



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



Manipur 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 Manipur**, 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

The Industrial & Investment Promotion Policy of Manipur, 2022

1. INTRODUCTION

1.1. Brief State Profile and Policy Rational

Manipur possesses significant comparative advantages in bamboo and forest-based products, handloom and handicrafts, floriculture, spices, horticulture, and an emerging pool of IT/ITeS talent. The policy aims to convert these natural and human endowments into organised MSME clusters and service enterprises, while leveraging strategic opportunities such as India–Myanmar border trade (Moreh/Tamu) and recent improvements in national logistics. The Single Window Clearance Act (2021) has digitised approval processes and coordinated competent authorities, which is particularly valuable for first-time entrepreneurs.

The Industrial & Investment Promotion Policy of Manipur, 2022 is an initiative notified by the Government of Manipur (Textiles, Commerce & Industries Department). It is designed to strengthen the State's industrial base, attract investment, encourage sustainable growth and stimulate employment generation across Manipur.

1.2. About the state

- a. Manipur is a culturally diverse State that can be likened to a "Mini-India." Its population comprises Meiteis and Meitei Pangals in the valley and various recognized tribes in the hills, along with significant communities of Nepalis, Bengalis, Marwans, Biharis, Punjabis, Tamils and others. According to the 2011 Census, Manipur's population was 2,855,794, with a female-to-male ratio of 985 females per 1000 males. The State's literacy rate stood at 76.94% (2011 census), reflecting a strong human capital base and above-average human development indicators.
- b. Manipur's social structure is relatively egalitarian and women play pivotal socio-economic roles. Women are central to micro and home-based industries such as handloom, and many agro-based activities, creating an enabling environment for investment and an experienced workforce. Female literacy was 70.26% compared to male literacy of 83.58%, a favourable indicator for socio-economic development.
- c. Geographically, Manipur borders Nagaland to the north, Assam to the west and Mizoram to the south; to the east it shares a 398 km international boundary with Myanmar. The State's altitude ranges from 40 m (Jiribam) to 2,593 m (Tamenglong) above mean sea level, with the Imphal valley at around 790 m. Temperatures generally vary from 0°C to 36°C and the climate spans tropical to sub-tropical in the valley and semi-temperate at higher altitudes conditions conducive to year-round activity. Monsoon rains generally fall from April to October, peaking in July (e.g., 418.20 mm recorded in 2015).
- d. The economy is predominantly agrarian (52.81%), yet services, trade and commerce contribute substantially to State income. Gross State Domestic Product (GSDP) at market prices was ₹37,760.08 crore in 2021–22 (versus ₹34,110.21 crore the prior year), reflecting growth of 10.7%; for 2022–23 it was projected at ₹42,301.42 crore, a 12.03% increase.

- e. As of 31 March 2022, 24,293 MSME units were registered under Udyam, collectively providing direct employment to 213,828 workers. Numerous unregistered units also operate across the State.

Manipur: Key Metrics at a Glance



Source: Selected Manipur policy profile text and cited census/economic figures.

1.3. Key Resources:

Agro, Horticulture & Floriculture: Given Manipur’s strengths in agro and horticultural production, the State will prioritise agro- and horticulture-based industries, supporting units that use locally sourced organic raw materials. Favorable climatic conditions allow year-round floriculture; the State will encourage enterprises that add value to floral products.

Medicinal & Aromatic Plants: Manipur is rich in medicinal plant species. The State will promote pharmaceutical and biotech units that use medicinal plants and green technologies. Aromatic plants suitable for commercial cultivation include lemongrass (*Cymbopogon citratus*), *Pogostemon purpurascens* (sangbrei), Indian wormwood and other plants for essential oil extraction, cosmetics and pharmacological uses.

Bamboo & Bamboo Products: With over 20 bamboo varieties, Manipur has robust bamboo resources for building materials, furniture and other higher-value products. A dedicated Bamboo Park will be promoted for industrial-scale production of bamboo-based building materials and furniture; initiatives to extract ethanol and process bamboo shoots for domestic and export markets are planned, in collaboration with agencies such as the National Bamboo Mission and the Forest Department.

Coffee, Tea & Rubber: Tea is cultivated mainly in Tamenglong, Jiribam, Churachandpur and Ukhrul and has strong local flavour characteristics. The State has potential for coffee and rubber cultivation and processing; targeted plantation and processing support (e.g., at Jiribam) will be encouraged.

Spices: Fertile soils and favourable climate support spices such as ginger, turmeric, garlic, cardamom, cinnamon and locally famed chillies (e.g., U-Morok). The State will actively promote cultivation and value-added processing for domestic and export markets.

Mushroom & Honey: Mushroom cultivation is viable year-round and offers strong potential for canning and value-added products. Beekeeping and honey production are strategic priorities. Manipur’s climate supports high-quality (organic) honey and wax production. The Manipur Bee Keeping and Honey Mission aims to scale honey production.

