



Meghalaya

Fiscal Incentives, Exemptions & Subsidies

SUBSIDIES AND INCENTIVES

Government of Meghalaya will provide a package of subsidise, incentives and assistance to the small scale as well as medium and large scale categories of industry in Meghalaya under "The Meghalaya Incentives Scheme 1997". Further a "Tourism Unit" as defined at Annexure of this policy will also be entitled to the above package of subsidies, incentives and assistance.

PACKAGE SCHEME OF INCENTIVES 1997

SMALL SCALE INDUSTRIES (SSI)

State Capital investment subsidy

State capital investment subsidy on cost of land, building, plant and machinery will be provided to tiny and SSI units at the rate of fifteen percent of the fixed capital, subject to a ceiling of Rs. 3.5 lakhs.

In the event of Central Government granting similar such subsidy as above being greater than the same, subsidy of the State Government would be limited to the difference between the two subsidies.

Any unit with an export commitment at not less than twenty five percent of the total turnover will be eligible for an additional five percent investment subsidy subject to an overall ceiling of Rs. 5 lakhs.

Development Subsidy

Development subsidy will be provided at a rate of ten percent of the fixed capital investment, as defined in para D.3.6 above, subject to a ceiling of Rs. 1.5 lakhs for the actual expenditure on items listed below:

- Charges payable to statutory bodies for any permission and registration.
- Cost of pollution control equipments etc.

- Fifty percent of the fees (excluding recurring royalty) paid for the procurement of know-how from a well established and approved Research and Development Organisation.

This development subsidy will be reimbursed only after actual expenditure is made by the units.

Subsidy on the cost incurred for the Feasibility study and project reports

Subsidy will be provided at hundred percent for meeting the cost incurred on the preparation of feasibility /project report subject to a maximum of Rs. 25,000 provided that the report is prepared by a Government approved Agency.

Interest Subsidy

A subsidy on interest payment to banks /financial institutions will be provide at the rate four percent on term loans (excluding working capital loans) availed by an entrepreneur for setting up of approved industrial units subject to a maximum of Rs. 10,000 per month for a period of 5 years from the date of disbursement of the loan. This subsidy will be in the form of reimbursement of actual repayment made.

Sale Tax Exemption

Meghalaya Sale Tax will be exempted on sale of finished products for a period of 9 years from the date of commercial production.

Lower rate of Meghalaya Finance Tax

To encourage the local manufacturers in the State, the rate of Meghalaya Finance Tax will be lowered down from 12% to 4% bringing it at par with Central Tax (CST) rate so that such manufactures can compete with products coming from outside the state. Such reduction will be limited to only such selected items which are being manufactured or likely to be manufactured locally within the state as may be notified by the Government from time to time.

Additional Sale Tax incentive

An approved project may, in lieu of State capital investment subsidy, be granted Sale Taxes remission for an additional period of 4 years but limited to the amount of capital investment subsidy otherwise eligible. This additional investment will be in the form of reimbursement. Approved 100% EOUs will be entitled to receive an additional sale tax exemption for 1 (one) more year over and above the eligible period as indicated in para 8.0. and 10.1 above.

Price Preference

Price preference in accordance with the existing Meghalaya Preferential Stores Purchase Rules, 1978 will be allowed for all eligible units.

Exemption from Stamp Duty

An exemption of Seventy-five percent of the applicable Stamp Duty for the small/tiny scale units will provide to assist an entrepreneur in executing deed for financial assistance from Banks and Financial Institutions.

LARGE AND MEDIUM SCALE INDUSTRIES

State Capital Investment Subsidy

State Capital Investment Subsidy will be provided at the rate of thirty percent of the fixed capital investment subject to a ceiling of Rs.20 lakhs.

Subsidy for the Cost incurred on preparation of Feasibility Study and preparation of Project Report

Subsidy will be provided at ninety percent of the cost of preparation of feasibility / project reports to a ceiling of Rs. 2 lakhs provided that the report is prepared by a Government approved agency.

Interest Subsidy

A subsidy on interest payments to Banks/Financial Institutions will be provided at the rate of four percent on term loans (excluding working capital loans) availed by an entrepreneur for setting up of approved industrial units. This is subject to a maximum of Rs. 20,000/- per month for 3 years from the date of disbursement of the loan and to be applicable only for new units. The subsidy will be in the form of reimbursement of the actual repayments made.