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NOTIFICATION

The 8th December, 2000. Whereas the Government of India announced New Industrial Policy for the North Eastern Region vide its notification No. EA/1/2/96-IDP dated 24th December, 1997.

And whereas the Government of Mizoram felt it necessary to announce a New Industrial Policy in the new Millenium, 2000 for accelerated industrial and economic development of Mizoram in view of the New National Industrial Policy and the New Industrial Policy for the North Eastern Region.

Now, therefor, the Governor of Mizoram is pleased to announce and notify the New Industrial Policy of Mizoram as appended hereto in supercession of the Industrial Policy of Mizoram State, 1989 notified under Memo No.B.16013/4/88-IND dated 15th March, 1989.

The New Industrial Policy shall comence on and from the date of publication in the Official Gazette.

Sd/-

L.R. Laskar

Secretary to the Govt. of Mizoram
Industries Department

**THE
NEW INDUSTRIAL POLICY
OF
MIZORAM
2000**

(English Versions)

**INDUSTRIES DEPARTMENT
GOVERNMENT OF MIZORAM**

NEW INDUSTRIAL POLICY OF MIZORAM, 2000

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THE NEW INDUSTRIAL POLICY OF MIZORAM, 2000

INTRODUCTION

The Industrial Policy of Mizoram State was first notified on 15.3.1989. Since then significant progress has been made in the field of small scale industries. Significant progress of Handloom and handicraft sector has also become noticeable in the State.

In view of the liberalised economic policy of the country and the new Industrial Policy for the North Eastern Region, the morale of the existing and the prospective entrepreneurs is seen to be upbeat in Mizoram. In order to bring about further industrial development in the State, the Government of Mizoram considers it necessary to announce a new set of policy supports.

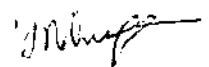
After extensive consultations with the concerned Government Departments, Mizoram Industries Association and other agencies and after holding seminars on the subject attended by people with wide ranging experiences in industries and allied subjects, the State Government has decided to adopt "The New Industrial Policy of Mizoram, 2000", befittingly in the wake of the New Millennium.

This new industrial policy is expected to bring about welcome results in the field of industrial development for the benefit of the people of Mizoram. We have incorporated a mechanism in this New Policy for constant review and adjustment of those policy decisions as new trends and developments may demand in future.

I have the pleasure in recording my appreciation of the tireless efforts of the senior officials of the Industries Department and all others who give full support and co-operation which alone enable the Government to evolve this New Industrial Policy of Mizoram, 2000.

Place: Civil Secretariat,

Date :



(H.V. LALRINGA)
Mizoram, Aizawl.

NEW INDUSTRIAL POLICY OF MIZORAM, 2000

PART - I

Policy Framework

1. Background :

1:1. The Industrial Policy of Mizoram State was first notified on 15.3.89 with a view to give direction to the strategies for industrial development of the State. While announcing the said policy statement, the Govt. of Mizoram took full cognizance of the Industrial Policy Resolutions of the Govt. of India announced during 1948-1956 and the amendments made thereof during 1973, 1977 and 1983. Policy resolutions were taken on 1989 with a sense of commitment to the people of Mizoram to improve the economy of the State and thereby bring about higher quality of life and happiness.

1:2. While making the policy resolutions in 1989, the Govt. was fully aware of the objectives of the Central Govt. in regards to upgradation of technology, export promotion, balanced growth, broad-basing entrepreneurial skill and to improvement of technical skill for rapid growth of industries under a fast changing industrial scenario of the country.

1:3. The Industrial Policy of Mizoram 1989 laid stress on reducing shifting cultivation by encouraging a shift from primary to secondary sectors by way of developing rural industries like handloom and handicraft and village and cottage industries. Priority was assigned to agro-and forest-based industries, handloom and handicraft industries, sericulture industries and electronics industries. The policy, interalia, even development of all sectors, large and medium, small scale, tiny, village and cottage industries. For rapid development of all these sectors, various ki organizational

and marketing supports, and schemes for infrastructure development and manpower development apart from initiating several state-level incentive schemes to attract prospective entrepreneurs were announced by the Government.