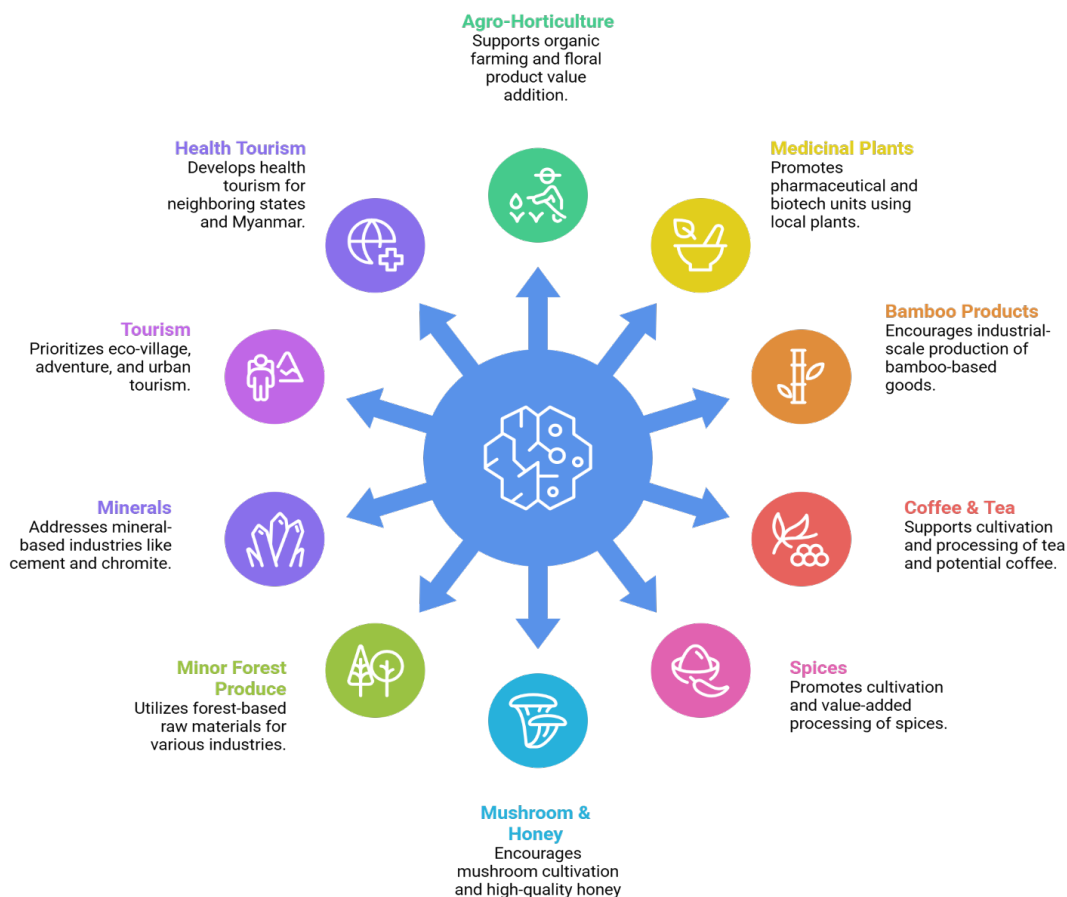
Minor Forest Produce (MFP): MFPs such as grasses, bamboos, cane, dyes, resins, gums, fibers, leaves, drugs, spices and animal products are plentiful. The State will encourage industries that utilise these forest-based raw materials.

Minerals: Manipur contains minerals like chromite and limestone; mineral-based industries (e.g., cement, chromite extraction) present commercial opportunities and are addressed under a separate Manipur Mineral Policy.

Tourism & Hospitality: The State has untapped tourism potential sites like Loktak Lake and Keibul Lamjao National Park (home of the Sangai deer) offer unique attractions. The policy prioritises eco-village, adventure, battlefield and urban tourism, and supports investments in hospitality infrastructure.

Health Tourism: With strong human resources in nursing and modern medical facilities, Manipur is positioned to develop health tourism for neighbouring states and Myanmar.

Manipur's Economic Resources



1.4. Key highlights

- Aims to Make Manipur investment-friendly and industrially progressive within the Northeast.
- Promote balanced, sustainable, inclusive growth with a focus on entrepreneurship and job creation.
- Place MSMEs at the core of industrial development with targeted incentives and facilitation.
- Implement a Single Window Clearance System for time-bound approvals.
- Encourage cluster-based industrial growth and establish industrial estates across districts.
- Offer fiscal and non-fiscal incentives (capital investment subsidy, interest subsidy, power tariff reimbursement, transport subsidy, etc.).
- Provide special support for women, SC/ST entrepreneurs and startups.
- Emphasise value-addition and export-oriented industries under the Act East Policy.
- Target sectors: agro-processing, handloom & handicrafts, bamboo, IT/ITES, tourism, logistics, pharmaceuticals and renewable energy.

2. ABOUT THE POLICY

2.1. Objectives:

The Industrial & Investment Promotion Policy of Manipur, 2022 seeks to:

- To Create industrial infrastructure, extend incentives, and provide technical and marketing support to industries.
- Systematically enhance raw material availability.
- Facilitate optimal utilisation of natural and human resources.
- Generate employment opportunities for State residents.
- Promote industrial and allied-sector investments.
- Reduce procedural formalities and delays in setting up units.
- Encourage planned industrial development to reduce sectoral and regional imbalances.
- Provide skill development and entrepreneurship training to boost employability.
- Accelerate economic growth by integrating infrastructure, human resources and administrative support.

2.2. Definitions

Existing Industrial Unit/Enterprise means an industrial unit which are already commenced commercial production prior to the date of enforcement of the Industrial and Investment Policy of Manipur, 2022.

Export Oriented Unit (EOU) means an industrial Unit exporting at least 30% of its annual production by the end of the 3rd year from the date of its commencing production.

'Fixed Capital Investment' means investment in land, building, plant and machinery for commercial production.

