth of Meghalaya. Sectors that are not defined in the Priority Sectors are non-priority sector.

|   |   |  |    |  |  |
|---|---|--|----|--|--|
| 1 |    | Hotels & Hospitality   | 9  |    | EV Charging Station  |
| 2 |    | Tourism (Homestays, Adventure, Health Tourism, Eco-Tourism & MICE) | 10 |    | Tech-oriented start-ups/units providing services in the field of Education, Primary Healthcare and Agriculture |
| 3 |    | Education (Vocational & Digital/ e-learning)                       | 11 |    | Food Processing  |
| 4 |    | Bio-Technology   | 12 |    | Power Generation   |
| 5 |    | Fin-tech & Financial Services                                      | 13 |    | Music, Films and Entertainment   |
| 6 |    | Healthcare (Secondary and Tertiary)                                | 14 |    | Logistics  |
| 7 |   | Information Technology and ITES                                    | 15 |   | Green Start-ups  |
| 8 |  | Business process outsourcing (BPO)                                 | 16 |  | Others – Any other industry or activity notified by Government of Meghalaya                                    |

## 2.5 Policy Period and Applicability

### 2.5.1 Policy Title

This Policy shall be called the “**Meghalaya Industrial and Investment Promotion Policy 2024**”.

### 2.5.2 Commencement and Duration of the Policy

The “**Meghalaya Industrial and Investment Promotion Policy 2024**” shall come into effect from 21st day of December 2022 and shall remain in force up to and inclusive of 20th day of December 2034 along with additional years for the payment of committed liabilities or the new policy announced by the Government of Meghalaya.

### 2.5.3 Application period for registration

- The registration period under the policy will commence from the date of issue of notification till 31.03.2026 subject to the guidelines issued in this regard.
- All units willing to avail of incentives / subsidies/ reimbursements have to apply for registration through the Invest Meghalaya Authority through a Unified Investment Portal (or through a physical application till the development of the portal)

- c) The incentives / subsidies / reimbursements will also be applicable to Industrial Units that received the Single Window Clearance from 21<sup>st</sup> day of December 2022 till the notification of the policy. However, all such Units shall register themselves on the Unified Investment Portal and obtain automatic registration.
- d) Merely applying for registration will not entitle any applicant to claim incentives under this Policy. Further details for claiming incentives shall be provided in the guidelines of this policy.
- e) No units will have the right to claim the benefits unless it is specifically approved by the competent authority as laid out in the guidelines.
- f) The registration will be granted by the competent authority as laid out in the guidelines, which will, inter alia, consider the prima facie eligibility of the unit.

#### 2.5.4 Grant of registration

All applications for registration shall have to be disposed of by 30.09.2026 unless otherwise extended.

### 2.6 Classification of Manufacturing and Service Enterprises

The classification of the MSMEs have been done by the Union Government of India and defined under MSMED Act, 2006, as follows:

1. **Micro Enterprises**- Investment in Plant and Machinery or Equipment does not exceed Rs 1 crore and turnover does not exceed Rs 5 crore.
2. **Small Enterprises**- Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed Rs 50 crore.
3. **Medium Enterprises** - Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed Rs 250 crore.
4. **Large Industrial Enterprises**- Investment in Plant and Machinery or Equipment exceeds Rs 50 crore.