- 1:4. Industrial Policy of 1989, considering the nascent stage of development in the State laid accent on protection of the local small scale entrepreneurs in order to safeguard the socio-cultural and ethnic identity of the indigenous enterprise of Mizoram. Therefore, setting up of industries in the small scale sector by outsider was not allowed. However, investment from outside was allowed in medium and large scale industries in joint and assisted sectors.
- 1:5. Approach to industrial development in the State since then was based on the following resolutions of Industrial Policy of 1989.
 - 1:5:1. Setting up of viable industrial projects in large and medium sectors through State-owned corporation.
 - 1:5:2. Setting up of modern small scale industries at the level of private entrepreneurs by providing all necessary promotional supports with the help of incentive schemes.
 - 1:5:3. Development and promotion of artisan-oriented industries like handloom and handiercraft, village and tiny industries in rural areas by providing necessary supports like grant-in-aid, subsidies, raw-materials, shed, marketing and training facilities etc.
 - 1:5:4. Development of infrastructure.
 - 1:5:5. Manpower development.
 - 1:5:6. Development of electronics Industry.
 - 1:5:7. Strengthening of organizational set up.
 - 1:5:8. Exploration and development of mineral resources.

- 1:6. The intention of the government of Mizoram while announcing its first Industrial policy was not industrial growth per se but was rather directed towards all round development in the interest of the indigenous people of Mizoram and towards giving them gainful employment and self-employment opportunities in the industrial and allied sectors.
- 1:7. As a result of a policy direction given during the 8th plan period, significant growth in small scale industries, increase in production, awareness amongst the local entrepreneurs to set up modern small scale industries, availability of technical manpower and improvement in basic infrastructure and agro based industries are now noticeable in the State. It has been observed that, though there is no lack of enthusiasm amongst the local entrepreneurs to go for hi-tech investment, lack of finance and lack of locally available resources are the main bottle-necks. Further, resources at the level of the government is also very limited to fund big projects through the public sectors undertaking.
- 1:8. In view of the continuing backwardness of the North Eastern Region, the Government of India vide its notification No.EA/1/2/96-IDP Dt.24th Dec.1997 announced New Industrial Policy for the North Eastern Region. This Policy aimed at encouraging investment in the industrial sector by announcing fiscal and other incentives for the purpose of overall economic growth of this region.
- 1:9. In view of the National Industrial Policy and the New Industrial Policy for the North Eastern region, the Government of Mizoram felt it necessary to announce a New Industrial Policy in the new millennium, 2000 for accelerated industrial and economic development of the State.

2. Aims and objectives:

2:1. The main aim of this New Industrial Policy of Mizoram, 2000 will be to engineer rapid growth in the State by industrialization of the State to a sustainable extent for the fulfillment of the following objectives :

2:1:1. Enrichment of industrial growth potential lying in the sectors like agriculture, horticulture, forest and establishment of proper linkage amongst the industries based on resources available in these sectors.

2:1:2. Formation of suitable mechanism for attracting and growth of capital formation in Mizoram by taking full advantage of the policy changes initiated by the Central Government in respect of industry, trade and commerce from time to time.

2:1:3. Identifying and developing entrepreneurial and managerial skills by providing suitable training programmes at District, Sub-Division and Block levels and to create facilities for training of industrial labour on sustained basis.

2:1:4. Ensuring balanced sectoral and regional growth by promoting industries under all sectors.

2:1:5. Promotion and modernization of textile industry including traditional Sericulture and Handloom and Handicraft sectors by induction of improved design, quality and technology so as to make textile industry a potential export-oriented sector.

2:1:6. Encouraging joint ventures between local entrepreneurs and industrialists from outside the State on selective basis.