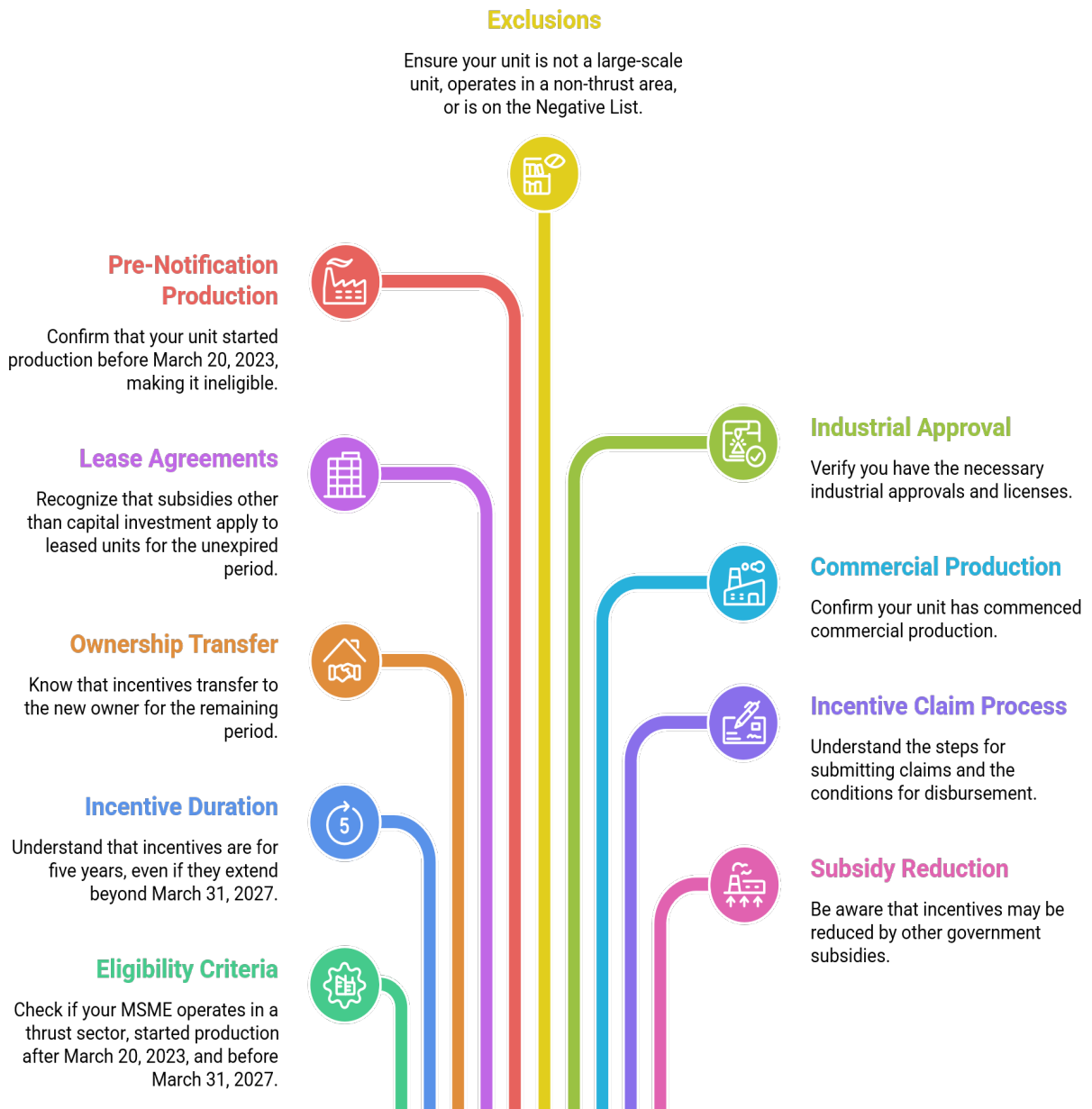
'Industrial unit' is a unit engaged in manufacturing or service activities.

New Industrial unit/Enterprise means an enterprise which started commercial production after the date of enforcement of the Policy.

Substantial Expansion means increase in the value of fixed capital investment of an industrial unit after 1st April, 2022 by not less than 25% for the purpose of expansion of capacity / modernisation / and diversification.

The **Micro, Small and Medium enterprises** will be as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

2.3. Period & Applicability



- The Industrial and Investment Promotion Policy of Manipur, 2022 was officially published on March 20, 2023.
- The Policy applies to Micro, Small and Medium Enterprises (MSMEs) operating in the notified thrust sectors, provided they begin commercial production on or after the policy notification date and on or before 31 March 2027.
- If an incentive is admissible for a five-year period, the enterprise shall continue to receive that benefit for the entire five-year duration, even if this extends beyond the overall policy validity ending 31 March 2027.
- If a new enterprise that has started receiving incentives is sold or transferred during the five-year benefit period, the incentives shall pass to the transferee only for the remaining unexpired portion of the five years.

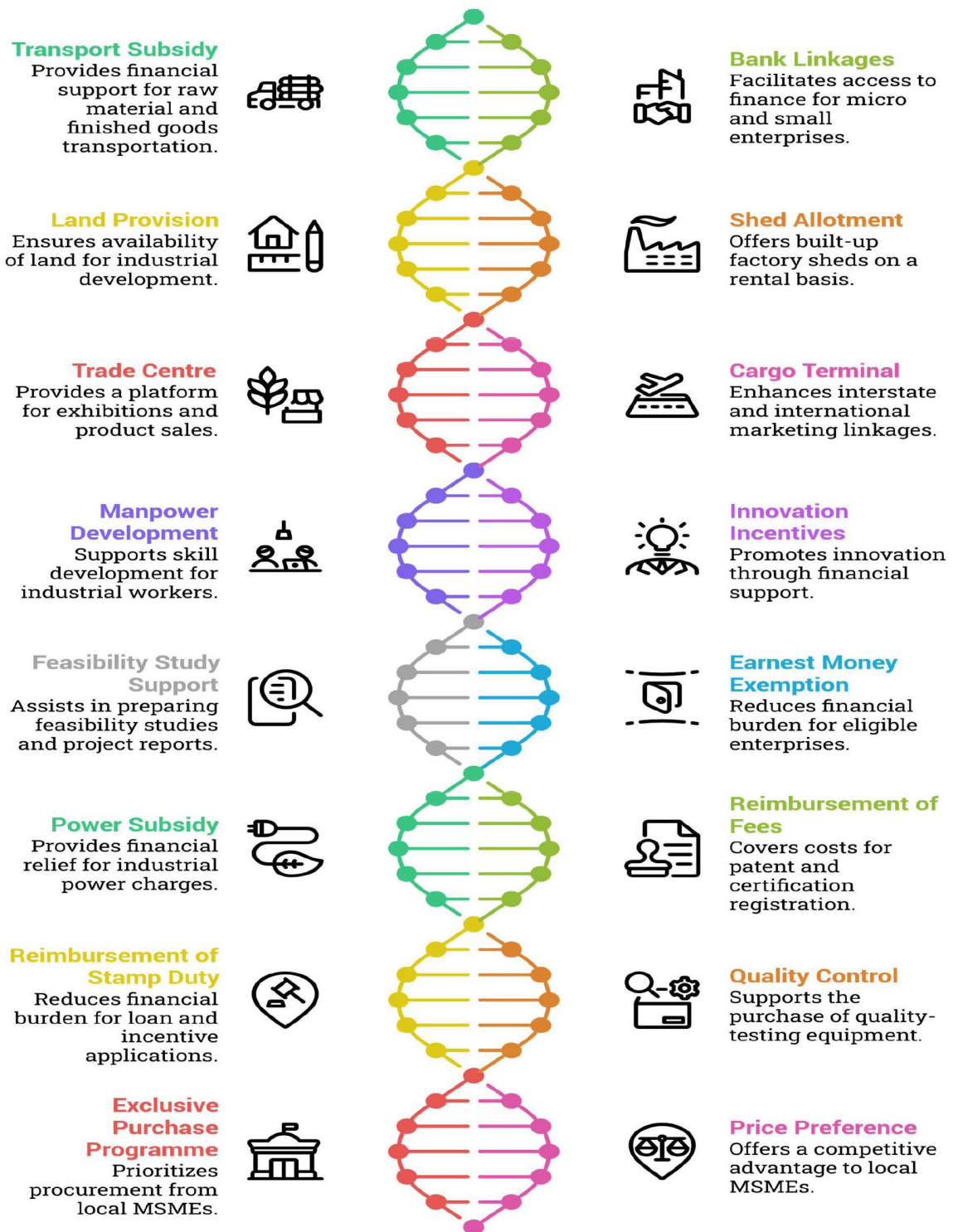
In cases where an industrial unit, Government-owned or otherwise, is leased out to a third party for self-sustained operations or under a PPP model, the IIPPM, 2022 will apply for granting only those subsidies other than Capital Investment Subsidy, again limited to the unexpired portion of the original five-year period.

