



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



Meghalaya 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 Meghalaya**, 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

Meghalaya Industrial & Investment Promotion Policy (MIIPP), 2024

1. INTRODUCTION

1.1. Brief State Profile and Policy Rationale

Meghalaya, positioned strategically in India's Northeastern region, is endowed with abundant natural resources and a distinctive socio-economic character. Aspiring to become a USD 10 billion economy under the "Mission 10" initiative, the State Government has launched the Meghalaya Industrial & Investment Promotion Policy (MIIPP), 2024 - a comprehensive and contemporary framework designed to foster inclusive, green, and sustainable industrial expansion.

Replacing earlier piecemeal incentive schemes, MIIPP-2024 establishes a clear, consistent and predictable incentive regime, especially tailored to support Micro, Small and Medium Enterprises (MSMEs). The policy aligns Meghalaya's growth ambitions with environmental stewardship, promoting industrialisation that balances economic progress with ecological responsibility.

1.2. Significance of the Policy for Meghalaya:

MIIPP-2024 is a central element of Meghalaya's industrial strategy. It leverages the Uttar Poorva Transformative Industrialization Scheme (UNNATI 2024) to maximize combined central and state benefits for investors and emphasises entrepreneurship, job creation and community participation across the industrial ecosystem.

By instituting institutional reforms including the Invest Meghalaya Authority (IMA), a Unified Investment Portal (UIP) and a formal land-bank mechanism, the policy strengthens ease of doing business and encourages both domestic and foreign private investment across priority sectors.

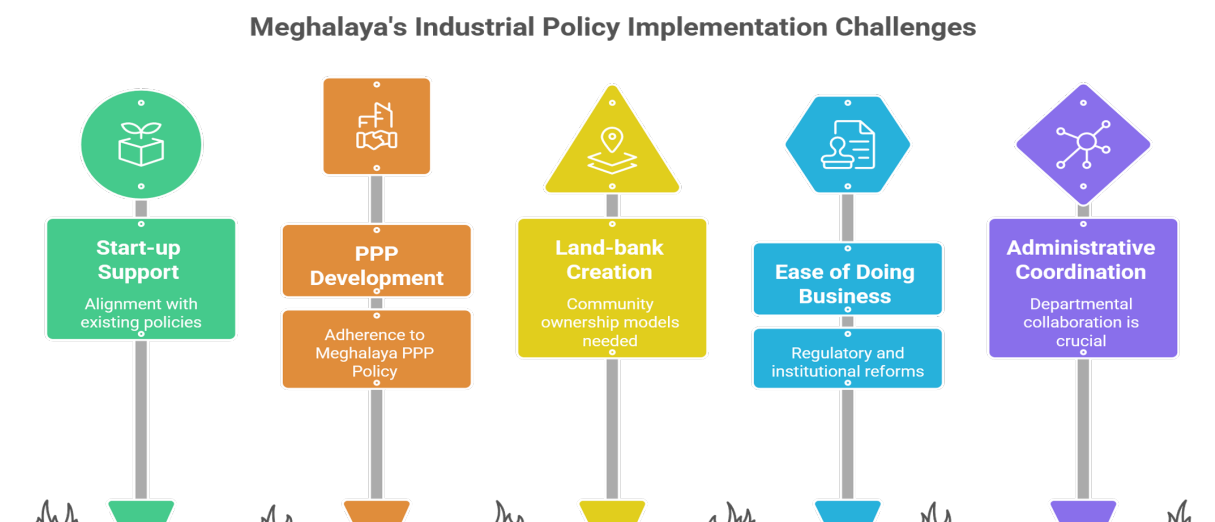
1.3. Key Highlights

- The policy seeks to attract investment, create employment, and encourage sustainable industrial development in Meghalaya.
- It applies to both manufacturing and service sectors, with a focus on inclusive, environmentally responsible growth.
- Policy period: 21 December 2022 – 20 December 2034; registration for incentives remains open until 31 March 2026.
- Implementation will be overseen by the Invest Meghalaya Authority under the Meghalaya State Investment Promotion & Facilitation Act, 2024.
- Priority sectors include tourism, hospitality, IT & ITeS, education, healthcare, biotechnology, logistics, renewable energy, and green start-ups.
- To qualify for incentives, manufacturing units must invest INR 1 crore or more in plant & machinery; service units must invest INR 50 lakh or more in building and other durable physical assets.
- Micro industries are subject to lower thresholds and include special provisions for counting building costs