2:1:7. Encouraging joint venture from outside the State with State's own public sector undertakings and with resourceful

- 2:1:8. Encouraging self-employment especially among technically qualified unemployed persons of the State for generating additional employment opportunities in the State.
- 2:1:9. Allowing convergence of activities of all government agencies so as to make a concerted approach towards industrial growth.
- 2:1:10. Identifying sick industries and take measures for the revival of such units which have the potential to turn around.
- 2:1:11. Making Mizoram a major center for the growth of fruit and food based industries by encouraging plantation and growth of different kind of live-stocks in the State.
- 2:1:12. Making major entry in bamboo-based industries by optimum utilization of bamboo resources of Mizoram.
- 2:1:13. Developing Mizoram as an attractive region for tourism industries.
- 2:1:14. Encouraging quality control, standardization and competitiveness of the local products.
- 2:1:15. Envisaging industrial development in Mizoram by encouraging private entrepreneurship and confining the role of government to that of promotional and catalytic agent for the growth State.
- 2:1:16. Ensuring minimization of pollution and encouraging eco-friendly units.
- 2:1:17. Encouraging industry based on medicinal plants and encouraging Research and Development in this field.

3. Approaches:

The Government, therefore, shall adopt the following approaches to achieve the desired objectives:

3:1. Identification of thrust areas and promotion of specific industries.

(Para 4)

3:2. Announcement of a package of fiscal and other incentives.

(Para 5)

3:3. Catalyze development of industrial infrastructure.

(Para 6)

3:4. Provide special promotional packages for rural and traditional industries and for industries based on sericulture.

(Para 7)

3:5. Re-structuring of public sector undertaking to make them more efficient for achieving commercial viability.

(Para 8)

3:6. Evolving rehabilitation package for sick industries.

(Para 9)

3:7. Development of market support system including encouragement of export market.

(Para 16)

3:8. Development of appropriate training facilities.

(Para 10)

3:9. Encouragement of Research and Development activities

(Para 11)

3:10. Adoption of new administrative measures to back up the system.

(Para 12)

- 3:11. Adoption of broad policy on Foreign Direct Investment (FDI) and Joint venture (JV) proposals keeping in view the necessity of safeguarding the interest of the tribal entrepreneurs and tribal population of Mizoram.

(Para 13)

- 3:12. Development of a mechanism for protection of environment and affluent reduction and phasing out use of chemical dyes and to prevent pollution in industrial sector.

(Para 14)

4. Thrust areas and encouraging growth of specific industries in these areas :

- 4:1. Identified thrust area for concentrated industrial development will enjoy additional incentives as follows. Major thrust, however, will be on small scale sector and local resources based industries.

4:1:1. Electronics and Information Technology :

Electronics & Information Technology is going to be the industry of the new millennium. The pollution free atmosphere in the State is congenial for development of this sector. The State government will attach top priority to these sectors and will announce a separate policy on Information Technology.

4:1:2. Bamboo-based and timber-base products:

The vast Bamboo resources of Mizoram will be optimally exploited for setting up of industry for bamboo-based products such as fibre-board, bamboo mat-ply, different kind of house-hold products and high quality toothpick, chop-stick and joss-stick. This sector, therefore, will attract special attention of the Government. Plantation of high value timber and bamboo will be encouraged to sustain timber-based industries. Timber-based and bamboo-based industries will be encouraged to the limit sustainable by the Mizoram ecology and environment.

4:1:3. Food and Fruit processing Industries:

The climatic condition of Mizoram is favourable for cultivation and growth of various kinds of fruits. The condition is also very favourable for poultry and animal husbandry. Government shall therefore, encourage development of these sectors so that raw-materials base for food and fruit processing Industry, mainly at the level of private entrepreneurship, is well developed. Further, the State government shall encourage contract farming between the growers and processors. Contract farming has been introduced for backward linkages between the growers and the processors.

4:1:4. Textile, Handloom and Handicraft Industry:

Handloom and Handicrafts, which is a traditional industry in Mizoram, will continue to receive prime attention from the government. Modernization of this sector by induction of improved design and technology to make it an export oriented sector will be encouraged and promoted. Export oriented textiles and readymade garments industries will receive special attention of the government. Induction of power-looms will be encouraged selectively while safeguarding the interests of traditional weavers of Mizoram.

4:1:5. Plantation Fibre and Hill Brooms :

Industry based on plantain fibre and Hill Brooms will be encouraged keeping in view the sustained extraction of such items from the forest of Mizoram.