- Unless expressly stated otherwise, the IIPPM, 2022 does not apply to units that began commercial production before the date of notification. Such enterprises will continue to be governed by the Industrial & Investment Policy, 2017.
- The Policy is not applicable to:
 - All large-scale industrial units
 - Units operating in non-thrust areas
 - Industrial activities listed in the Negative List (Annexure A)
- Any Eligibility for incentives under the Policy arises **only after** obtaining an **Incentives Eligibility Certificate** in the prescribed format, issued by the competent authority notified by the State Government.

The Certificate will **not** be issued unless all of the following conditions are met:

- The enterprise must possess the required industrial approval such as Industrial licence / Letter of Intent / IEM / Registration Certificate under the Industries (Development & Regulation) Act, 1951, or SIA reference number, or Acknowledgment of online filing of Udyam Registration (earlier Udyog Aadhaar Memorandum).
- For industries falling under categories requiring compulsory licensing or listed as restricted by the Central/State Government, the enterprise must have obtained the mandatory licence/clearance from the notified authorities.
- The unit must have commenced commercial production.
- The Enterprises that receive an Incentives Eligibility Certificate must submit all documents sought by the designated authority for the purpose of verifying and processing incentive claims under the IIPPM-2022.
- Unless otherwise stated, the eligible incentive amount under any clause of the Policy will be reduced by any subsidy, incentive or grant already received by the enterprise under any Central Government ministry/department or its agencies/boards/authorities, or any scheme of the North-Eastern Council, for promotion of industrial projects or investments.
- Grant of an Incentives Eligibility Certificate does not automatically guarantee disbursement of incentives. Release of incentives will depend on Proper submission of claims in the prescribed format, Compliance with procedure, Filing of claims within one year from the end of the period to which the claim pertains, the unit being operational at the time of claim.

Manipur Industrial Policy Framework



2.4. Policy Framework

- a. The Policy places highest priority on attracting private sector investment into Manipur, particularly through PPP (Public–Private Partnership) models, for both ongoing and new industrial activities falling under the identified thrust sectors. To support this, the Government will adopt an integrated development strategy focused on building industrial infrastructure, including establishing industrial estates in every district.

- b. The State Government will promote the creation of essential support infrastructure, such as cold storages, pack houses, warehouses, pre-cooling and refrigeration facilities, at strategic locations across the State. These facilities, aligned with international quality and certification standards, are critical for meeting export requirements of global markets. The Government also highlights the need for strengthening marketing institutions, as well as encouraging co-operative and contract farming backed by formal agreements to ensure assured market linkages and improved farm incomes.
- c. The Government will actively encourage and facilitate trade with Myanmar, South-East Asian countries, and other international partners by leveraging foreign trade schemes and policies introduced by the Central Government.
- d. Entrepreneurship Facilitation Centres will be established in every District Industries Centre to serve as information and support hubs. These centres will offer entrepreneurial guidance, technical assistance, and advisory support to local entrepreneurs.
- e. The Government will establish MSME clusters to promote cost-effective, inclusive and competitive development of MSMEs, following a cluster-based development approach.
- f. A State Level Facilitation Centre is being set up within the Directorate of Trade, Commerce & Industries at Lamphelpat, Imphal (website: dcimanipur.gov.in; email: dcfmanipur@gmail.com) to guide new investors on investment opportunities, regulatory procedures, project report preparation, documentation, credit access, and more. Similar facilitation centres will also be established across all districts to provide local-level support to prospective investors.
- g. Benefits under this Policy will be available to eligible units for a five-year period, calculated from the date on which the enterprise commences commercial production.
- h. Every eligible industrial unit must employ at least 80% local (domiciled) manpower. In cases where specific technical skills are not available locally, the Single Window Agency may grant temporary relaxation of this requirement upon being satisfied with the justification provided.
- i. Industrial units that have availed subsidies under this Policy shall not relocate their unit, reduce operations substantially, or dispose of significant fixed capital assets for five years from the date of commercial production.
- j. The Policy applies to all Micro, Small and Medium Enterprises identified under the thrust sectors or explicitly covered under the Policy. Proposals from large enterprises will be considered separately on a case-by-case basis, depending on the project's merit and its potential benefits to the State.
- k. If a newly established enterprise is sold or transferred within the five-year incentive period, the incoming owner will receive incentives only for the remaining unexpired portion of the five years.
- l. Existing industrial units undertaking substantial expansion defined as an investment exceeding 25% of the existing cost of building, plant and machinery, diversification, or modernization on or after 1 April 2022, will be eligible for incentives under this Policy.
- m. The Policy is not applicable to industrial activities listed in the negative list under the Central Excise Tariff Act, 1985, and activities covered under the Ministry of Environment & Forests'

Notifications S.O.705(E) dated 02-09-1999 and S.O.698(E) dated 17-06-2003.

- n. Industrial units that have already availed similar incentives under any policy or scheme of the Central Government, State Government, or any other agency will not be eligible for incentives under this Policy.
- o. All industrial units shall be required to establish an Industrial Waste Management System to prevent, reduce, and properly manage industrial waste in line with environmental and sustainability standards.

2.5. Negative List

- Goods pertaining to tobacco and manufactured tobacco substitutes.
- Pan Masala
- Plastic carry bags of less than 20 microns.
- Goods produced by petroleum oil or gas refineries
- Large and medium scale enterprises, generating employment for less than 20 person on payroll.
- Enterprises manufacturing Essential Commodities being sold through public distribution system.

