



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)



Arunachal Pradesh State MSME Policy



MSME & Startup Committee, ICAI

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Message from Committee Leadership

Dear MSME & Startup Stakeholders,

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

Acknowledgement

We would like to extend our sincere gratitude to **CA Himanshu Srivastava** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Arunachal Pradesh**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

CA. Sanjay Kumar Agarwal
Vice Chairman
MSME & Startup Committee, ICAI

Industrial Development & Investment Policy, 2025 (AP-IDIP 2025)

1. INTRODUCTION TO THE POLICY

1.1. Brief State Profile and Policy Rationale

Arunachal Pradesh, the largest state in India's North-East, is blessed with rich natural resources such as hydropower, forests, bamboo, horticultural produce, and tourism potential. While road networks like the Trans-Arunachal Highway have significantly improved connectivity, the hilly terrain and logistical costs still pose challenges for businesses, particularly MSMEs.

The state's young population, with a literacy rate of 66.95%, offers a capable and trainable workforce. The Government of Arunachal Pradesh has been actively implementing various programs to enhance skill development and employment readiness. The 2025 policy is designed to strengthen industrial growth by focusing on areas such as manufacturing, food processing, tourism, bamboo-based industries, and handicrafts. It also emphasizes support for local entrepreneurs and startups through incentives, financial aid, and incubation facilities - fostering self-reliance and promoting women and youth participation.

1.2. Policy Importance

The AP-IDIP 2025 aims to move the state's economy from government-dependent spending to a private investment-driven model that supports MSMEs and employment generation. It aligns state incentives with national programs like UNNATI 2024 and introduces a clear, time-bound, single-window framework for businesses with defined eligibility criteria and exclusions.

The proposed objectives of the Arunachal Pradesh Industrial Development and Investment Policy, 2025 are:

- a. Build a supportive environment for investment and business growth in both manufacturing and service sectors
- b. Encourage local entrepreneurship by promoting industries that use the state's own natural and traditional resources, such as textiles, food processing, and tourism.
- c. Ensure balanced regional growth while protecting the ecological and cultural heritage of the state.
- d. Develop skill sets of local youth to enhance employability and entrepreneurship.
- e. Promote exports and connect Arunachal Pradesh's industries with national and international markets.
- f. Simplify business regulations to reduce procedural bottlenecks and promote transparency

1.3. Key Highlights

- Policy was notified as *Industrial Development & Investment Policy, 2025* and remains in force "until further orders." However, the policy has the registration window of 3 years from the date of notification.
- Offers a broad set of incentives including SGST reimbursement, power tariff subsidies, stamp duty reimbursement, and land lease benefits
- Introduces single-window clearance and local employment targets to attract investors and strengthen existing industries.

2. ABOUT THE POLICY

2.1. Definitions:

“Turnover” means the total monetary value realized from the sale of manufactured goods or services by an Industrial Unit or Enterprise during a financial year. Income from non-operating sources, such as interest, grants, subsidies, trading activities, or resale of goods, is excluded from turnover.

“Investment” refers to the capital expenditure made on plant, machinery, buildings and other long-term physical assets. Investments in land may also be included, subject to approval by the competent authority.

“Manufacturing Unit” refers to a unit involved in the processing of raw materials or inputs that results in the creation of a finished good, distinct in name, character and use.

“Services Unit” refers to businesses in sectors such as Hotels and Hospitality, Tourism (including Homestays, Adventure, Health Tourism, Eco-Tourism and MICE), Education (Vocational and Digital/ e-learning), Skilling, Music, Films and Entertainment, Sports, Biotech, Fin-tech and Financial Services, Healthcare (Secondary and Tertiary), IT-ITeS, BPO, EV Charging Stations and Tech-oriented startups offering services in areas like education, primary healthcare, agriculture and green innovations.

“Commencement of Commercial Production (Manufacturing Sector)” means the initiation of the production of finished goods on a commercial scale, following trial production and the full installation of plant and machinery, with all required raw materials and consumables available for manufacturing.

“Commencement of Commercial Operation (Service Sector)” means the start of operations or delivery of services on a commercial basis.

“Industrial Park” refers to a private industrial estate/industrial park/industrial growth center/ food processing park/ pharma park, or export promotion industrial park notified/ earmarked by the Government of Arunachal Pradesh for the purpose of setting up of Industrial Units in the State.

“Plant and Machinery” in the case of Manufacturing units shall cover industrial plant and machinery as erected at the site, which is newly purchased from the open market. It excludes relocated/ recycled/refurbished plants and machinery.

“Finished Good” refers to products that have undergone the full manufacturing process by processing of raw materials and are ready for sale or distribution. In the service sector, finished goods will be the final sellable product/service that is put out on sale by the enterprise. These goods are produced and supplied by an industrial unit registered in the state of Arunachal Pradesh.

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

sector) for the purpose of enhancement of capacity, modernization, diversification or additional line of activity.

ODOP - One District One Product: An initiative to promote local products, fostering economic development by identifying and branding one product per district.

2.2. Period & Applicability

- i. The policy was officially notified on 2nd April 2025 and came into effect from 1st April 2025.
- ii. The Policy shall have a registration period of three (03) years from the date of its notification (1st April 2025).
- iii. The policy replaces the earlier **Industrial and Investment Policy, 2020**. However, industrial units that are already availing benefits under the 2020 policy will continue to receive incentives until the completion of their entitlement period.
- iv. Industrial units registered under the existing policy and continuing to receive benefits thereunder shall not be eligible for incentives or benefits under the new Policy.

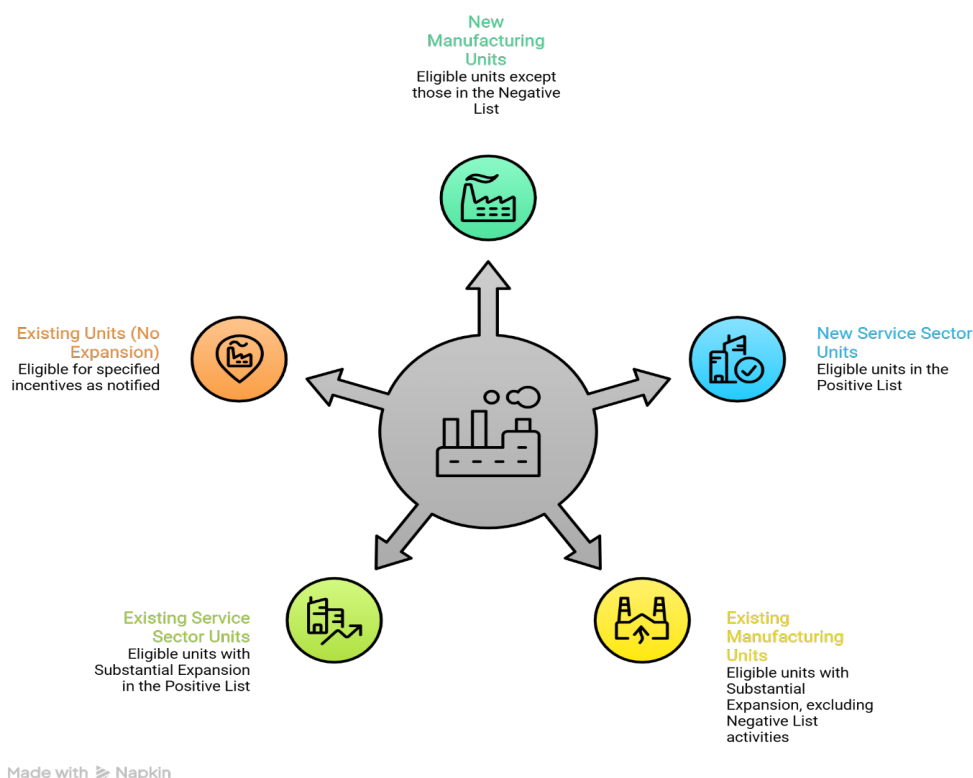
2.3. Terms & Conditions:

- i. Minimum local employment requirement: 20% managerial and 30% non-managerial staff from Arunachal Pradesh Scheduled Tribe (APST) communities within three years of commencement of commercial production/operation.
- ii. Industrial land lease: Up to 33 years, renewable for another 33 years
- iii. Negative list applicable (refer 2.4 below)
- iv. Eligible units must comply with State and Central laws, including environmental and labour regulations

2.4. Eligible/ Not Eligible Units:

- i. Industrial units eligible under Manufacturing and Service sector for incentive(s) under this scheme are as defined below:
- ii. All eligible units shall be entitled to avail incentives, subsidies, and facilities under this policy subject to compliance with the eligibility criteria and conditions specified in the respective rules or guidelines for each incentive.
- iii. Incentives under this policy will be claimed after the date of commencement of commercial production or operation, or from any appointed date, whichever is later, unless otherwise provided in the policy or procedural guidelines.
- iv. Units availing incentives under any other scheme of the Government of India or the State Government shall not be eligible for similar incentives under this policy. However, such units may avail other incentives under this policy as per their eligibility.
- v. Period Eligible units may avail specified incentives for the period defined under the respective incentive provisions of this policy.

Industrial Unit Eligibility



2.5. Registration of units

All new industrial units seeking to avail incentives under this policy must register with the Industries Department through the prescribed mechanism. The date of commencement of operations shall be duly verified and certified by the designated authority as notified by the Industries Department.

2.6. De-Registration of units

The Director, Department of Industries, may de-register any unit from the scheme upon receiving a formal request from the concerned unit, following the due process specified in the operational guidelines. In cases of omission or commission by any unit, de-registration under this policy may also be carried out by the Directorate with the prior approval of the Commissioner of Industries.

2.7. Obligations

The Policy imposes obligation of complying with the applicable State and Central laws on all industrial units. The applicable laws include but are not limited to the following:

- The Factories Act, 1948.
- The Environmental Protection Act, 1986.
- The Industries (Development and Regulation) Act, 1951.
- The Minimum Wages Act, 1948.
- The Arunachal Pradesh Labour Laws.

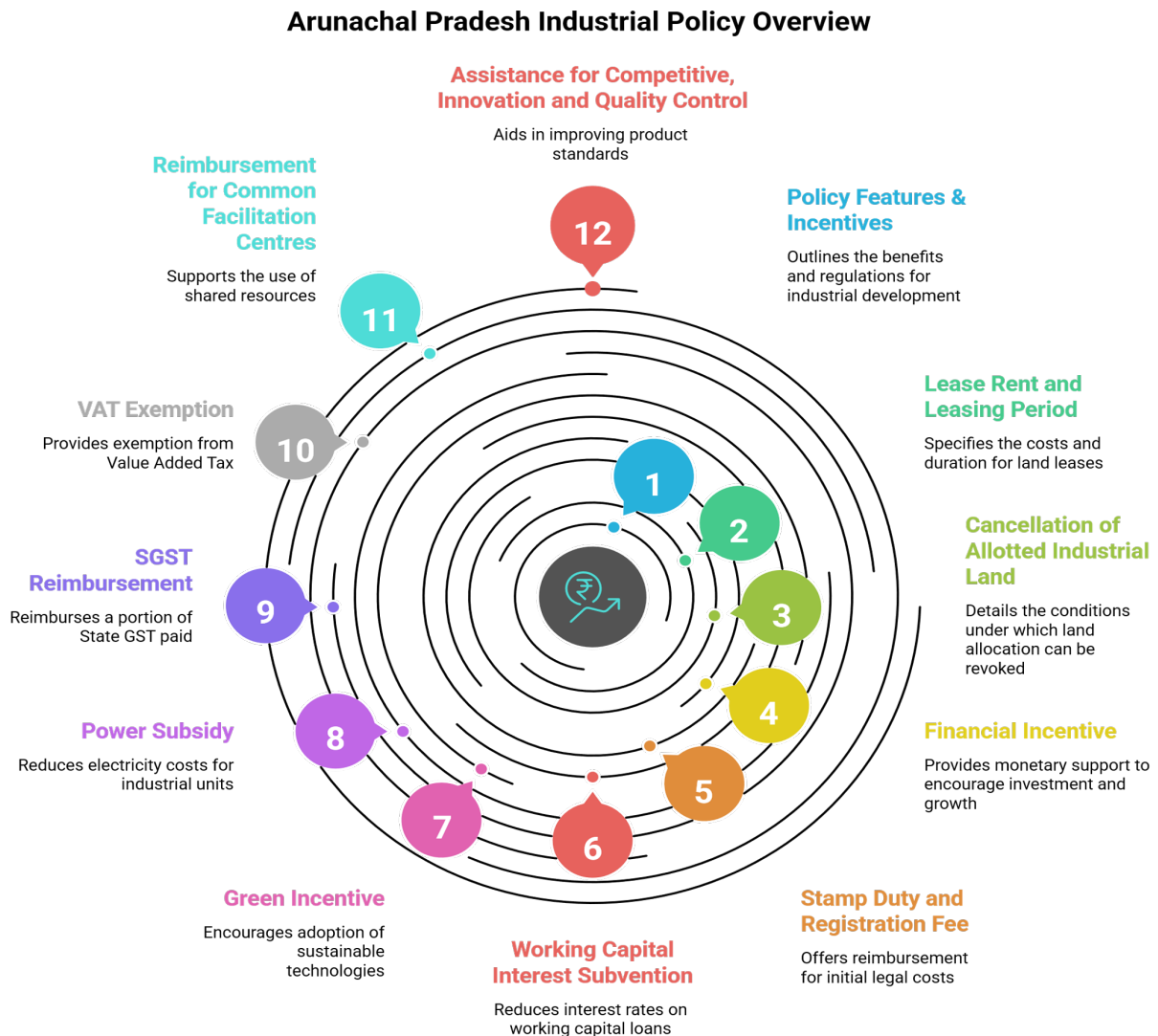
- The Employees State Insurance Act, 1948.
- The Employees State Insurance General Regulations.
- The Employees State Insurance Central Rules.

All industrial units must comply with the norms prescribed by the State Pollution Control Board regarding air, water, and noise standards for establishing an industry.

Each unit shall also employ a minimum of 20% Arunachal Pradesh Scheduled Tribe (APST) personnel in the managerial cadre and at least 30% in the non-managerial cadre within three years from the date of commencement of commercial production or operation. An Employment Certificate must be obtained from the competent authority accordingly. The unit shall adhere to all applicable labour laws concerning employment and wages.

Furthermore, industrial land allotted by the Department of Industries shall be used exclusively for the purpose for which it was allotted, unless a change in the approved line of activity is duly authorized through proper procedures.