4:1:6. Tung Oil and Non-edible oil extraction :

With the encouragement and assistance of the State government, vast area of land has been planted with Tung trees at the village level. The indigenous demand of Tung oil is in laminates, paints and ink industries, which, at present, is being met in India by import only. Extraction of oil from Tung seeds will be considered by the government as priority industry and will be encouraged.

Extraction of Citronella oil, having ready market in pharmaceutical and health-care industries will be encouraged. In addition, plantation of edible oil seeds and extraction of oil thereof will be encouraged.

4:1:7. Tea, Rubber and Coffee Industry :

Entire Mizoram has been declared as non-traditional area for Tea development which qualifies to receive incentives unlike traditional areas. Tea plantation is not new in Mizoram. However, scientific and commercial Tea Plantation will be encouraged as family oriented scheme, with encouragement for setting up of processing plants in the private sector. Coffee and Rubber based industries will receive due attention from the government for their cultivation and processing. Interest of indigenous labourers will be protected while promoting tea industry.

4:1:8 . Industry based on Mines and minerals:

As the whole of the State is far-behind in development of mines and minerals, all proposals for setting up units based on mines and mineral resources of Mizoram will receive attention and will be promoted. Units based on indigenous and imported gems and gemstone will receive special attention of the government.

In different places in Mizoram, shell limestone deposit has been identified. These deposit will be used as raw materials for producing decorative slabs for building and other applications. Units sourcing such deposits will be encouraged.

4:1:9. Tourism Industry :

Mizoram with its soothing climate and exquisite natural beauty resting on the undulating hills and greenery, offers good scope for developing tourism Industry. Government will encourage and promote this industry.

4:1:10. KVI Sector Units :

Industries on KVI Sector patronised by KVIC will also continue to receive patronage from the state Government as units in this sector generates a large number of employment and items of common – use.

5. Fiscal and other incentive:

To encourage flow of capital into industrial sector, the State Government announces an attractive package of fiscal and other incentives to the entrepreneurs in addition to the various types of incentives already offered by the Government of India. Further, special incentives are offered by the State to industries set up in thrust areas. Details of this scheme can be seen under Part-III.

6. Development of infrastructure:

Infrastructure is a pre-requisite for Industrial development. The government will take integrated approach towards improvement of basic infrastructure in the State like road, power, communication and water supply.

Industries department will take the responsibility of providing inbuilt infrastructure facilities to the suitable types of Industries by establishing Growth Centers, Industrial Estates, Export Promotion Industrial Park, Information Technology Park Integrated Infrastructure Development Centre, Special Economic Zone and Industrial Areas.

7. Special promotional package for rural and traditional industries:

To make the rural economy self-sustained and to check the migration of rural population into urban area, it will be necessary to strengthen the non-farm sector in the rural area by encouraging establishment of village, cottage and tiny industries. Special promotional measures will be undertaken by the government to strengthen this sector.

8. Re-structuring of State public sector undertaking:

The public sector undertaking set up by the government of Mizoram to serve specific purpose could not perform up to the expectation. Most of them are running with accumulated loss inspite of their contribution to the social sector. The role of public sector undertaking will be reviewed by the government and re-structuring and rehabilitation, will be undertaken leading them to commercial viability.

9. Rehabilitation package for sick industries:

Sick Industries will be identified and their cause of sickness will be studied. A model rehabilitation package will be evolved for those sick units which merit revival.

10. Training facilities:

The State government recognizes that the basic problem in the process of industrialization in the State is lack of technical, managerial and entrepreneurial skill among the people. The State government will continue its efforts infrastructure in the State and open more training centers in various disciplines to ensure supply of technical man-power to meet the requirement of local industries. The Department of Industries will organize chain of EDPs in collaboration with IDBI, SIDBI, NEDFI State PSUs, MIA proposal 21-09-2000 and other agencies.