### 3. Framework- MIIPP, 2024

#### 3.1 Eligibility Criteria

- 3.1.1 All units eligible under the Manufacturing and Service sector will be granted incentives / subsidies / reimbursements as defined under respective incentives under the MIIPP, 2024.
- 3.1.2 Manufacturing sector units with a minimum investment of Rs. 1.0 crore in plant & machinery will be eligible for incentives / subsidies. For calculation of any incentive / subsidies, the eligible value shall be determined based on the investment made in Plant & Machinery in manufacturing sector. The incentives / subsidies / reimbursements shall not apply to the units that manufacture the products listed in the Negative list.
- 3.1.3 Service sector units with a minimum investment of Rs. 50 Lakh in building and other durable physical assets will be eligible for incentives / subsidies. For calculation of any incentives / subsidies, the eligible value shall be determined based on the investment made in building and other durable physical assets.
- 3.1.4 For Micro Industries the minimum investment limit shall be ₹50 lakhs for both manufacturing and service sector.
- 3.1.5 For Micro industries (defined as per MSME industry norms), the Plant & Machinery calculation will include the cost of building construction.
- 3.1.6 All eligible units have to commence commercial production/ operation within 4 years from the date of grant of registration. The unit shall be allowed to sell or supply of goods and services as defined under GST Act, 2017, the finished goods produced/ manufactured in the intermediate phases. It is envisaged that certain units may install plant & machinery in phases. Thus, there will be a provision of phased commencement of production (maximum 3 phases), but the incentives will only flow after the final commencement of production. The date of commencement of commercial production after the completion of all phases shall not be later than 4 years from the date of registration through the online portal.
- 3.1.7 The Invest Meghalaya Authority shall be responsible for ensuring that the registered Units obtain the requisite clearances in the defined time frame and commence production.
- 3.1.8 The final invoice for procurement of plant & machinery or for construction of building and durable physical assets must be on or after the date of notification of the Industrial Policy to be considered eligible.
- 3.1.9 The following definitions should be used to calculate the cost of Plant and Machinery (in Manufacturing sector) and cost of construction of Building for the service sector;
- a) Cost of Plant and Machinery (in manufacturing sector) that is essential for manufacturing of finished goods but excludes the cost of land, consumables, disposables, or any other item charged to revenue.
  - b) Cost of construction of Building and procurement of other durable physical assets for the service sector unit that are basic to running that particular unit in the

service sector but excludes cost of land, consumables, disposables, or any other item charged to revenue.

- 3.1.10 Eligibility for incentives / subsidies/ reimbursements under this policy will be subject to verification of investment (core and non-core) in plant and machinery (in the manufacturing sector) and cost of construction of building and other durable physical assets (in the service sector). However, the incentive will be eligible only for core segment in both manufacturing and service sector. Details will be laid down in the guidelines.
- 3.1.11 The Unit has to furnish an undertaking regarding local employment to be eligible for incentives / subsidies;
- a) For the 1st and 2nd Year from the date of commencement of commercial operations it employs local people (individuals domicile of Meghalaya) to the extent of not less than 25% in case of Managerial Positions and 90% in case of Non-Managerial Positions of the total employee strength of the Unit.
  - b) From the 3rd Year from the date of commencement of commercial operations it employs local people (individuals domicile of Meghalaya) to the extent of not less than 50% in case of Managerial Positions and 90% in case of Non-Managerial Positions of the total employee strength of the Unit.
  - c) It follows the minimum wage policies of Government of Meghalaya.
- 3.1.12 In exceptional cases where an industrial unit can prove to the satisfaction of the State Government that employees with required skillset and expertise are not locally available, relaxation of the above clause will be allowed by the State Government for a specified period.
- 3.1.13 The Unit for which incentives are being sought shall be in Meghalaya.
- 3.1.14 Central / State Public Sector Undertakings shall not be eligible for any incentives under the Policy.
- 3.1.15 Any payments made in cash for any transaction shall be treated as an ineligible amount for investment purpose for availing incentives / subsidy under MIIPP, 2024.

### **3.2 Nodal Agency**

The Department of Commerce and Industries will be the nodal agency for the disbursement of incentives under various components of the scheme.

### **3.3 Governance and Implementation Mechanism**

The Policy will be implemented in tandem with the institutional structure provided in the Meghalaya State Investment Promotion and Facilitation (MSIPF) Act, 2024. Detailed process and institutional mechanism for governance and implementation of this Policy, along with their delegated powers and functions of the various authorities / committees, shall be provided in the guidelines.

