



Fiscal Incentives, Exemptions & Subsidies

Incentives:

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

State Capital Investment Subsidy: The State Government will provide Subsidy to the industries establish in thrust areas 30% on the total capital investment on plant and machinery and miscellaneous fixed assets subject to ceiling of Rs. 15.00 lakhs per unit. For EOUs, the rate of subsidy shall be 35% subject to a maximum of Rs. 20.00 lakhs per unit.

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

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

Interest Subsidy:

Small Scale Industries will be provided an interest subsidy of 5% per annum on working capital and term loan taken from banks and financial institutions. This subsidy will be available for the first five years from the date of commercial production or from the date of release of loan in case of revival of sick units. In case of weaker sections and EOUs, the subsidy will be 7% per annum. However, in case

of working capital the subsidy will be computed for the actual period which the industrial unit has been in commercial production during the first 5 (five) years from the beginning of commercial production.

Exemption of Local Sales Tax:

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

Reimbursement of Stamp Duty and Registration:

Small Scale, Village and Cottage Industrial Units will be reimbursed in full for the amount paid towards Stamp Duty and Registration Fee for securing loans and other incentives from financial institutions including mortgage of fixed assets. The reimbursement will be admissible after disbursement of loan by financial institutions/ banks and will be subject to condition that the assets mortgaged would not be transferred for a period of 5 (five) years.

Subsidy for Modernisation/Expansion/Diversification:

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

Exemption of Earnest Money and Security Deposit:

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

Special Incentives for IT Industries:

For IT industries (hardware and software) the incentives stated in other clauses, would be applicable as a thrust sector industry, unless specified otherwise. In

addition, an IT industry would be given the following incentive support:-

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

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