11. Research and Development facilities :

In order to achieve TQM, it is necessary to encourage and facilitate setting -up of R/D cells/ Division in as many units as possible. Government will consider formulating a separate set of Rules for providing 100% Grant for setting-up R & D cell/ Division in Industrial units

12. Administrative support:

The government will take all possible administrative measures to oversee implementation of the resolution taken in the present policy frame work. The details of such measures are elaborated at Part-II of this Policy.

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

13:1. Mizoram is economically backward state inhabited by a distinct ethnic group of people having their own socio-cultural religious identity. The State government nevertheless, will encourage foreign direct investment and from outside the State with caution and restraint so as to safeguard the socio-cultural economic interest identity of the indigenous people of Mizoram. The State government fully appreciates the policy of privatisation, liberalization and globalization and the benefit being derived thereof due to inflow of capital in the privatisation industrial sector in our country, and therefore, does not like to lag behind other States to attract investment from outside but will adopt a cautious approach keeping in view the interest of the tribal population of Mizoram. FDI in fruit and Bamboo processing sector will be given higher preference.

13:2. The Government reserves the cottage, village & tiny industries for development at the level of local entrepreneurs only. However, in case of small scale industries, investment in plant and machineries anything above Rs.50.00 lakhs will be open for investment from outside for joint venture with local entrepreneurs only in the thrust areas. Any such investment proposal should be submitted to the government in detail for consideration and clearance.

13:3. FDI and investment from outside the State in the large and medium sectors only in the thrust areas will be encouraged in joint sector with State PSUs or/and with resourceful local entrepreneurs as this can induce ancillarization and establishment of down stream industries in the State in small scale sectors, and generate employment opportunities to the local people.

Any such investment proposal has to be submitted in detail to the government for consideration and clearance. For an attractive proposal which will contribute to the economy of Mizoram, the government will make the land available to the promoters of such proposal on long-term lease basis.

- 13:4. In the Joint-Venture sector, non-supervisory and non-technical employments will be reserved to the local people whereas preference will be given to local talents in technical employment.

14. **Environment and Pollution control:**

- 14:1. All new units, excepting those under IT sectors, will necessarily obtain clearance from State Pollution Control Board.

- 14:2. All existing units shall also endeavour to make their units compatible to Rules and Regulation under State Pollution Control Board within 3 years from the date of issue of this Policy.

- 14:3. Prior clearance of Department of Environment & Forest, Government of Mizoram shall be obtained before setting up new units in areas other than Industrial Estates, Growth Centre, EPIP, IT Parks, MIDC and declared industrial area.

PART - II

ADMINISTRATIVE SUPPORT SYSTEM

With a view to take an integrated approach toward industrialization of the State, the following administrative measures will be adopted:

15. Cabinet Committee for Investment Promotion (CCIP) :

There will be a Cabinet Committee for Investment Promotion (CCIP), of which the Chief Minister will be the Chairman. This Committee will be the final authority to give clearance to any proposal for Joint Venture and for investment coming from outside the State including foreign direct investment (FDI). This Committee will also give direction to various Department for proper implementation of the policy on such investments and Joint Venture proposals.

16. Mizoram Investment Promotion Committee (MIPC) :

A Mizoram Investment Promotion Committee will be constituted with the Chief Secretary of the State as its Chairman and the Secretary Planning, Secretary Finance, Secretary Industries, Director Industries and President MIA as Members. This Committee will sit at least once in six months to over-see implementation of the policy resolutions on investment and Joint Venture proposals and will issue direction down- stream and advice up-stream on such matters. Proposal cleared by MIPC will be placed to the CCIP for final decision. The Chairman of the Committee will have the discretion to co-opt members of Industries Associations into the Committee.

17. Market support system:

The State government will provide a strong and effective marketing support to the local industries by taking various measures including revision and effective implementation of the State Government Preferential Store Purchase Rules. The State government will consider formation of Market Promotion Council under the New Industrial Policy of Mizoram, 2000 which will function in an advisory capacity. This Council will co-ordinate and

interact with the marketing agencies elsewhere to promote sales of local products inside and outside the country. One of the major areas of operation of this Council will be export promotion of locally identified exportable products like garments, processed foods, handicrafts and handloom product as well as products from agro-forest based industries.