## 3.4 Incentives, Subsidies, and Reimbursements

### 3.4.1 State Capital Investment Incentive

- i. Eligibility
  - a. New units, as well as Expanding units will be eligible to avail of this incentive.
  - b. An applicant (with the same name and GST number) can get incentives on maximum of one unit or application.
  - c. A new unit registered will not be eligible to avail of the benefit under expansion. A unit can avail of this incentive only once.
  - d. Physical verification of the units is mandatory before availing of this incentive.
  - e. For Units that are eligible for claiming Capital Investment Incentive under the UNNATI scheme of Government of India, the State Capital Investment Incentive shall be provided to the extent of difference between the State Capital Investment Incentive and Government of India Incentives.
  - f. Detailed procedures for availing of the incentive shall be laid down in the guidelines.
- ii. Micro, Small and Medium Industrial Units shall be eligible for availing the subsidy @30 % (thirty percent) on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) with a maximum limit of Rs 10 crore for Priority Sector Units and Rs 8 crore for others.
- iii. Large Industrial Units shall be eligible for the subsidy @30 % (thirty percent) on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) with a maximum limit of Rs 15 crore for Priority Sector Units and Rs 12 crore for non-Priority sector.

### 3.4.2 State Interest Subvention Incentive

- i. Eligibility
  - a. New units, as well as Expanding units of both the manufacturing and service sectors will be eligible to avail this incentive.
  - b. Interest on loan up to the principal amount of Rs. 250 crores for investment in eligible plant and machinery (manufacturing sector) or Building, and all other durable physical assets (for service sector) shall be eligible for State Interest Subvention Incentive. If the total principal amount of the loan (loan being defined as a whole and not as per draw-down amount in each tranche) is more than Rs.250 crore, then interest on the loan amount exceeding Rs. 250 crores would not be eligible for State Interest Subvention Incentive.

- c. The State Interest Subvention Incentive would be eligible on the amount disbursed and not on the principal amount sanctioned for the term loan.
- ii. All eligible units in the priority sector can avail of State Interest Subvention Incentive at the annual rate of interest of 5% and all eligible units in the non-priority sector can avail of at the annual rate of interest of 4% for a maximum of 7 consecutive years under this scheme. However, disbursement of the eligible amount under this incentive shall begin only after the commencement of commercial production.
- iii. This incentive is applicable on the loans availed from Scheduled Commercial Banks or Financial Institutions registered by Reserve Bank of India.
- iv. For Units that are eligible for claiming Capital Interest Subvention Incentive under the UNNATI scheme of Government of India, the State Interest Subvention Incentive shall be provided to the extent of difference between the State Capital Investment Incentive and Government of India Incentives.

### **3.4.3 SGST Reimbursement**

- i. Only New units having a valid GST Identification Number (GSTIN) will be eligible for benefit under this incentive.
- ii. For Priority Sectors, all eligible units will be granted SGST reimbursement equal to 100% of the Net payment of SGST, i.e., SGST Paid less Input Tax Credit, for a maximum period of 15 years from the date of commencement of commercial production/operation or till the validity of the policy whichever is earlier up to a ceiling of 150% of the eligible value of the investment made in plant & Machinery (for manufacturing sector) or construction of building and other durable physical assets (for services sector). However, SGST paid on exported goods or services will not be counted towards eligible incentive amounts under this component.
- iii. For Non-priority Sectors, all eligible units will be granted SGST reimbursement equal to 100% of the Net payment of SGST, i.e., SGST Paid less Input Tax Credit, for a maximum period of 10 years from the date of commencement of commercial production/operation or till the validity of the policy whichever is earlier up to a ceiling of 100% of the eligible value of the investment made in plant & Machinery (for manufacturing sector) or construction of building and other durable physical assets (for services sector). However, SGST paid on exported goods or services will not be counted towards eligible incentive amounts under this component
- iv. The amount of incentive paid in a financial year will be one-tenth of the total amount of eligible incentive under this component subject to full payment of SGST as per SGST return filed for the claim period.
- v. In case the Net SGST paid by any unit in a financial year is more than one-tenth of the total amount of eligible incentive, the balance can be carried forward to the subsequent financial year(s). Further, if the unit cannot claim the full eligible amount of incentives

in the first 3 years, the same can be carried forward to subsequent years. However, this will not be carried forward beyond the eligible period of 15 Years for Priority sector and 10 years for non-Priority sector or beyond the policy's validity, whichever is earlier.