2.6. Marketing Promotion

The Department will support market promotion through facilitation and handholding. The Department will link entrepreneurs to schemes such as MATU (Marketing Assistance & Technology Upgradation, Ministry of MSME) and similar programs. A think-tank committee will be consulted annually for market policy decisions. In the absence of Exim Bank support, existing banks may extend finance via Letters of Credit to exporters/importers.

2.7. Clarification and Interpretation:

The State Government is the sole authority to interpret any provision of IIPPM, 2022; its clarifications are final and binding.

2.8. Dispute Resolution / Grievance Redressal:

Any grievances related to Policy implementation will be addressed by the State Level Committee identified in Para 12 of the Policy.

2.9. Power to amend and repeal any or all provisions:

The State Government may amend or repeal Policy provisions; however, commitments already made to eligible enterprises will remain unaffected. Implementation guidelines and instructions will be issued to ensure smooth enforcement.

2.10. Validity of the Policy

This Policy remains in force from notification date until modified or repealed. Where provisions of the 2017 Policy align with the present Policy, those 2017 provisions will be considered eligible under the empowered State Level Committee functioning under the Single Window Agency.

3. POLICY FEATURES & INCENTIVES

Policy Features & Incentives



3.1. Provisions related to MSME

- MSMEs are identified as the primary growth drivers of Manipur’s industrial development.
- The policy provides special fiscal incentives and support schemes exclusively for MSME units.
- Capital Investment Subsidy offered for new MSME units and for expansion/modernization of existing ones.

- Interest Subsidy on term loans to reduce the financial burden of credit for small entrepreneurs.
- Power Subsidy and Power Duty Exemption provided to reduce production costs for MSMEs.
- Reimbursement of GST and local taxes for eligible MSME units to encourage formalization and competitiveness.

3.2. Incentives / Subsidies for applicable enterprises

i. **Capital Investment Subsidy, Comprehensive Insurance Subsidy, Interest Subsidy and Transport/Freight Subsidy:**

The State Government will provide a comprehensive set of financial incentives, Capital Investment Subsidy (CIS), Comprehensive Insurance Subsidy, Interest Subsidy, and Transport/Freight Subsidy to all eligible new units and existing units undertaking substantial expansion in the notified thrust areas.

- All eligible new industries located in the notified zones will receive **30% Capital Investment subsidy** on investment in plant and machinery, subject to a **maximum of INR 50 lakh**. Existing units undertaking substantial expansion will also qualify under the same norms.
- Sole proprietorship applicable units belonging to ST, SC, Women Individuals and Persons with Disability will be eligible for additional subsidy of 2.5% on fixed capital subject to a ceiling of INR 20 lakhs, INR 30 Lakhs and INR 40 lakhs for micro, small and medium enterprises respectively.
- Eligible new units will receive 3% interest subsidy on working capital loans for a 10-year period from the date of commercial production. The same benefit applies to existing units undergoing expansion and all thrust area industries.
- A 100% reimbursement of insurance premium on capital investment will be provided for 10 years, extended to both new and existing units undergoing substantial expansion.
- All subsidies will be released in a single instalment, provided that the enterprise remains operational and has not ceased activities.
- Subsidy disbursement will begin from the date of commercial production.

ii. **State Transport Subsidy:**

- The State Government will provide Transport Subsidy to Micro and Small enterprises, including entrepreneurs supported under Manipur CGTMSE, Manipur Venture Fund and the Chief Minister Entrepreneurship Support Scheme. Eligible entrepreneurs may avail subsidy under only one State-provided scheme for business expansion

or growth. This subsidy is available only to those units that have not received any similar transport-related incentive under any Central or State Government scheme. Its objective is to help entrepreneurs manage input costs and maintain the competitiveness of raw materials and finished products, especially where factories and markets are located at distant places and face logistical or terrain-related challenges.

- b. The State Government will extend Transport Subsidy to Micro and Small enterprises for movement of perishable fruits and vegetables used as raw materials within the State.
- c. A subsidy of 25% will be admissible for transportation of raw materials from growing areas or other identified sources notified by the State Government when transported by the shortest route through roadways, waterways, or a combination of both, from any location in the State exceeding a distance of 50 km up to the factory premises. Transport subsidy will also apply to air freight at the same rate of 25% for movement of finished goods or raw materials from the Kolkata airport or any airport in the North eastern Region.
- d. The transport subsidy will be available for a period of five years from the date of commercial production.
- e. Enterprises must register with the respective District Industries Centre, Government of Manipur, in the prescribed format in order to avail the scheme.
- f. Claims for transport subsidy must be submitted on a quarterly basis and within one year from the date the expenditure is incurred.
- g. A State-level Committee will examine and approve all transport subsidy claims. Claimants must provide Chartered Accountant–certified proof of raw materials imported into the State and finished goods exported out of the State of Manipur. The Committee may also require any additional documents or statements it considers necessary to determine the eligibility of the claimant.

iii. **Bank linkages and financing for industrial setup**

The Government actively assists eligible micro and small enterprises in obtaining finance through PMEGP (Pradhan Mantri Employment Generation Programme) and other priority financing mechanisms.

iv. **Provision of Land**

The State Government recognizes that availability of land is a critical requirement for encouraging MSM enterprises in the State. In this regard, several provisions have been made to ensure that suitable land and related infrastructure are accessible to entrepreneurs:

- a. To promote industrial development, industrial units will be provided land on a lease basis for their initial requirements as well as for first-time expansion or diversification in identified areas. Where specific requirements arise, the State Government will also facilitate acquisition or direct purchase of land in such identified locations, based on the merits of the proposed investment and in compliance with applicable land laws.
- b. Industrial estates established by the Directorate of Trade, Commerce and Industries across nine districts will be made available on lease to eligible units under this Policy. These include the Food Park at Nilakuthi in Imphal East (31 acres), Takyel Industrial Estate in Imphal West (10 acres), Kuraopokpi Industrial Estate (79.925 acres) in Kakching (erstwhile Thoubal), Tera Urak Industrial Estate in Bishnupur (10 acres), and upcoming estates at TM Kasom in Ukhrul (10 acres), Katomei in Senapati (10 acres), Salemthar in Chandel (10 acres), Noney in Longmai (10 acres), Khopibung in Churachandpur (10 acres), and Moirangkampu Sajeb in Imphal East (10 acres). Additional land of 400 acres is being acquired at Kuraopokpi Industrial Estate, along with another 100 acres for expansion of existing estates. A Mega Food Park at 40-Kshetri Bengoon in Imphal East, covering 16.44 acres, will also be made available to eligible units upon completion. Furthermore, 1100 acres of land at Jiribam, owned by the Department, is earmarked for developing tea, coffee, and rubber plantations.
- c. The Government will work to create synergy among various departments involved in general infrastructure development to ensure that adequate facilities are in place to support the capital requirements of new industrial units.
- d. The Policy also aims to promote the development of industrial clusters along identified corridors to encourage industrialization across all districts and to help reduce sectoral and regional imbalances.

v. Allotment of sheds to Micro and Small Enterprises:

The Government aims to ensure that work sheds are made available to all MSMEs and entrepreneurs, including those supported under schemes such as Manipur CGTMSE, Manipur Venture Fund and the Chief Minister Entrepreneurship Support Scheme. Entrepreneurs may avail subsidies under only one State-provided scheme for their business expansion and growth. To support this, the Government will make built-up factory sheds available on a monthly rental basis at designated industrial estates, industrial parks, and growth centres.

Industrial estates equipped with factory sheds have already been established in several districts and are in advanced stages of development across the erstwhile nine districts, with plans underway to extend similar facilities to all seven newly created districts. Three industrial estates Takyel in Imphal West, Kuraopokpi in Kakching (formerly Thoubal), and Tera Urak in Bishnupur have been completed. The Takyel Industrial Estate has been recently renovated

and upgraded and is now fully operational, while Kuraopokpi and Tera Urak are in the process of becoming fully functional.

Additionally, industrial estates in Ukhrul (TM Kasom), Churachandpur (Khopibung), and Chandel (Salemthar) are currently under construction. Construction of new industrial estates in Senapati (Katomei), Tamenglong (Noney), and Imphal East (Moirangkampu Sajeb) will commence soon, ensuring wider industrial infrastructure coverage across the State.

vi. Permanent Trade-cum-Exhibition Centre at Lamboikhongnangkhang and other facilities:

The Department of Trade, Commerce & Industries has established a modern Permanent Trade-cum-Exhibition Centre at Lamboikhongnangkhang, comprising four large halls and a central atrium. This facility is available to local entrepreneurs throughout the year on a subsidised rental basis for exhibitions and product sales, with all necessary amenities already in place.

In addition to this, several other industrial establishments are available to support training and service requirements of units in the State, including the Apparel & Garment Centre, the Powerloom Estate, and the Mechanised Dye House (now known as the Manipur Textile Processing Institute). Further, a Khadi Plaza is being set up at Hafiz Hatta in Imphal City over an area of 2.26 acres to promote khadi and locally woven textiles.

vii. Cargo Terminal & Forward Linkages:

The Cargo Terminal under construction at Imphal International Airport will enhance interstate and international marketing linkages for Manipur's industrial units.

viii. Manpower Development:

Industrial units sending workers for trade-related training at Government-approved centres will be eligible for benefits under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), which covers full training fees for skill development.

ix. Incentives to the innovator / inventor:

The Government will promote innovation in manufacturing and services by giving priority sponsorship under Pradhan Mantri Employment Generation Programme (PMEGP), which offers 35% project subsidy.

x. Subsidy for Feasibility Study and Project report Preparation:

The State will support Feasibility Studies and DPR preparation for all thrust area projects.

These documents will be hosted on dcimanipur.gov.in for prospective entrepreneurs. Costs may be capitalized under available financing schemes.

xi. Exemption of Earnest Money and Security Deposit:

Eligible Micro and Small enterprises will receive a 50% exemption on Earnest Money Deposit and Security Deposit.

Sole proprietors belonging to ST, SC, Women, Persons with disabilities will receive 100% exemption.

xii. Power Subsidy:

The State Government will reimburse eligible enterprises for industrial power charges paid to the Power Department, Government of Manipur, based on actual units consumed, for the first five years from the date of commercial production. Reimbursement will be subject to the following ceilings. Units that default on payment of power charges or owe any dues to the Power Department/MSPDCL will not be eligible.

- Micro & Small Industries (1–50 kW): 50% subsidy
- Medium Industries (25–125 kVA): 23.7% subsidy
- Large Industries (above 125 kVA): 17.3% subsidy

This reimbursement is available only to enterprises that have not availed any similar power subsidy from the Power Department or any Central scheme.

The State Government will also reimburse the cost incurred by eligible enterprises for drawing a 20 kV or higher power line, including transformer costs where applicable, subject to a ceiling of INR 15 lakh, provided the location has been approved by the Government. Estimates must be prepared and approved by the competent authority of the State Power Department, which will also execute the work and issue the completion report.

A subsidy of 30% of the cost of generating sets, subject to a maximum of INR 20 lakh per unit, will be provided on a reimbursement basis to eligible enterprises, depending on actual requirement as assessed by the State Power Department.

Further, eligible Micro enterprises may claim a subsidy of 50% of the cost, subject to a ceiling of Rs. 40,000, for the purchase and installation of a Mini Solar Power Plant with a minimum battery capacity of 400 watts, solely for illuminating factory premises during working hours. The subsidy will be provided on reimbursement basis.

xiii. Reimbursement of Fee / Registration fee / Renewal Fee for registering with the Office of Controller General of Patents, Designs & Trade Marks (CGPDTM):

The State Government will reimburse a portion of the cost incurred by eligible enterprises for obtaining registration or renewal from the Office of the Controller General of Patents, Designs & Trade Marks (CGPDTM). Medium units may claim 30% of the applicable fee, small

units may claim 50%, and micro units may claim 70%, all subject to a maximum limit of INR 1 lakh.

xiv. Reimbursement of Registration Fee/ Renewal Fee for obtaining Certification:

Eligible enterprises will be reimbursed the full amount paid each year, up to INR 50,000 annually for five years, for securing or renewing certifications such as BIS, ISI, ISO, AGMARK, FPO, FSSAI, MPCO and similar mandatory accreditations. Sole proprietorships belonging to SC, ST, Women and Persons with Disabilities will be allowed an additional 10% reimbursement over and above the ceiling, to the extent of the excess amount.