3. POLICY FEATURES & INCENTIVES



3.1. Lease Rent and Leasing Period:

The policy specifies the lease rental terms applicable to industrial sheds and open plots situated within Industrial Growth Centres, Industrial Estates, and Integrated Infrastructure Development Centres:

- For industrial sheds (ready-built factory units located within designated industrial areas), the lease rent shall be INR 3 per square foot per month.
- For open industrial plots, the applicable rent shall be INR 1 per square meter per month.
- The standard lease period is 33 years, extendable for an additional 33 years upon renewal.
- The State Government has approved an amendment allowing a 50-year lease, which may be further extended by 49 years for government-owned industrial land or estates.
- Where land is leased from private landowners, the terms and conditions of lease shall be governed by the Arunachal Pradesh (Land Settlement and Records) Act, 2000.

3.2. Cancellation of Allotted Industrial Land

The Allotted Industrial Land may be cancelled if:

- allottee fails to establish the industry within the stipulated time period as per the approved project milestones.
- allottee fails to pay dues, rent, charges within time.
- unregistered product is manufactured.
- construction contrary to the approved plan.
- an activity injurious to industries has been engaged into.
- unit remains non-functional for an extended period of time.

3.3. Financial Incentive

Incentives play a vital role in promoting industrial development by encouraging investment, employment generation, and balanced regional growth. There are financial benefits extended by the government to attract entrepreneurs and facilitate the establishment, expansion, and modernization of industrial units. The various incentives available to industrial units under the policy are detailed below:

Eligible Units: New Units and Units with substantial expansion are eligible for incentive based on investment size.

Investment Limit	Between 5 lakh and 25 lakh	Above 25 lakh and up to 50 lakh
Capital Investment Incentive	50% cost of Plant and Machinery (for manufacturing sector) or construction of building/shed installation of other durable physical assets (for service sector)	50% cost of Plant and Machinery (for manufacturing sector) or construction of building/shed installation of other durable physical assets (for service sector)
Maximum Limit	INR 15 lakh	INR 30 lakh

Investment Limit	Between 5 lakh and 25 lakh	Above 25 lakh and up to 50 lakh
Additional Incentive:	<ul style="list-style-type: none"> ● 10% over the incentive value to units covered under the Priority Sectors within the maximum limit of INR 15 lakh. ● 10% over the incentive value to units employing at least 50% (or 5 employees) of their skilled workforce from amongst permanent residents of Arunachal Pradesh within the maximum limit of INR 15 lakh. 	<ul style="list-style-type: none"> ● 10% over the incentive value to units covered under the Priority Sectors within the maximum limit of INR 30 lakh. ● 10% over the incentive value to units employing at least 50% (or 10 employees) of their skilled workforce from amongst permanent residents of Arunachal Pradesh within the maximum limit of INR 30 lakh.
Capital Interest Subvention (CIS)	<ul style="list-style-type: none"> ● New Units or Existing units undertaking substantial expansion are eligible for incentives on the loan availed from scheduled commercial banks or RBI registered financial institutions. ● CIS @ 6% p.a. for a maximum of 5 consecutive years from any date after the date of application for registration up-to a maximum limit of 10 lakh. ● CIS rate will be 8% with a maximum limit of 15 lakh for units under priority sector. ● Disbursement of eligible amounts under this incentive shall begin only after commencement of commercial production/ operation. 	<ul style="list-style-type: none"> ● All eligible units with investment above 25 lakh in Plant and Machinery (for manufacturing sector) or building/ shed and all other durable physical assets (for service sector) can avail CIS. ● CIS @ 5% p.a. for a maximum of 5 consecutive years from any date after the date of application for registration up-to a maximum limit of 20 lakh. ● CIS rate will be 6% with a maximum limit of 25 lakh for units under priority sector. ● Disbursement of eligible amounts under this incentive shall begin only after commencement of commercial production/ operation. ● An eligible unit will be liable to pay a minimum amount of interest at the annual rate of interest of 2%. ● The CIS will be available on amount disbursed only, not on the principal amount sanctioned for the term loan.

Investment Limit	Between 5 lakh and 25 lakh	Above 25 lakh and up to 50 lakh
		<ul style="list-style-type: none"> The installation of new plant and machinery or constructs new building or installs other new durable physical assets, as the case may be, shall be made based on Arm's Length Pricing. A service sector unit investing at least ₹5 lakh in a new building or shed and other new durable physical assets shall be eligible for this incentive.

3.4. Stamp duty and Registration fee

Reimbursement of 100 percent of stamp duty and registration fee paid on the instrument of conveyance deed or lease deed will be available for all eligible New Industrial units.

This reimbursement shall be admissible only after the commencement of commercial production or operation and will apply exclusively to units allotted land within the Industrial Estates, Parks, or Growth Centres established by the Government of Arunachal Pradesh.

The required land area for the unit must be clearly indicated in the Detailed Project Report (DPR) and/or in the bank appraisal report prepared by the bank or financial institution sanctioning the term loan to the unit.

3.5. Working Capital Interest Subvention:

All existing and new eligible units in Arunachal Pradesh that are registered under GST shall be entitled to interest subvention at the rate of 5% on their working capital loans for a maximum period of five consecutive years from the date of registration under this scheme. The total benefit shall be capped at INR 50 lakh over five years and shall not exceed 100% of the investment made by the unit.

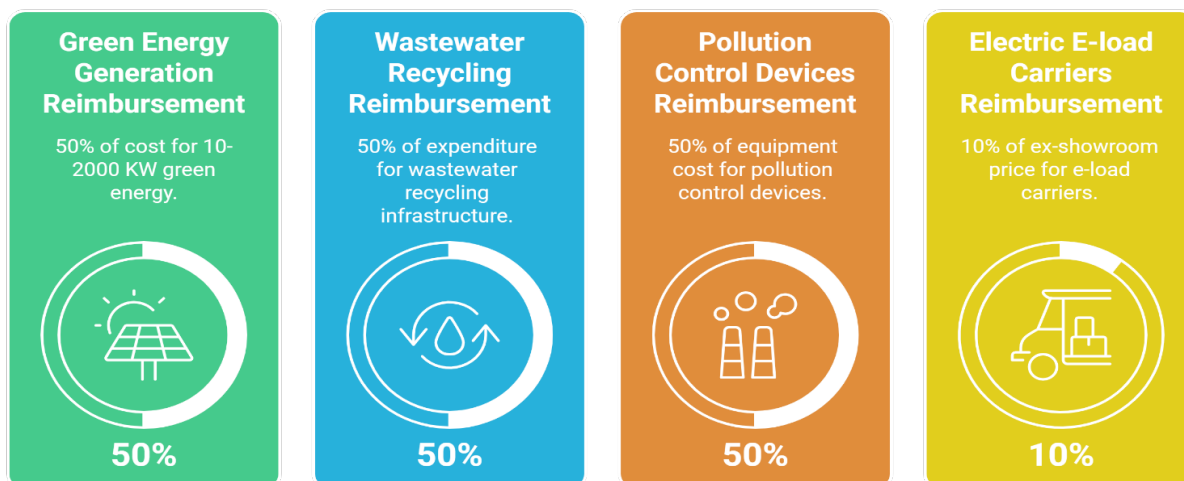
Each eligible unit shall, however, be required to bear a minimum interest liability of 1% per annum. The incentive shall be disbursed annually as reimbursement, based on the interest payment certificate issued by the concerned bank for the relevant financial year.