- vi. In case the SGST is reimbursed under UNNATI Scheme or any other scheme of Government of India, the unit shall only claim the balance net SGST as applicable for Priority and Non-Priority sectors under this scheme.

#### **3.4.4 State Capital Investment Incentive to Industrial Units owned by Physically Challenged persons and other special category individuals**

- i. Micro units shall be eligible to avail an additional incentive @10% on the cost of Factory Building and Plant for Manufacturing and other durable physical assets & Machinery the majority shareholder is a physically challenged persons and other special category individuals and is domicile of Meghalaya.
- ii. Small Units shall be eligible to avail an additional incentive @5% on the cost of Plant & Machinery subject to a ceiling of Rs 50 lakhs provided the majority shareholder is a physically challenged persons and other special category individuals and is domicile of Meghalaya.
- iii. The Government will notify incentives for special category individuals from time to time.

#### **3.4.5 Transportation Subsidy**

- i. Micro & Small Units shall be eligible for subsidy on the actual expenditure incurred on inland transportation of raw materials sourced from within the State of Meghalaya and finished products produced in Meghalaya subject to a maximum ceiling of Rs 15 lakh per annum for a period of 4 years for Priority sector and Rs 10 lakhs for a period of 3 years for Non-Priority Sectors.

#### **3.4.6 Green Subsidies**

- i. **Subsidy on Cost incurred on installation of Rainwater Harvesting System in the Industrial Unit**
  - a. Micro & Small Units shall be eligible for the subsidy @ 50% of cost of Rainwater Harvesting System installed subject to a maximum limit of Rs. 2 Lakhs.
  - b. Medium & large Units shall be eligible to for subsidy @ 50% of cost of Rainwater Harvesting System subject to a maximum limit of Rs 10 lakhs.
- ii. **Subsidy on Cost incurred on installation of Wastewater Recycling facility in the Industrial Unit**
  - a. Medium Units shall be eligible for subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 5 lakhs and Large Units shall

be eligible for Subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 15 lakhs.

**iii. Reimbursement of expenses incurred on Water Audit by an Industrial Unit**

- a. All Units shall be eligible for a reimbursement @ 75% of expenses incurred on Water Audit to a maximum of Rs 1 lakh provided it results in a saving of at least 25 % in consumption of water by the respective industrial unit.
- b. The Water Audit will have to be conducted by an agency recognised by Central or State Government and a final audit report along with certificate for resultant savings will need to be submitted by the industrial unit at the time of applying for the subsidy.

**iv. Subsidy on Cost incurred on installation of Zero Discharge facility in the Industrial Unit**

- a. Medium & Large Units shall be eligible for subsidy @ 50% of Cost incurred on installation of Zero Discharge facility subject to a maximum limit of Rs 5 Lakhs for Medium Units and to a maximum limit of Rs 10 lakhs for Large Units.

**3.4.7 Subsidy on Power**

**i. Subsidy on Capital Investment on Power Generating Sets**

- a. Micro & Small Units shall be eligible for subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/Renewable Energy systems purchased for captive use, subject to a ceiling of Rs 10 lakhs for Conventional Sets and Rs 25 Lakhs for Non-Conventional / Renewable Energy systems.
- b. Medium & Large Units shall be eligible for subsidy @ 50 % on the cost of Power Generating Sets including Non-Conventional/ Renewable Energy systems purchased for captive use of energy subject to a ceiling of Rs 50 lakhs for Conventional Sets and Rs 1 crore for Non-Conventional / Renewable Energy systems.
- c. Each Industrial Unit will be allowed a Single Claim either for Conventional or Non-Conventional Energy systems.
- d. All Renewable Energy Systems using Units should furnish proof of use of captive power and should be connected to the Net Metering System.

**ii. Reimbursement on Capital Investment on Drawl of Power Line**

- a. Micro & Small Units shall be eligible for reimbursement of 100% on drawl of 11 KV and above power line including cost of transformer(s) subject to a maximum limit of Rs 10 lakhs.

**iii. Subsidy on Power Service Connection Charges**

- a. Micro & Small Units shall be eligible for subsidy of 50% on Power Service Connection Charges (excluding internal wiring) subject to a maximum ceiling of Rs 2 lakhs.