xv. Reimbursement of Stamp Duty and Registration fee:

The State Government will reimburse stamp duty and registration fees paid by eligible micro, small and medium enterprises for securing loans or other financial incentives. The reimbursement is capped at INR 30,000 for micro units, INR 40,000 for small units, and INR 50,000 for medium units. Sole proprietorships owned by SC, ST, Women and Persons with Disabilities will be entitled to an additional 10% reimbursement on any amount exceeding the prescribed cap.

xvi. Quality Control:

To support quality enhancement, eligible micro, small and medium enterprises may receive reimbursement of 30% of the expenditure incurred for purchasing quality-testing equipment, subject to a maximum limit of INR 5 lakh.

xvii. Exclusive Purchase Programme:

The State Government and its various departments, undertakings, autonomous bodies and grant-in-aid institutions will prioritise procurement of goods manufactured by MSMEs operating under this policy. This preference will apply as long as the products meet the required quality standards and specifications.

xviii. Price Preference:

For purchases made by government entities and State-funded institutions, MSMEs established within Manipur will be given first consideration. When competing with suppliers from outside the State, such MSMEs may receive a price preference of up to 10%, provided their offer is technically and commercially equivalent. This is consistent with the Public Procurement (Preference to Make in India) Order, 2017, which requires at least 50% local content for preferential pricing.

xix. Incentives for Green & Renewable Energy:

The State Government intends to promote the use of renewable and non-conventional energy among micro and small units. Assistance for installing such systems will be extended

through the Manipur Electronics Development Corporation Limited (MANITRON), enabling eligible enterprises to adopt cleaner and more sustainable energy solutions.

xx. Awards and Recognition:

To encourage excellence within the industrial ecosystem, the State Government will establish awards recognising outstanding performance in areas such as production, profit, quality improvement, environmental management and innovation. The award categories include Best SC Entrepreneur, Best ST Entrepreneur, Best Women Entrepreneur, Best Young Entrepreneur (below 35 years) and Best MSME (State Level). Each award will consist of a cash prize of INR 50,000 and a certificate and will be presented biennially based on recommendations of a Government-constituted committee. These awards may be announced during Independence Day ceremonies or through a dedicated programme.

xxi. Special Incentives to Applicable Industrial Enterprises that continues to operate for 5 Years:

Industrial units operating in thrust sectors that sustain their operations for at least five years from the commencement of commercial production will become eligible for a set of additional incentives. Units intending to operate for an extended period beyond this initial five-year duration will be assessed individually, based on their financial stability and long-term viability. Those demonstrating strong fundamentals may receive further support, while units that are financially weak or capable of remaining viable without assistance will not automatically qualify for extra subsidies.

Enterprises undertaking substantial expansion after completing five years may receive a capital investment subsidy amounting to 15% of the additional fixed capital invested, with a ceiling of ₹25 lakh for thrust sector industries and ₹15 lakh for non-thrust sectors. Such expansion must involve an increase of at least 25% in fixed capital for modernization, diversification or capacity enhancement.

Additionally, units may receive partial reimbursement of power charges for another five-year period, subject to annual ceilings corresponding to the size of the enterprise: 50% for micro and small industries (1–50 kW), 23.7% for medium industries (25–125 kVA) and 17.3% for large industries (above 125 kVA).

This benefit is limited to enterprises that have not previously claimed any power-related subsidy under the Power Department or central schemes.

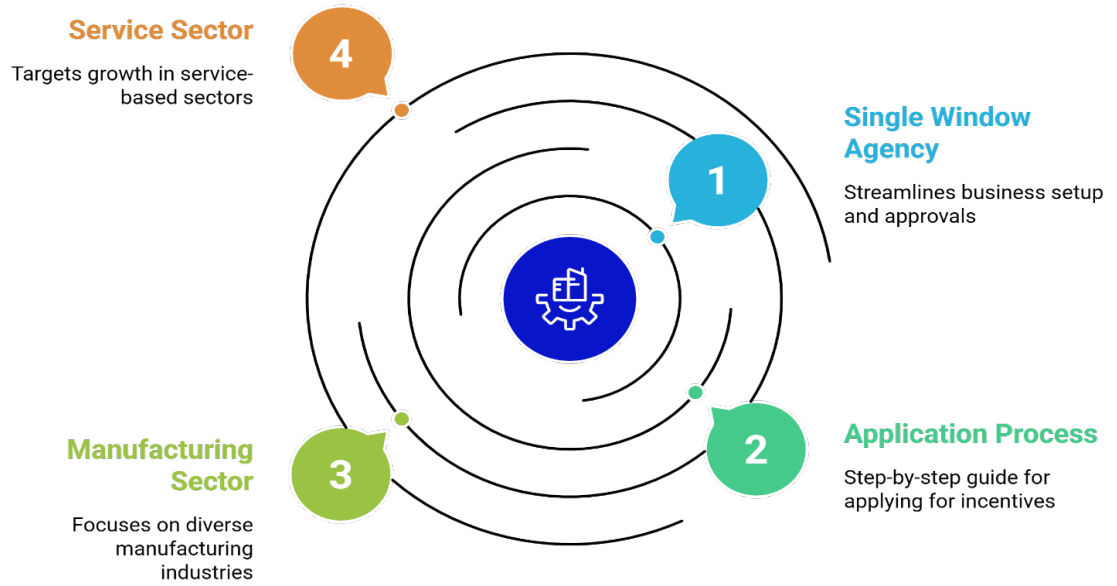
xxii. Employment Cost Subsidy:

For MSME units employing at least 20 individuals, 50% of the employer's contribution towards EPF and ESI will be reimbursed for an additional five-year period following the initial five years of operation. This relief applies uniformly to all MSME units across thrust and non-thrust sectors.

xxiii. Wages Subsidy:

A wages subsidy will be granted to eligible industrial enterprises employing 20 or more persons, calculated at 20% of the actual wages paid. This benefit will be available for the subsequent five years after the initial five-year operating period, subject to a maximum limit of INR 2.5 lakh per enterprise per year.