3.6. Green Incentive

Green Energy Generation	<p>Industrial units, both new and existing, that choose to install green and environmentally sustainable technologies operating on renewable energy sources with a capacity ranging from 10 KW to 2000 KW, shall be eligible for reimbursement at the rate of 50% of the cost incurred on the purchase and installation of such technology, subject to a maximum limit of INR 25 lakh.</p> <p>The subsidy amount shall be released in three instalments as follows:</p> <ul style="list-style-type: none"> 40% after six months of installation and operation. 40% after one year of installation and operation. 20% after two years of installation and operation
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Wastewater Recycling	<p>Industrial units, whether new or existing, that undertake the development of infrastructure and facilities for wastewater recycling and waste management shall be eligible for reimbursement at the rate of 50% of the total expenditure incurred on the procurement of technology, machinery, and equipment, subject to a maximum limit of INR 2 lakh.</p> <p>This subsidy shall exclude expenses related to construction or civil works and will apply only to the cost of eligible technological components and equipment.</p>
Pollution Control devices	<p>Existing industrial units that install advanced, online monitoring systems and/or high-quality Pollution Control Devices (PCDs) within their manufacturing premises shall be eligible for reimbursement at the rate of 50% of the equipment cost, subject to a maximum limit of INR 10 lakh.</p>
Procurement of Electric E-load Carriers	<p>Financial assistance will be provided to New industrial units for the procurement of e-load carriers (excluding e-rickshaws), limited to a maximum of 100 vehicles during the policy period.</p> <p>The selection of beneficiaries shall be made on a first-come, first-served basis.</p> <p>Each eligible unit may receive financial assistance of up to 10% of the ex-showroom price of the vehicle, capped at INR 50,000, for the purchase of e-load carriers having a minimum carrying capacity of 785 kilograms. The maximum number of vehicles eligible for this incentive shall be one per unit</p>

Green Incentive Reimbursement Rates



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3.7. Power Subsidy

- Manufacturing MSME units shall be eligible to receive a power subsidy of INR 2.00 per unit of electricity consumed from the date of commencement of commercial production, subject to a maximum limit of INR 75 lakh per annum for a period of five years, and not exceeding 100% of the total investment in plant and machinery, whichever is lower. This Subsidy shall be available only to the Units having electricity connections from 11 kV/33 kV transmission lines with the Department of Power, Government of Arunachal Pradesh.
- Large scale Manufacturing units having electricity connections from 132 kV or above transmission lines with the Department of Power, Government of Arunachal Pradesh will be eligible for Power Subsidy @ 1.00 per unit consumed from the date of commencement of commercial production, for a period of 5 years. Such subsidy shall be limited to a 100% of total investment in plant and Machinery.
- The power subsidy shall be provided in the form of remission or front-ended adjustment, meaning that power bills will be generated after deducting the subsidy amount per unit. The Power Department shall maintain a record of the annual subsidy provided to each unit and share it with the Department of Industries, Government of Arunachal Pradesh for quarterly reconciliation
- The subsidy shall be calculated based on total electricity units consumed during the relevant period at the applicable rate per unit, and shall be exclusive of other charges, such as load security, interest, or taxes.
- The units shall make regular and timely payments for availing the power subsidy.
- This incentive shall be available to new industrial units or existing units undertaking substantial expansion under the provisions of this policy.

3.8. SGST reimbursement:

The eligible units will be reimbursed 100% Net SGST (i.e. Gross SGST paid less Input Tax Credit) for a period of 7 (seven) years from the date of commencement of commercial production.

Category	Limit of Tax Reimbursement
Micro Enterprises	7 years subject to maximum of 250% of the eligible amount of investment.
Small Enterprises	7 years subject to maximum of 200% of the eligible amount of investment.
Medium and Large Enterprises	7 years subject to maximum of 180% of the eligible amount of investment.

3.9. VAT Exemption

99% Sales Tax (VAT) exemption to New Units or units undertaking substantial expansion units for a period of 7 years from the date of commencement of commercial production.

3.10. Reimbursement for using common facilitation centres:

All new and existing industrial units, regardless of whether they have undertaken substantial expansion, shall be eligible for reimbursement at the rate of 50% of the total cost incurred on utilizing recognized Common Facility Centres (CFCs) - such as research centres, testing laboratories, R&D facilities, and packaging units.

The reimbursement shall be limited to INR 1 lakh per unit per year for a maximum period of three years.

Industrial units, registered cooperatives, and Farmer Producer Organizations (FPOs) operating in the handicraft, handloom, agro and food processing, and aromatic/medicinal plant sectors shall also be eligible to avail this incentive.

3.11. Assistance for access to competitive, innovation and quality control:

Recognizing that product quality is critical for competitiveness in national and international markets, this policy emphasizes promotion of world-class quality standards.

Accordingly, new and existing industrial units, irrespective of substantial expansion, that install in-house testing facilities and equipment and obtain recognized quality certifications shall be eligible for reimbursement at the rate of 35% of the cost of such equipment or certification, subject to a maximum limit of INR 5 lakh.

This incentive shall be sanctioned only after the unit has obtained a national or international quality certification, such as GMP, ISO, SI, BIS, FPO, BEE, AGMARK, ECOMARK, ZED Rating, GHP, GRIHA, or LEED.

However, the subsidy shall not apply to machinery or equipment used directly in the manufacturing process or in service delivery.

3.12. Incentive on Wastewater Recycling Facility

All new and existing industrial units, irrespective of substantial expansion, that develop infrastructure and facilities for wastewater recycling and waste management shall be eligible for reimbursement at the rate of 50% of the total expenditure incurred on technology, machinery, and equipment, subject to a maximum limit of INR 2 lakh.

This subsidy shall not cover expenditure on construction or civil works, and will apply exclusively to the cost of eligible technological components and equipment.

3.13. Incentives to underprivileged sections of the society

The Government of Arunachal Pradesh recognizes its responsibility to uplift underprivileged sections of society by extending additional incentives over and above those available to MSMEs under this policy. The following benefits shall apply:

- Reimbursement at 95% of the consulting fee paid for the preparation of Detailed Project Reports (DPRs) by approved consultants, subject to a maximum limit of INR 1 lakh.
- Reservation of 10% of industrial plots within Industrial Estates for members of underprivileged categories.

- Eligibility for these incentives shall be restricted to the following groups:
 - Women Category: Single mothers and Widows
 - Specially-abled category: 40% physical disability of vision, hearing or locomotive skills

3.14. Transport Subsidy (Air Freight):

To address the high cost of air transportation of finished goods from Arunachal Pradesh, eligible industrial units, both new and existing, irrespective of substantial expansion, shall be incentivized through reimbursement of air freight expenses.

The air freight reimbursement shall be provided at the rate of 50% of the total freight cost incurred for the transportation of finished goods from Arunachal Pradesh to any destination within India, subject to a maximum limit of ₹5 lakh per unit per year for a maximum period of five years.

The subsidy shall be claimed on an annual basis, and units shall be permitted to avail only one of the two benefits available under this policy either the Transport Subsidy or the Export Subsidy.

However, for transportation of perishable goods or goods that face a continuous cost disadvantage in markets outside Arunachal Pradesh due to inherent limitations in other modes of transport, the air freight subsidy may continue for as long as such limitations persist.

The applicability of this subsidy beyond five years shall be reviewed and may be considered for extension in the subsequent policy period.

3.15. Single Window System:

Implementation of this policy at the district level shall be carried out by the District Industries Centre (DIC). Each district shall have Industry Facilitators (Udyam Mitras) to provide dedicated assistance to industrial units.

An integrated online Single Window System shall streamline all processes from registration and application for incentives to approval and disbursement of subsidies ensuring transparency, efficiency, and ease of doing business for industries across the State.