### **3.4.8 Employee-related Reimbursement**

#### **i. Reimbursement of Employers Contribution to Employee Provident Fund**

- a. All Units shall be eligible for reimbursement of 100 % of employer's contribution to Employee Provident Fund (EPF) for a period of 3 years for employees and additional 1 year for women employees from the commencement of commercial production / operations for employees who are domiciles of Meghalaya.
- b. Reimbursement shall be made subject to a maximum ceiling of 12% of the employee's basic salary plus applicable dearness allowance and retaining allowance or Rs 1800 per month whichever is lower.
- c. **This incentive is not applicable for IT & ITeS units as the same is provided under the Expenses Reimbursement section in Meghalaya IT / ITeS Policy, 2024.**

### **3.4.9 Customized Package of Incentives**

- i. Industrial Units making a minimum investment of Rs 100 crore or more will be eligible for customized incentives.
- ii. Green Technology Industries having registered patents will also be eligible for customized incentives irrespective of the value of investment for setting up the industries in Meghalaya.
- iii. Proposals with respect to the above incentives will be evaluated by the High-Powered Committee.

### **3.4.10 Procurement Preference**

- i. Procurement preferences will be given in accordance with the existing "Meghalaya Procurement Preference Policy for Micro and Small Enterprises 2020", to all eligible manufacturing units.

## **3.5 Negative List**

- 3.5.1 List of industrial units / sectors which are not eligible for Subsidies / Incentives under Meghalaya Industrial and Investment Promotion Policy (MIIPP) 2024 are mentioned under Annexure A
- 3.5.2 To ensure genuine industrial activities in the State, benefits under MIIPP 2024 will not be admissible to goods in respect of which only peripheral activities like preservation during storage, cleaning operations, packing, repacking, labelling, or re-labelling, sorting, alteration of retail sale price etc. take place.

## 4. Policy Enablers

### 4.1 Promotion of Start-ups & Innovations

Provisions related to promotion of Start-ups in Meghalaya will be in accordance with the Meghalaya Start-up Policy 2018 or any other Act / Policy notified by the State Government.

### 4.2 Development of Projects in Meghalaya under Public Private Partnership (PPP) / Community Public Private Partnership (CPPP) Mode

Provisions related to development of Projects in Meghalaya under PPP / CPPP mode will be in accordance with the Meghalaya PPP Policy 2021.

### 4.3 Creation of Land-bank

Establishment of a land bank specifically tailored for Industries plays a pivotal role in attracting investments. The State Government will endeavour to create new land-banks and allot land to industrial units. Community-based ownership models for land bank creation shall be supported. Detailed procedures for the same will be notified by the State Government from time to time. Additionally, a repository of land parcels suitable for various Industrial activities shall be created.

### 4.4 Ease of Doing Business

4.4.1 Government of Meghalaya is committed to enhance the level of Ease of Doing Business in the State and has been engaged in a series of regulatory and institutional reforms to facilitate and speed up the delivery of various Public Services in the State in an efficient manner.

4.4.2 The State Government has notified “Meghalaya State Investment Promotion & Facilitation Act, 2024” to enhance level of Ease of Doing Business in Meghalaya by providing an accelerated and time bound procedure for grant of various licenses, permissions and issuance of clearances required from various competent authorities of Government of Meghalaya.

4.4.3 Composition of the High-Powered Committee, State Investment Committee and District Investment Committee will be as defined under Meghalaya State Investment Promotion & Facilitation Act, 2024.

## 5. Policy Implementation

- i. The Department of Commerce and Industries, Government of Meghalaya shall be the administrative department for the implementation of MIIPP 2024.
- ii. The Department shall work in close collaboration with the Invest Meghalaya Authority and the various line departments to ensure timely registration, Ease of Doing Business, and claim of incentives by the Industrial Units.
- iii. Detailed guidelines for grant of registration, and disbursement of incentives shall be issued separately.