1.4. Objectives

- Leveraging To utilize the UNNATI 2024 framework to attract investments into the State.
- To act as a catalyst for entrepreneurship and job creation.
- To promote grassroots participation and strengthen the State's industrial ecosystem through appropriate incentives.
- To support sustainable development of the entire State by responsibly harnessing natural resources and promoting green growth.
- To prioritise sectors with significant potential for revenue, employment, exports and investment.
- To develop and maintain state-of-the-art industrial infrastructure to accelerate industrial progress.

1.5. Policy Enablers



a. Promotion of Start-ups & Innovations

Support for start-ups will be in alignment with the Meghalaya Start-up Policy, 2018, or any subsequent State Act/Policy

b. Development of Projects in Meghalaya under Public Private Partnership (PPP) / Community Public Private Partnership (CPPP) Mode

Projects implemented under PPP or Community-PPP (CPPP) will follow the Meghalaya PPP Policy, 2021

c. Creation of Land-bank

The State will establish and expand a land-bank for industrial use and promote community-based ownership models for land-bank creation. Detailed procedures for land identification and allotment will be published by the State as required. A repository of suitable land parcels for various industrial activities will be maintained.

d. Ease of Doing Business

- i. The Government is committed to improving Meghalaya's Ease of Doing Business through regulatory and institutional reforms that ensure efficient delivery of public services
- ii. The Meghalaya State Investment Promotion & Facilitation Act, 2024 has been notified to provide accelerated, time-bound procedures for licenses, permissions and clearances required from competent State authorities.
- iii. The composition of the High-Powered Committee, State Investment Committee and District Investment Committee will be as defined in the Invest Meghalaya Act, 2024.

1.6. Policy Implementation

- i. The Department of Commerce and Industries, Government of Meghalaya is designated as the administrative department responsible for implementing MIIPP-2024.
- ii. The Department will coordinate with the Invest Meghalaya Authority and all line departments to ensure timely registration, facilitate Ease of Doing Business, and process incentive claims from industrial units.
- iii. Detailed procedural guidelines governing registration and incentive disbursement will be issued separately.

1.7. Limit of Incentives / Subsidies

- i. The maximum aggregate benefit available to a single unit across all policy measures is INR 100 crore, although this ceiling may be extended for units that receive customised incentives.
- ii. Where incentives overlap between MIIPP and UNNATI or any other Central Government scheme, the unit must first claim eligible Central incentives; the State will provide only the differential amount.
- iii. If similar incentives are offered under multiple State schemes, the industrial unit may choose the scheme that provides the higher benefit.
- iv. Units that have benefited from the CM Elevate Program or similar State initiatives may claim only the SGST incentive under MIIPP-2024, while still being eligible to claim benefits under UNNATI.
- v. No interest shall be payable to units for any delay in incentive payments by the State.

1.8. Other Rights & Regulations**a. Rights of the Government of Meghalaya**

- i. The Government reserves the right to review sanctions or disbursements of subsidies/incentives and its decision in such matters will be final and binding.
- ii. If a unit is found to have obtained incentives by misrepresentation or concealment of material facts, it shall refund the entire grant or incentive with interest at 15% per annum and may be subject to criminal proceedings after being given an opportunity to be heard.

- iii. Concealment of input supplies, third-party routing, or similar malpractice will result in forfeiture of future claims and recovery of prior incentives with interest at 15% per annum.

b. Change of Location

- i. If an incentivised unit ceases production/operation permanently, transfers all or part of its operations, or disposes of a substantial proportion of its fixed capital within 10 years of commencing production/operation, it will become ineligible to claim incentives from the date of such change.
- ii. Units that permanently cease production/operation, relocate, or dispose of substantial fixed capital within 5 years of commencing production/operation must refund the entire grant or incentive availed.

c. Repeal and Savings

The Meghalaya Industrial & Investment Promotion Policy, 2012 is hereby repealed and replaced by MIIPP-2024. However, industrial units under the incentives of MIIPP-2012 will continue to avail such incentives under the said policy for the period of commitment along with additional years for the payment of committed liabilities.

d. Interpretation

The decision of the Government of Meghalaya with regards to interpretation of any clause of the Policy shall be final and binding.