4. FOCUSED AREAS FOR THE POLICIES

4.1. How to apply:

- i. Checking Eligibility & Requirements
- ii. Preparing a Detailed Project Report (DPR)
Register on the Single-Window / Ease of Doing Business Portal
Application for Registration / License Submit Necessary Clearances / NOCs
- iii. Attaching Incentive / Benefit Application
- iv. Verification & Approval
- v. Signing Agreements / Undertakings
- vi. Commencement of Operations / Production
- vii. Monitoring & Compliance

4.2. Approval from Pollution Control Board

Based on pollution load, the industries have been classified into White, Green, Orange and Red Category of Industries as per Government of India guidelines. White category industries are exempted from obtaining an NOC from the Pollution Control Board before establishment; however, they must notify the Board prior to commencing operations.

Orange category industries will be granted consent for 10 years. For industries covered under the Environmental Impact Assessment (EIA) Notification dated 14th September 2006, the prescribed time limits and conditions shall apply.

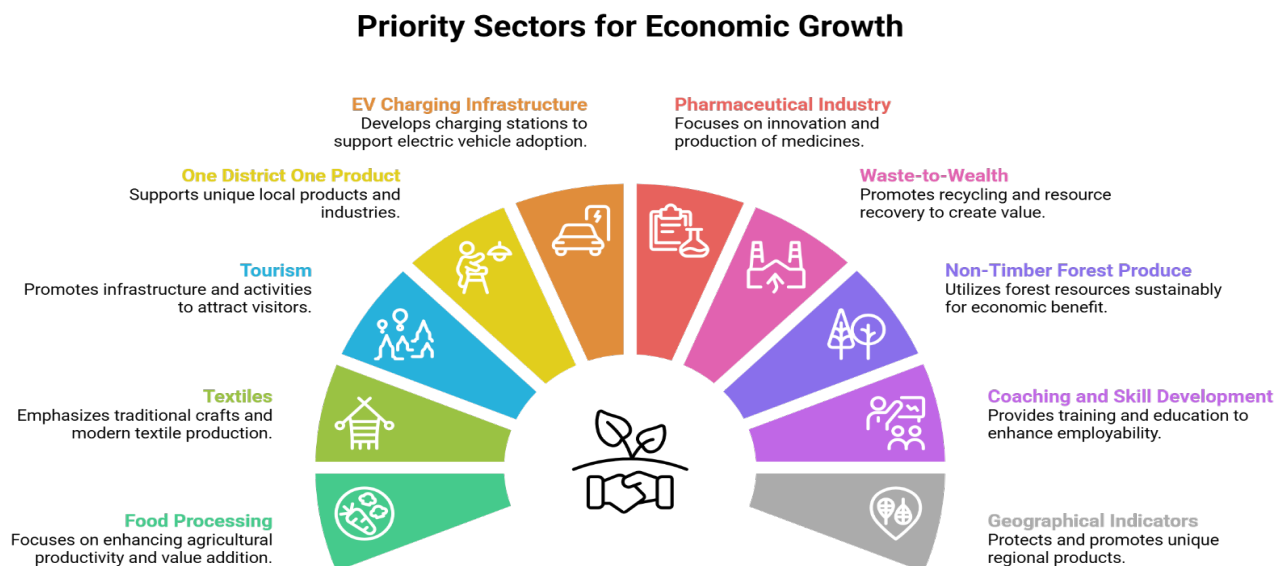
The validity of consent orders shall remain effective unless there is a change in the process, addition, or removal of machinery, with the following validity periods:

a)	Green Category of Industries	15 years
b)	Orange Category of Industries	10 years
c)	Red Category of Industries	5 years
d)	Management of Hazardous waste	5 years

4.3. Classification of Industries

The industries have been classified into following sectors:

a. Priority Sectors



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b. Positive List for Service Sector

1. IT and Electronics industry, Online Services, Film/Video Production and Music Studio based industry
2. Commercial Green House for Floriculture/Agriculture/Horticulture
3. Cold Storage/Controlled Atmosphere

4. Hospitals/Medical Diagnostic Centre
5. Eco-Tourism Infrastructure/Activity (Trekking/Camping/Hiking etc.)
6. Cable Car, Amusement/ Theme/ Leisure Park, Adventure Camps/Parks
7. Hotel, Guest House and Resorts (New units shall be eligible only if they install solar panels for water heating).
8. Restoration of Heritage Property for commercial purposes.
9. Coaching/Training and Skill development services under educational/employment/sports domain.
10. Maintenance and Repair Services (adhering to pollution control norms).
11. Testing, R and D, Analysis and Certification Services.
12. Printing Services (Digital/Flex/Textiles etc.).
13. Replacement of fossil fuel-based car/taxi by EVs/Carbon neutral transportation aggregator with a fleet size of minimum 10 e-vehicles.
14. Commercial charging infrastructure for EVs.
15. All service sector industries covered under the Priority Sector under this policy.
16. Any other industry/activity notified by the Government of Arunachal Pradesh. It will be effective from the date of such notification.

c. Negative List

The industries falling under the negative list will not be eligible under the Policy. The illustrative list of industries or products is as follows:

1. Tobacco and tobacco-based products
2. Plastic carry bags below 20 microns
3. Goods falling under Chapter 27 of the First Schedule to Central Excise Tariff Act produced by Petroleum or Gas Refineries.
4. Plantation refineries and Power generating units.
5. Coke, Fly Ash
6. Gold and gold ore.
7. Molasses
8. Any industry causing significant environmental damage or located in restricted / eco-sensitive areas
9. Activities having low value addition such as preservation during storage, cleaning, operations, packing, repacking.
10. Industries prohibited by Government of India or State Government under any existing law or notification

d. White Category of Industries

1. Assembly of air coolers/conditioners, repairing and servicing
2. Assembly of bicycles, baby carriages and other small non motorizing vehicles
3. Bailing (hydraulic press) of waste papers
4. Bio fertilizers and bio-pesticides without using inorganic chemicals
5. Biscuits trays etc from rolled PVC sheet (using automatic vacuum forming machines)
6. Blending and packing of tea
7. Block making of printing without foundry (excluding wooden block making)
8. Chalk making from plaster of Paris (only casting without boilers etc. (sun drying/electrical oven)
9. Compressed oxygen gas from crude liquid oxygen (without use of any solvents and by maintaining pressure and temperature only for separation of other gases)
10. Cotton and woolen hosiers making (Dry process only without any dyeing/washing operation)
11. Diesel pump repairing and servicing (complete mechanical dry process)
12. Electric lamp (bulb) and CFL manufacturing by assembling only
13. Electrical and electronic item assembling (complete dry process)
14. Engineering and fabrication units (dry process without any heat treatment/ metal surface finishing operations/painting)
15. Flavoured betel nuts production/grinding (completely dry mechanical operations)
16. Fly ash bricks/block manufacturing
17. Fountain pen manufacturing by assembling only
18. Glass ampules and vials making from glass tubes
19. Glass putty and sealant (by mixing with machine only)
20. Ground nut decorticating
21. Handloom/carpet weaving (without dyeing and bleaching)
22. Leather cutting and stitching (more than 10 machine and using motor)
23. Manufacturing of coir items form coconut husks
24. Manufacturing of metal caps containers etc
25. Manufacturing of shoe brush and wire brush
26. Medical oxygen
27. Organic and inorganic nutrients (by physical mixing)