Manipur's Industrial Growth Strategy



4. FOCUSED AREAS

4.1. Single Window Agency:

The State Government will set up a Single Window Agency to streamline the establishment of micro, small and medium industrial units and to fast-track the issuance of all required licenses, permits and statutory clearances. This mechanism, designed in line with the Business Reform Action Plan to enhance Ease of Doing Business, will function under an empowered State Level Committee consisting of Administrative Secretaries from key departments such as Finance, Power, Environment and Labour. The Government will introduce the necessary statutory backing to ensure that the Agency can efficiently discharge its responsibilities. In addition to facilitating approvals, the empowered State Level Committee will also evaluate and sanction all incentive claims submitted by industrial units under this Policy.

4.2. How to apply

- The unit must first obtain an **Industrial approval** such as Industrial License, Letter of Intent, IEM, or Udyam Registration (for MSMEs) under the Industries (Development and Regulation) Act, 1951.
- For restricted industries, the enterprise must secure all necessary **clearances or licenses** from the concerned authorities.
- The enterprise must have commenced commercial production before applying for incentives.
- The eligible enterprise must apply for and obtain an “Incentives Eligibility Certificate” from the competent authority notified by the State Government.
- This certificate is mandatory for consideration of any incentive claim under IIPPM 2022.
- Enterprises issued an Eligibility Certificate must submit all required documents to the designated authority to enable consideration of their claim.
- Claims for incentives must be submitted in the prescribed format, following the procedure and within one year of the period to which the claim relates.
- All claims will be vetted and cleared by the State Level Committee under the Single Window Agency, which includes officials from key departments (Industries, Finance, Planning, Power, etc.).
- Disbursement of subsidies/incentives begins from the date of commercial production, and the incentive amount is typically released in a single instalment.
- Units must remain operational; incentives will not be disbursed to closed or non-operational enterprises.

- The policy is valid for MSMEs commencing production after the policy notification (21 March 2023) and on or before 31 March 2027.
- Incentives remain available for five years from the date of commercial production, even if this period extends beyond 31 March 2027.

4.3. Thrust / Targeted Areas

The Government of Manipur has identified certain activities (but not limited to) as potential areas for both the Manufacturing and Service sector activities. These are as follows:

Manufacturing Sector:

- a. Food processing Industries, Cold Chain & Cold Storage.
- b. Bamboo Industries.
- c. Packaging Industries
- d. Honey & Bee Keeping
- e. Floriculture & Minor Forest Products.
- f. Pharmaceuticals & Medical Devices.
- g. Textiles.
- h. Handicraft & Pottery
- i. Green & Renewable Energy
- j. Aromatic & Medicinal Plants.
- k. Waste-Recycler, Waste-Based Industries and compostable Plastic Industries.
- l. Processing, and manufacturing Non-timber Forest Products (NFFPs)
- m. Rubber/Wood based industries can be added.\

Service Sector:

- a. Hotels/Resorts (3 Star and above)
- b. Entertainment & Music industries
- c. Generation of power through Green Technology
- d. Health Tourism and other allied health & wellness industries.
- e. IT-ITES including Hardware, Software development, BPO, Call Centre, data processing, website designing, etc.
- f. Sports
- g. Education

5. CONCLUSION AND STRATEGIC SIGNIFICANCE

The Industrial & Investment Promotion Policy of Manipur, 2022 is an important step toward strengthening the state's economic and industrial development. The policy aims to create a supportive environment for industries, encourage entrepreneurship, attract investments, and generate employment opportunities for local people. By focusing on infrastructure development, ease of doing business, and support for small and medium enterprises, the policy seeks to accelerate inclusive and sustainable growth across the state.

In addition, the policy recognizes Manipur's strategic geographic location and its potential to become a major trade and business hub in Northeast India. It also emphasizes skill development, innovation, and the effective use of local resources to improve the overall industrial ecosystem. If implemented effectively, the policy can contribute significantly to economic progress, reduce unemployment, and improve the standard of living of the people of Manipur.

Overall, the Industrial & Investment Promotion Policy of Manipur, 2022 reflects the government's vision of transforming the state into a competitive and investment-friendly destination while ensuring balanced regional and socio-economic development.

6. Relevant Links & Contacts for MSME State Specific

Policy Link: https://manipurgovtpress.nic.in/en/details_gazete/?gazete=1833 **Department of Trade, Commerce & Industries, Manipur:** <https://dcimanipur.gov.in/en/>

7. REFERENCES

Policy PDF, Single Window Act & portal, Startup Manipur.

FAQs

1. Are there any special provisions for women entrepreneurs?

Yes, the policy provides dedicated benefits for women-led enterprises. Women entrepreneurs, along with SC/ST and differently-abled individuals, receive an additional 2.5% capital investment subsidy (up to ₹20–40 lakh), complete exemption from earnest money and security deposits for micro and small units, and extra 10% reimbursement on registration and certification fees. The State also recognizes outstanding women under the “Best Women Entrepreneur” award scheme.

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

The policy identifies thrust sectors such as agro and food processing, bamboo, handloom and textiles, honey, floriculture, pharmaceuticals, renewable energy, IT/ITES, tourism, and rubber or wood-based industries. Units in these sectors are eligible for capital investment subsidy, interest subsidy, insurance subsidy, transport subsidy, and power subsidy.

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

Manipur promotes exports under the Act East Policy by enhancing trade with Myanmar and South-East Asia. Key measures include setting up a Cargo Terminal at Imphal International Airport, a Permanent Trade-cum-Exhibition Centre for product showcasing, marketing promotion assistance, and encouragement of Export Oriented Units (EOUs).

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

The policy also offers capital subsidy, interest subsidy, transport subsidy, insurance subsidy, and power cost reimbursement. MSMEs are further supported with employment cost subsidy and wage subsidy after five years of operation.

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

The State has set up Entrepreneurship Facilitation Centres in all DICs and a State-Level Facilitation Centre at the Directorate of Trade, Commerce & Industries to guide and support startups. Innovators receive project support under PMEGP with up to 35% subsidy, and workers benefit from training under PMKVY. These centers also help with project reports, financing, and MSME databank services.

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

The policy provides reimbursement of stamp duty and registration fees, exemption from earnest money and security deposits, reimbursement of power charges, subsidy on mini solar plants, and reimbursement of certification and patent fees.

7. Which nodal agency/department implements this policy?

The Directorate of Trade, Commerce & Industries, is the nodal agency implementing the Industrial and Investment Promotion Policy of Manipur, 2022.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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