### 5.1 Limit of Incentives / Subsidies

- i. The maximum eligible benefit to one unit from all policy components is Rs. 100 crore. However, this limit can be extended for the Units availing customized incentives.
- ii. Wherever there is an overlap of incentives provided under this policy and the UNNATI scheme or any other scheme of Government of India, the Unit shall first claim the Incentives from the Government of India and only claim the difference between the State Incentives and Government of India Incentives from the State Government.
- iii. In the event of similar set of incentives available under different sectoral policies / schemes in the State, the industrial unit may select the one offering higher incentive/ subsidy
- iv. Units benefiting from CM Elevate Program or similar State Government scheme, shall be eligible to avail only SGST incentive available under MIIPP, 2024. They may, however, avail the incentives under the UNNATI Scheme.
- v. No interest on account of delay in incentive payment can be claimed by the unit.

## 6. Other Rights & Regulations

### 6.1 Rights of the Government of Meghalaya

- i. Government of Meghalaya reserves the right to review the matter regarding sanction / disbursement of subsidies / incentives to the eligible industrial unit(s) and in this connection, the State Government's decision shall be final and binding.
- ii. If it is established that a unit has obtained incentive(s) by misrepresenting/suppressing an essential fact, furnishing of false information, the unit has to refund the entire grant or incentive availed with interest of 15% per annum. It will also be liable for criminal proceedings, after giving an opportunity to the unit of being heard.
- iii. Concealment of input supplies or routing of third party or malpractices of similar kinds will render unit liable for forfeiture of further claims and recovery of all previous incentive(s) paid with interest @15% per annum.

### 6.2 Change of Location

- i. In case any unit availing incentives under this scheme goes out of production/ operation permanently or changes the location of the whole or any part of a unit or disposes of a substantial part of its total fixed capital investment within 10 years after the date of commencement of production/ operation, then the unit will not be eligible to claim any incentive with effect from the date it goes out of production/ operation or changes its location.
- ii. Further, all such units will be liable to refund the entire grant or incentive availed if it goes out of production/ operation permanently or changes the location of the whole or any part of a unit or disposes of a substantial part of its total fixed capital investment within 5 years after the date of commencement of production/ operation.

### 6.3 Repeal and Savings

Meghalaya Industrial and Investment Promotion Policy, 2012 stands repealed and substituted by Meghalaya Industrial and Investment Promotion Policy, 2024.

### 6.4 Interpretation

The decision of the Government of Meghalaya with regards to interpretation of any clause of the Policy shall be final and binding.

# Annexures

## 7.1 Annexure – A: Negative List

### Negative List of Sectors/Industrial Units not eligible for Incentives / Subsidies / Reimbursements under MIIPP 2024.

| Sl No | Sectors / Industrial Units  |
|-------|---|
| 1     | All goods falling under Chapter 24 of the Central GST Tariff Act, 2017 which pertains to tobacco and manufactured tobacco substitutes.  |
| 2     | Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No. S.O. 705(E) dated 02.09.1999 and S.O. 698(E) dated 17.6.2003 and any subsequent amendments.   |
| 3     | Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) produced by Petroleum or Gas refineries.  |
| 4     | Units not complying with environmental standards or not having applicable Environmental Clearance from M/o Environment & Forests and Climate Change or State Environmental Impact Assessment Authority (SEIAA) or not having requisite consent to establish and operate from the concerned Central Pollution Control Board/State Pollution Control Board. |
| 5     | Low-value addition activities in goods such as preservation during storage, cleaning, operations, packing, repacking, or re-labelling, sorting, alteration of retail sale price etc. excluding high-value packaging and processing.   |
| 6     | Arms & Ammunition   |
| 7     | All types of Sawmills and Veneer Mills  |
| 8     | Wood-fuelled Lime Kilns   |
| 9     | Central Public Sector Undertakings and State PSUs   |
| 10    | Low Ash Metallurgical Coke and Petroleum Coke Units   |
| 11    | Units engaged in Leather Tanning  |
| 12    | Refining of Engine Oil  |
| 13    | Cement  |
| 14    | Any other industry or activity placed in negative list through a separate notification as and when considered necessary by the State Government   |



**Government of Meghalaya**  
**Department of Commerce and Industries**