28. Organic manure (manual mixing)
29. Packing of powdered milk
30. Paper pins and u Clips
31. Repairing of electric motors and generations (dry mechanical process)
32. Rope (plastic and cotton)
33. Scientific and mathematical instrument manufacturing
34. Solar module non-conventional energy apparatus manufacturing unit
35. Solar power generation through solar photovoltaic cell, wind power and mini hydel (less than 25 MW)
36. Surgical and medical products assembling only (not involving effluent/emission generating processes)

e. List of Green Category of Industries

1. Aluminum utensils from aluminum circles by pressing only (dry mechanical operation)
2. Ayurvedic and homeopathic medicines (without boiler)
3. Bakery /confectionery DG set of capacity 15 KVA to 1 MVA veneer/sweets products (with production capacity <1tpd (with gas or electrical oven)
4. Bi-axially oriented PP film along with metalizing operations
5. Biomass briquettes (sun drying) without using toxic hazardous wastes
6. Blending of melamine resins and different powder, additives by physical mixing
7. Brass and bell metal utensils manufacturing from circles (dry mechanical operation without re-rolling facility)
8. Candy
9. Cardboard or corrugated box/sheet and paper products (excluding paper or pulp manufacturing and without using boilers)
10. Carpentry and wooden furniture manufacturing (excluding sawmill) with the help of electrical (motorized) machines such as electrical wood planner, steel saw cutting circular blade, etc.
11. Cement products (without using asbestos/ boiler / steam curing) like pipe, pillar, Jafri, well ring, block/tiles etc. (should be done in closed covered shed to control fugitive emissions)
12. Ceramic color manufacturing by mixing and blending only (not using boiler and wastewater recycling process)
13. Chilling plant, cold storage and ice making
14. Coke briquetting (sun drying)

15. Cotton spinning and weaving (small scale)
16. Dal Mills
17. Decoration of ceramic cups and plates by electric fur
18. Digital printing on PVC clothes
19. Facility of handling, storage and transportation of food grains in bulk
20. Flour mills (dry process)
21. Glass, ceramic, earthen potteries, tile and tile manufacturing using electrical kiln or not involving fossil fuel kiln
22. Glue from starch (physical mixing) with gas/ electrically operated oven /boiler.
23. Gold and silver smithy (purification with acid smelting operation and sulphuric acid polishing operation) (using less or equal to 1 litre of sulphuric acid/ nitric acid per month)
24. Heat treatment with any of the new technology like ultrasound probe, induction hardening, Ionization beam, gas carburizing etc.
25. Insulation and other coated papers (excluding paper or pipe manufacturing)
26. Leather footwear and leather products (excluding tanning and hide processing except cottage scale)
27. Lubricating oil, greases or petroleum-based products (only blending at normal temperature)
28. Manufacturing of pasted vidders using gas fired boiler or thermic fluid heater and by sun drying
29. Oil mill Ghani and extraction (no hydrogenation/refining)
30. Packing materials manufacturing from non-asbestos fibre, vegetable fibre yarn
31. Phenyl/toilet cleaner formulation and bottling
32. Polythene and plastic processed products manufacturing (virgin plastic)
33. Poultry, Hatchery and Piggery
34. Power looms (without dye and bleaching)
35. Puffed rice (muri) (using gas or electrical heating system)
36. Pulverization of bamboo and scrap wood
37. Batching Plant/Ready mix cement concrete
38. Reprocessing of waste cotton
39. Rice mill (Rice hullers only)
40. Rolling mill (gas fired) and cold rolling mill

41. Rubber goods Industry (with gas operated baby boiler)
42. Sawmills
43. Soap manufacturing (hand made without steam boiling/boiler)
44. Spice grinding (upto-20 HP motor)
45. Steel furniture without spray painting
46. Sleeping and processing of grains
47. Tyres and tube retreating (without boilers)
48. Chilling plant and ice making without using ammonia
49. CO2 recovery
50. Distilled water (without boiler) with electricity as source of heat
51. Restaurants and Hotels (upto 20 rooms and without boilers)
52. Manufacturing of optical lenses (using electrical furnace)
53. Mineralized/Packing drinking water
54. Tamarind powder manufacturing
55. Cutting, sizing and polishing of marble stone
56. Emery powder (fine dust of sand) manufacturing
57. Fly ash export, transport and disposal facilities
58. Mineral stack yard/ Railway sidings
59. Oil and gas transportation and disposal facilities
60. Seasoning of wood in steam heated chamber
61. Synthetic detergent formulation
62. Tea Processing (without boiler)
63. Automobile fuel outlet (Only dispensing)
64. DG set of capacity 15 KVA to 1 MVA

f. Orange Category of Industries

1. Dismantling of rolling stocks (wagons/ coaches)
2. Bakery and confectionery, units with production capacity > 1 TPD. (With ovens/ furnaces)
3. Chanachur and laddoo from puffed and beaten rice (muri and shira) using husk fired oven
4. Coated electrode manufacturing
5. Compact disc computer floppy and cassette manufacturing / Reel manufacturing

6. Flakes from rejected PET bottle
7. Food and food processing including fruits and vegetable processing
8. Jute processing without dyeing
9. Manufacturing of silica gel
10. Manufacturing of tooth powder, toothpaste, talcum powder and other cosmetic items
11. Printing or etching of glass sheet using hydrofluoric acid
12. Silk screen printing, sari printing by wooden blocks
13. Synthetic detergents and soaps (excluding formulation)
14. Thermometer manufacturing
15. Cotton spinning weaving (medium and large scale)
16. Almirah, Grill Manufacturing (Dry Mechanical Process)
17. Aluminium and cooper extraction from scrap using oil fired furnace (dry process only)
18. Automobile servicing, repairing and painting (excluding only fuel dispensing)
19. Ayurvedic and homeopathic medicine
20. Brickfields (excluding fly ask brick manufacturing using lime process)
21. Building and construction project more than 20,000 sq. m built up area
22. Ceramics and Refractories
23. Coal washeries
24. Dairy and dairy product (small scale)
25. DG set of capacity >1MVA but < 5MVA
26. Dry coal processing, mineral processing, industries involving ore sintering, pelletisating, grinding and pulverization
27. Fermentation industry including manufacture of yeast, beer, distillation of alcohol (Extra Neutral Alcohol)
28. Ferrous and Non-ferrous metal extraction involving different furnaces through melting, refining, re-processing, casting and alloy making
29. Fertilizer (granulation/formulation/blending only)
30. Fish feed, poultry feed and cattle feed
31. Fish processing and packing (excluding chilling of fishes)
32. Forging of ferrous and non-ferrous metals (using oil and gas fired furnaces)
33. Formulation/palletization of camphor tablets, naphthalene balls from camphor/naphthalene powders