18. **Single-window clearance:**

A prospective investor should get all his requirement and information relating to setting up of a Industry cleared through a single authority. The Department of Industries will offer this single window facility through a Green Channel Committee of officials of all other concerned Departments and the Committee will be headed by the Secretary, Industries.

19. **Rehabilitation Cell for sick units:**

A Rehabilitation Cell in the Department of Industries will be set up and will be headed by the Director of Industries. This Cell will work in co-ordination with Zoram Industrial Development Corporation(ZIDCO) and will jointly participate in analyzing the viability of the sick industries of the State and suggest measures for their rehabilitation. A separate mechanism for Rehabilitation of Sick Units will be evolved by the Industries Department.

20. **Public Enterprise Cell:**

A Public Enterprise Cell will be constituted in the Department of Finance to over-see functioning of the public sector units and formulate guidelines for revamping their management and for organizational and structural adjustment. This Cell will be headed by the Secretary, Finance Department with members from Planning and concerned Departments under which the PSUs are created. The Secretary Industries and Director, Industries shall also be the Members.

21. Task Force for Fast Track implementation of Industrial Projects:

A standing Task Force will be constituted in the Industrial Department to identify specific Industrial Projects that can be implemented by placing them on Fast Track. Depending on the techno-economic viability of such projects, project profiles will be prepared for distribution to the interested entrepreneurs. Reputed consultants may be co-opted to the Task Force who can tender advice on technological aspects of a Project including marketing of products.

P A R T – III

Incentives

22. Incentive Scheme, 2000:

From the date the New Industrial Policy of Mizoram, 2000 will come into force, a new package of incentives (herein after referred to as Incentive Scheme of 2000) shall come in- to force and shall remain in operation till such time the State Govt., gives due notice towards discontinuance of its operation or till amendments are made to the Scheme. The commitments already made under this Scheme shall not be adversely affected by any such discontinuation or amendment.

23. Eligibility :

23:1. All new industrial units in the private, State public Sector and in Joint Sector set up on or after 24-12-1997 will be eligible under Incentives Scheme of 2000.

23:2. Existing industrial units undertaking expansion, modernization or diversification made on or after 24-12-1997 shall be eligible for the incentive for the expanded portion only under this Scheme..

- 23:3. To be eligible for this incentives, the Industrial units should be located and have their registered Offices in the State of Mizoram.
- 23:4. Those existing industrial units which have already availed of incentives similar in nature under the Incentives Scheme of 1989 and thereafter shall not be eligible under Incentives Scheme of 2000.
- 23:5. Special preference shall be given in the matter of incentives available from State and Centre to those units located in Growth Centre, EPIP Industrial Estates and such other areas identified and declared as such by the State Government..

24. New Units:

An industrial units which has undertaken one or more 'effective steps' on or after 01-04-2000 would be considered as a new unit for the purpose of Incentive Scheme of 2000.

Explanation :

Effective Steps : Effective steps means one or more of the following steps :

60 p.c. or more of the capital issued for the industrial unit has paid up.

Substantial part of the factory building has been constructed.

A firm order has been placed for substantial part of the plant and machinery required for the industrial unit.

25. Existing Units:

Any industrial unit which is/was in commercial production at any time prior to 24-12-1997 would be considered as an existing unit for the purpose of incentive scheme of 2000.

26. Continuance of Existing Incentives:

The existing incentives offered under the New Industrial Policy of Mizoram, 2000 shall not be applicable to units which were sanctioned incentives under the rules of incentives/subsidies under the Industrial Policy of Mizoram State, 1989. All such units will continue to be governed by the provisions of sanctions already issued under the relevant rules of the Industrial Policy of 1989. However, the units which were set up prior to the commencement of this Scheme, but have not so far availed any of the benefits under afore-mentioned rules may choose to exercise one-time option in favour of either of the Schemes.