34. Glass ceramics, earthen potteries and tile manufacturing using oil and gas fired kiln, coating on glasses using cerium fluorides and magnesium fluoride etc.
35. Gravure printing, digital printing on flex, vinyl
36. Heat treatment using oil fired furnace (without cyaniding)
37. Hot mix plants
38. Hotels (21 - 99 rooms)
39. Ice cream
40. Industries engaged in recycling/reprocessing/recovery/reuse of Hazardous Waste under schedule-iv of HW (M, H & TBM) rules, 2008 - Items namely- Paint and ink sludge/residues
41. Industries engaged in recycling/ reprocessing/ recovery/reuse of Hazardous Waste under schedule iv of HW(M, H and TBM) rules, 2008 - Items namely- Brass Dross, Copper Dross, Copper Oxide Mill Scale, Copper Reverts, Cake and Residues, Waste Copper and copper alloys in dispersible form, Slags from copper processing for further processing or refining, Insulated Copper Wire, Scrap/copper with PVC sheathing including ISRI-code material namely "Druid", Jelly filled Copper cables, Zinc Dross-Hot dip Galvanizers SLAB, Zinc Dross-Bottom Dross, Zinc ash/Skimming arising from galvanizing and die casting operations, Zinc ash/ Skimming/other zinc bearing wastes arising from smelting and refining, Zinc ash and residues including zinc alloy residues in dispersible from,
42. Industry or processes involving foundry operations
43. Lime manufacturing (using lime kiln)
44. Liquid floor cleaner, blakhk phenyl, liquid soap, glycerol mono-stearate manufacturing
45. Manufacturing of glass
46. Manufacturing of iodized salt from crude/ raw salt
47. Manufacturing of mirror from sheet glass
48. Manufacturing of mosquito repellent coil
49. Manufacturing of Starch/Sago
50. Mechanized laundry using oil fired boiler
51. Modular wooden furniture from particle board, MDF< swan timber etc. Ceiling tiles/ partition board from saw dust, wood chips etc., and other agricultural waste using synthetic adhesive resin, wooden box making (With boiler)
52. New highway construction project
53. Non-alcoholic beverages (soft drink) and bottling of alcohol/non-alcoholic products
54. Paint blending and mixing (Ball mill)
55. Paints and varnishes (mixed and blending)
56. Ply-board manufacturing (including Venner and laminate) with oil fired boiler/thermic fluid heater (without resin plant)

57. Potable alcohol (IMFL) by blending bottling of alcohol products
58. Printing ink manufacturing
59. Printing press
60. Reprocessing of waste plastic including PVC
61. Rolling mill (oil or coal fired) and cold rolling mill
62. Spray painting, paint baking, paint shipping
63. Steel and steel products using various furnaces like blast furnace/open heart furnace/ induction furnace/arc furnace/submerged arc furnace/basic oxygen furnace/ hot rolling reheated furnace
64. Stone crushers
65. Surgical and medical products including prophylactics and latex
66. Teflon based products
67. Thermocol manufacturing (with boiler)
68. Tobacco products including cigarettes and tobacco/opium processes
69. Transformer repairing/ manufacturing (dry process only)
70. Tyres and tubes vulcanization/ hot retreating
71. Vegetable oil manufacturing including solvent extraction and refinery /hydrogenated oils
72. Wire drawing and wire netting
73. Dry cell battery (excluding manufacturing of electrodes) and assembling and charging of acid lead battery on micro scale
74. Pharmaceutical formulation and for R and D purpose (For sustained release/ extended release of drugs only and not for commercial purpose)
75. Synthetic resins
76. Synthetic rubber excluding molding
77. Cashew nut processing
78. Coffee seed processing
79. Parboiled
80. Foam manufacturing
81. Industries engaged in recycling/ reprocessing/ recovery/reuse of Hazardous Waste under schedule iv of HW(MH&TBM) rules, 2008 - Items namely- Used Oil (As per specifications prescribed time to time).
82. Industries engaged in recycling/ reprocessing/ recovery/reuse of Hazardous Waste under schedule iv of HW(MH&TBM) rules, 2008 - Items namely- Waste Oil (As per specifications prescribed time to time).

83. Producer gas plant using conventional up drift coal gasification (linked to rolling mills glass and ceramic industry refectories for dedicated fuel supply)
84. Tea processing (With Boiler)
85. Katha manufacturing (with Boiler)
86. Spice grinding (>20 HP motor)

g. Red Category of Industries

1. Isolated storage of hazardous chemicals (as per schedule of manufacturing, storage of hazardous chemicals rules, 1989 as amended)
2. Automobile Manufacturing (integrated facilities)
3. Bamboo ply manufacturing (with Boiler)
4. Industries engaged in recycling/reprocessing/recovery/reuse of Hazardous Waste under schedule-iv of HW (M, H and TBM) rules, 2008 - Items namely - Spent cleared metal catalyst containing copper, Spent cleared metal catalyst containing zinc
5. Manufacturing of lubricating oils, grease, and petroleum-based products
6. DG Set of capacity > 5 MVA
7. Industrial carbon including electrodes and graphite blocks, activated carbon, carbon blakhk
8. Lead acid battery manufacturing (excluding assembling and charging of lead acid battery in micro scale)
9. Phosphate rock processing plants
10. Power generation plant [except Wind and Solar renewable power plants of all capacities and Mini Hydel power plant of capacity <25MW]
11. Industries engaged in recycling/reprocessing/recovery/reuse of Hazardous Waste under schedule-iv of HW (M, H & TBM) rules, 2008 - Items namely Spent catalyst containing nickel, cadmium, zinc, copper, arsenic, vanadium, and cobalt
12. Processes involving chlorinated hydrocarbons
13. Sugar (excluding Khandsari)
14. Fibre glass production and processing (excluding moulding)
15. Firecrackers manufacturing and bulk storage facilities
16. Industries engaged in recycling/reprocessing/recovery/reuse of Hazardous Waste under schedule-iv of HW (M, H & TBM) rules, 2008 - Items namely - Dismantlers Recycling Plants - Components of waste electrical and electronic assemblies comprising accumulators and other batteries included on list A, mercury-switches, activated glass cullets from cathode-ray tubes and other activated glass and PCB-capacitors, or any other component contaminated with Schedule-2 constituents (e.g. cadmium, mercury, lead, polychlorinated biphenyl) to an extent that they exhibit hazard characteristics indicated in part C of this Schedule

17. Milk processes and dairy products (integrated project)
18. Phosphorous and its compounds
19. Pulp and Paper (waste paper based without bleaching process to manufacture Kraft paper)
20. Coke making, liquefaction, coal tar distillation or fuel gas making
21. Manufacturing of explosives, detonators, fuses including management and handling activities
22. Manufacturing of paints varnishes, pigments and intermediate (excluding blending/mixing)
23. Organic Chemicals manufacturing
24. Airports and Commercial Air Strips
25. Asbestos and asbestos based industries
26. Basic chemicals and electro chemicals and its derivatives including manufacturing of acid
27. Cement
28. Chlorates, per-chlorates and peroxides
29. Chlorine, fluorine, bromine, iodine and their compound
30. Dyes and Dye-Intermediates
31. Health care establishment (as defined in BMW Rules)
32. Hotels (Star Category or >100 rooms)
33. Industries engaged in recycling/reprocessing/recovery/reuse of Hazardous Waste under schedule-iv of HW (M, H and TBM) rules, 2008 - Items namely - Lead acid battery plates and other lead scrap/ashes/residues not covered under Batteries (Management and Handling) Rules, 2001. (Battery scrap, namely: Lead battery plates covered by ISRI, Code word "Rais" Battery lugs covered by ISRI, Code word "Rakes". Scrap drained/dry while intact, lead batteries covered by ISRI Code word "Rains")
34. Industries engaged in recycling/reprocessing/recovery/reuse of Hazardous Waste under schedule-iv of HW (M, H & TBM) rules, 2008 - Items namely - Integrated Recycling Plants – Components of waste electrical and electronic assemblies comprising accumulators and other batteries included on list A, mercury switches, activated glass cullets from cathode-ray tubes and other activated glass and PCB-capacitors, or any other component contaminated with Schedule 2 constituents (e.g. cadmium, mercury, lead, polychlorinated biphenyl) to an extent that they exhibit hazard characteristics indicated in part C of this Schedule
35. Manufacturing of glue and gelatine
36. Mining and ore beneficiation
37. Nuclear power plant

38. Pesticides (technical) (excluding formulation)
39. Photographic film and its chemicals
40. Railway locomotive workshop/Integrated road transport workshop/Authorized service centers
41. Yarn / Textile processing involving any effluent/emission generating processes including bleaching, dyeing, printing, and colouring
42. Chlor Alkali
43. Ship Breaking Industries
44. Oil and gas extraction including CBM (offshore and on-shore extraction through drilling wells)
45. Industry or process involving metal surface treatment or process such as pickling/ electroplating/ paint stripping/heat treatment using cyanide bath/phosphating or finishing and anodizing/ enamellings/galvanizing
46. Tanneries
47. Ports and harbour, jetties and dredging operations
48. Synthetic fibres including rayon, tyre cord, polyester filament yarn
49. Thermal Power Plants
50. Slaughter house (as per notification S.O.270(E) dated 26.03.2001) and meat processing industries, bone mill, processing of animal horn, hoofs, and other body parts
51. Aluminium Smelter
52. Copper Smelter
53. Fertilizer (basic) excluding formulation
54. Iron and Steel (involving processing from ore/integrated steel plants) and or Sponge Iron units
55. Pulp and Paper (waste paper based units with bleaching process to manufacture writing and printing paper)
56. Oil Refinery (mineral Oil or Petro Refineries), Petrochemicals Manufacturing (including processing of Emulsions of oil and water)
57. Pharmaceuticals
58. Pulp and paper (Large-Agro+wood), Small Pulp and Paper (Agro based-wheat straw/rice husk)
59. Zinc Smelter
60. Distillery (molasses/grain/yeast based)
61. Common treatment and disposal facilities (CETP, TSDF, E-Waste Recycling, CBMWTF, effluent conveyance project, incinerator, solvent/acid recovery plant, MSW sanitary landfill sites, STP)

4.4. Promotion of Exports

New and Existing Units exporting finished goods from Arunachal Pradesh to destinations outside India shall be eligible for reimbursement of 60% of the transportation cost incurred up to the nearest international port (air or sea) within the country. The reimbursement shall be limited to a maximum of ₹5 lakh per unit per annum for a period not exceeding five years. This benefit will be available only to units registered as export units. Eligible units may claim either the Transport Subsidy or the Export Subsidy under this policy, but not both.

Enterprises shall also be eligible for reimbursement of expenses incurred towards shipment of export samples to overseas buyers, subject to a ceiling of ₹50,000 per enterprise per annum for up to two years.

5. CONCLUSION AND STRATEGIC SIGNIFICANCE

The Industrial Development and Investment Policy of Arunachal Pradesh, 2025 (AP-IDIP 2025) represents a forward-looking framework aimed at accelerating sustainable industrial growth, attracting private investment, and generating employment opportunities across the state. By focusing on infrastructure development, ease of doing business, entrepreneurship promotion, skill enhancement, and sector-specific incentives, the policy seeks to transform Arunachal Pradesh into an emerging investment destination in Northeast India.

The policy also emphasizes balanced regional development while preserving the state's ecological and cultural heritage. Special attention to micro, small, and medium enterprises (MSMEs), agro-based industries, tourism, renewable energy, and local resource-based sectors reflects the government's commitment to inclusive and environmentally responsible growth. Through fiscal incentives, institutional support, and improved connectivity, IDIP 2025 aims to encourage both domestic and external investors to participate in the state's economic progress.

Overall, IDIP 2025 is expected to strengthen industrial competitiveness, improve livelihood opportunities, and contribute significantly to the socio-economic advancement of Arunachal Pradesh. Its successful implementation can pave the way for long-term economic resilience, regional integration, and sustainable development in the state.

6. Links:

- Single Window Clearance Authority (SWCA) – Arunachal Pradesh: <https://eodb.arunachal.gov.in/single-window-clearance-authority>
- EoDB Arunachal – Home / Portal: <https://eodb.arunachal.gov.in/investment/>
- Arunachal Pradesh's approvals on National Single Window System (NSWS): <https://www.nsws.gov.in/portal/arunachalpradesh> nsws.g

6.1. Who can participate: New/expansion MSMEs & service units meeting employment and investment norms; units must not be on the negative list.

7. REFERENCES

Government of Arunachal Pradesh, Department of Industries, Itanagar

FAQs

1. Are there any special provisions for women entrepreneurs?

Yes. The policy provides special support for women entrepreneurs which includes reimbursement of 95% of consulting fees for preparation of DPRs (up to ₹1 lakh) and 10% reservation of industrial plots in Government Industrial Estates for women, specifically single mothers and widows. These measures aim to promote women-led enterprises and startups in the state.

2. Does the State offer subsidies or incentives for specific industries?

Yes. The policy offers various subsidies and incentives for specific industries identified as Priority Sectors, such as food processing, bamboo and cane-based industries, handloom and handicrafts, tourism, ODOP products, pharmaceuticals, waste-to-wealth, and EV charging infrastructure. These sectors receive additional 10% incentives over standard benefits under schemes like Capital Investment Incentive and Capital Interest Subvention. The policy also provides targeted support such as power subsidy, SGST reimbursement, export incentives, and green energy incentives to promote growth in these industries.

3. What are the State's export promotion measures?

The policy provides dedicated export promotion measures under Clause 7.13. It offers reimbursement of 60% of transportation cost up to the international port (air or sea) within India, subject to a maximum of ₹5 lakh per year per unit for five years, for registered export units. Additionally, export units are eligible for reimbursement of up to ₹50,000 per year for two years towards shipment of export samples to overseas buyers. These incentives aim to reduce logistics costs and encourage exports from Arunachal Pradesh.

4. What funding or financial assistance is available for entrepreneurs?

The policy provides multiple financial assistance measures for entrepreneurs, including Capital Investment Incentive offering 50% subsidy on investment in plant, machinery, or durable assets (up to ₹30 lakh), and Capital Interest Subvention with interest reimbursement of 5–8% for up to five years. It also includes Working Capital Interest Subvention at 5% for five years, Power Subsidy up to ₹75 lakh per year, and SGST reimbursement up to 100% for seven years. Additional benefits include Green Energy incentives, reimbursement for quality certification, and DPR preparation support for underprivileged entrepreneurs.

5. How can startups/MSMEs benefit from incubation and innovation support in the State?

The policy promotes innovation and capacity building for startups and MSMEs through incentives that support R&D, quality improvement, and access to common facilities. Units can get 50% reimbursement of costs for using Common Facility Centres (like R&D labs, packaging, or testing) up to ₹1 lakh per year for three years, and 35% reimbursement (up to ₹5 lakh) for installing in-house testing facilities or obtaining quality certifications such as ISO or BIS. These measures help startups and MSMEs enhance innovation, competitiveness, and product quality.

6. Are there tax exemptions or financial relaxations under this policy?

Yes. The policy provides significant tax-related incentives and financial relaxations to promote industrial growth. Eligible units receive 100% reimbursement of Net SGST for seven years, subject to limits based on enterprise size, and 99% exemption from State VAT for the same period. Additionally, new units are reimbursed 100% of stamp duty and registration fees on land or lease deeds. These relaxations aim to reduce initial setup costs and enhance the financial viability of new and expanding industries.

7. Which nodal agency/department implements this policy

The Department of Industries, Government of Arunachal Pradesh is the nodal agency responsible for implementing the *Arunachal Pradesh Industrial Development and Investment Policy, 2025*. It oversees registration, approval, and disbursement of incentives through the District Industries Centres (DICs) and facilitates investor support via an online Single Window System managed by Udyam Mitras at the district level.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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