The incentives offered under the Rules for the grant of incentives/subsidies under the Industrial Policy of Mizoram State 1989 are as follows and all new units set up on or after 24-12-1997 shall be eligible to these incentives:

- | | | |
|---------|---|--------------|
| 26:1:1. | Subsidies on the cost of Project Report(Appendix-A) | |
| 26:1:2. | Land subsidy | (Appendix-B) |
| 26:1:3. | Factory rent subsidy | (Appendix-C) |
| 26:1:4. | Manpower development subsidy | (Appendix-D) |
| 26:1:5. | Interest subsidy | (Appendix-E) |
| 26:1:6. | Power subsidy | (Appendix-F) |
| 26:1:7. | Subsidy on Power Line | (Appendix-G) |
| 26:1:8. | Subsidy on Power Generating set | (Appendix-H) |
| 26:1:9. | State Transport subsidy on Plant and Machinery. | (Appendix-I) |

26:1:10

Existing State Rules for grant of incentives/subsidies also will be reviewed by the Government to incorporate suitable amendments conforming with the New Industrial Policy of Mizoram, 2000.

27.

New incentives:

In addition to the existing incentives, the government of Mizoram offers further incentives under the New Industrial Policy of Mizoram 2000 as follows :

27:1.

State Capital Investment Subsidy:

An investment subsidy on the total investment made in plant and machinery shall be provided on a graded scale to the new industrial units. It will be available to both new units as well as to existing units carrying out expansion, diversification and modernisation activities.

The graded subsidy will be as under :

Types of Industry	Subsidy eligible in general	Subsidy eligible to unit set up in the thrust area
i) Artisan and tiny scale units	15% of total capital investment in plant & machinery	20% of total investment in plant & machinery
ii) Small scale capital units	10% of total capital investment in plant & machinery subject to a maximum of Rs. 5.00 lakhs	15% of total investment in plant & machinery subject to a maximum of Rs. 7.00 lakhs
iii) Medium scale units	5% on total capital investment in plant & machinery subject to a maximum of Rs. 10.00 lakhs	10% of total capital investment in plant & machinery subject to a maximum of Rs. 15.00 lakhs

27:2. Concession on State and Central sales tax :

State Sales Taxes shall be exempted for a period of 7 year from the date of commencement of actual commercial production. However, for the units set up in the thrust area, the exemption period will be 10 years.

Exemption of Central Sales Taxes and Excise duties will be governed by various Notifications/Orders issued by Government of India in this regards. [Existing orders are annexed at Appendix]

27:3. Price preference :

Price preference will be given for the products of local units as per the provision of Mizoram Preferential Stores Purchase Rules 1994. Broadening and depending of the coverage of the Rules will be carried out.

27:4. International Standard Organization/Bureau of Indian Standard certification:

The State government shall encourage the small Industries to obtain Bureau of Indian Standard (BIS)/International Standard Organization(ISO) Certificate for their product to enable them to

complete at the State and National levels. For this purpose, the State Government shall re-imburse 100% of the expenditure incurred on registration fee, testing fee, marking fee and purchase of testing equipment subject to actuals up to the maximum limit of Rs.1,00,000/-.

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This limit shall be Rs.1,50,000/- for units set up in the thrust areas.

27:5. Subsidy on registration fee of promotion council, commodity board and chamber of commerce:

The amount spent by an industrial unit in obtaining a registration with recognised promotion council, commodity board, chamber of commerce etc., shall be re-imbursed to the unit subject to a limit of Rs.20,000/- or the actual registration fee which ever is less.

27:6. Incentives for export oriented units:

27:6:1. For 100% Export Oriented Units(EOU).

An additional 5% capital investment subsidy for investment on plant and machinery subject to a maximum of Rs.5.00 lakhs will be made available to 100% EOUs.

27:6:2. Other units with an export commitment of less than 100% of the total turn over.

An additional 2% of capital investment subsidy for investment of plant and machinery subject to a maximum of Rs.2.00 lakhs will be make available to units of less than 100% export commitment.

28. State-level Review Committee:

This Policy statement shall be reviewed and recommendations made annually for adjustments and for providing additional policy support to the industry by a State-level Review Committee to be

headed by Secretary, Industries Department, Government of Mizoram with Members drawn from various Departments involved in Industrial development of Mizoram. The State Pollution Control Board, Environment and Forest Department, Geology and Mining Wing of Industries Department and Mizoram Industries Association will also be represented in the Committee. Recommendations so made shall be placed before the Cabinet for their consideration.

APPENDIX - A

Reimbursement of the cost of Project Report :

Reimbursement of the cost of preparation of Project Reports prepared by agencies approved by the State Govt. will be made after effective steps are taken by the entrepreneurs as follows :

- (i) 90% in case of tiny units subject to a ceiling of Rs.5000 per unit.
- (ii) 75% in case of small scale and ancillary units subjects to a ceiling limit of Rs.25,000/- per unit.
- (iii) 50% in case of medium and large units subjects to a ceiling limit of Rs.50,000/- per unit.

APPENDIX - B**Land Subsidy :**

(i) The State Government will endeavour to allot land to new industrial units excepting Village and Cottage Industries. The State Government shall give special consideration for the allotment of Government land for industrial purpose.

(ii) The Developed land in the Industrial Growth Centres will be allotted to the eligible units in accordance with the procedures prescribed by the implementing authority and 25% of the cost of the land will be subsidised by the State Government for Small Scale Units and the remaining amount will be recovered in 15 equal annual instalments. The allotted land will be permitted to be utilised by the units for mortgage purposes for raising loan from banks and financial institution.

(iii) In regards to undeveloped land allotted to an entrepreneurs within the declared industrial area the cost of the land will be recovered in 15 equal annual instalments from tiny, small, ancillary, medium or large industries. As for small and tiny units the State Government will reimburse 25% of the actual amount spent by them in developed of such allotted land.

(iv) The allotment of land above mentioned to a non-Mizo/non-tribal entrepreneur will be subject to the relevant provisions of laws, rules and regulations dealing with the subject.

APPENDIX - C

Factory Rent Subsidy to Small Scale Industries Units : Built up factory sheds in the Industrial Estates will be allotted to entrepreneurs of the small scale and tiny sectors on monthly rent basis and the State Government will reimburse 50% of the duly assessed rent for the period of 5 years from the date of commercial production.

APPENDIX - D

Subsidy on Manpower Development : The industrial units which are already gone into production sending their workers outside the State for managerial and technical training for upgradation of their skills to a Government recognised institution or registered/licenced industrial unit shall be given subsidy provided that they give undertaking to the effect that all such trained workers will continue to be employed by them after their training. 50% of the actual expenditure with upper ceiling limit of Rs.3000 per trainee will be reimbursed subject to Rs.25,000 per unit for these years.

APPENDIX - E

Interest Subsidy : The entrepreneurs will be given 4% subsidy of interest charge by financial institutions for term and working capital loans for a period of 5 years from the date of commissioning of their units subject to timely repayment of the loans. The subsidy amount will be reimbursed to the entrepreneur on production of the relevant documents showing repayment of the loan/interest amounts.

APPENDIX - F

Power Subsidy : Expenditure on power consumption by small scale units to the extent of 60% 50% for medium scale and 30% to large scale units will be reimbursed by the State Government for a period of 5 years from the date of commercial production. This subsidy will be allowed only for actual consumption of power in manufacturing processes and will not be allowed for residential purposes.

APPENDIX - G

Subsidy on drawal of Power Lines : 50% of the cost incurred on drawal of electric power line from the main line to the factory shed will be subsidised subject to a ceiling Rs.50,000 for each industrial unit.

APPENDIX - H

Subsidy on Power Generating Set : 50% of the cost of generating set actually purchased by the industrial unit will be subsidised subject to a maximum of Rs.3.00 lakhs for purchase and installation of captive generating sets. The units will also not be liable to pay electricity duties on power generated by captive generating set and used for production purposes in such units.

APPENDIX - I

State Transport Subsidy on Plant and Machineries : 50% of the actual ^{cost} ~~list~~ of transportation of industrial plant and machines from the place of purchase up to the location of the unit will be reimbursed by the State Government. The basis of calculation of the amount to be reimbursed will be the official document proving the cost of transportation through rail, transport agency etc.