1.9. Negative List

- All goods falling under Chapter 24 of the Central GST Tariff Act, 2017 which pertains to tobacco and manufactured tobacco substitutes.
- Plastic carry bags of less than 20 microns as specified by Ministry of Environment and Forests Notification No. S.O. 705(E) dated 02.09.1999 and S.O. 698(E) dated 17.6.2003 and any subsequent amendments.
- Goods falling under Chapter 27 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) produced by Petroleum or Gas refineries.
- Units not complying with environmental standards or not having applicable Environmental Clearance from M/o Environment & Forests and Climate Change or State Environmental Impact Assessment Authority (SEIAA) or not having requisite consent to establish and operate from the concerned Central Pollution Control Board/State Pollution Control Board.
- Low-value additiono activities in goods such as preservation during storage, cleaning, operations, packing, repacking, or re-labelling, sorting, alteration of retail sale price etc. excluding high-value packaging and processing.
- Arms & Ammunition
- All types of Sawmills and Veneer Mills

- Wood-fuelled Lime Kilns
- Central Public Sector Undertakings and State PSUs
- Low Ash Metallurgical Coke and Petroleum Coke Units
- Units engaged in Leather Tanning
- Refining of Engine Oil
- Cement
- Through a separate notification as and when considered necessary by the State Government

2. ABOUT THE POLICY

2.1. Definitions

“Turnover” means the aggregate value of realisation in monetary terms made from the sale of manufactured goods/ services by an Industrial Unit / Enterprise during an accounting year. Income from other sources (non-operating income) like interest received, grants or subsidies, trading activity, resale of products / goods will not be counted in turnover.

“Investment” means investment made on plant, machinery, building and other durable physical assets. Investments made on land may also be considered with the approval of the competent authority.

“Unit” means any industrial manufacturing entity or service sector enterprise registered under Goods & Service Tax Act, 2017 or Industrial Park, excluding the Industrial Unit in which Government has more than 50% stake/ shareholding.

“New Unit”

- i. For the manufacturing sector, a unit registered after notification of the policy but not later than 30.09.2026. Such a unit has to commence commercial production within 4 years from the date of grant of registration.
- ii. For the Service sector, a unit registered after notification of the policy but not later than 30.09.2026. Such a unit has to commence commercial operation within 4 years from the date of grant of registration.
- iii. A new unit will be required to fulfil the following conditions:
 - It is not formed by splitting up, or reconstruction of a business already in existence.
 - It is not formed by transfer to the new unit of plant or machinery previously used for any other purpose.
 - It has not relocated from elsewhere and/or is not an existing unit reopened under a new name and style.
- iv. New unit must have a new GSTIN, and unit cannot use a GSTIN of any existing unit

Provided that heritage property, not in use before the date of issue of notification, is restored thereafter for commercial or hospitality or tourism services on a commercial basis, it will also be considered as a new unit as per eligibility conditions to be further elaborated in detailed guidelines.

“Existing Unit” means a unit that has commenced commercial production/operation prior to date of notification of the Industrial Policy and having a valid GST Identification Number (GSTIN) in the State of Meghalaya.

“Expansion” means an additional investment of a minimum of twenty-five percent (25%) of the total amount of investment already made in an existing unit in plant and machinery (for manufacturing sector) or construction of building and other durable physical assets (for service sector).

The additional investment should increase production capacity/enhancement of Services and should not be a mere replacement of existing plant and machinery.

“Manufacturing unit” means a unit that carries out the processing of raw materials or inputs in any manner that results in the emergence of a new product having a distinct name, character, and use.

“Services Unit” means Hotels & Hospitality, Tourism (Homestays, Adventure, Health Tourism, Eco-Tourism & MICE), Education (Vocational & Digital/e-learning), skilling, Music, Films and Entertainment and sports, Biotech, Fin-tech & Financial Services, Healthcare (Secondary & Tertiary), IT-ITeS, BPO. EV Charging Stations and Tech-oriented start-ups/units providing services in the field of education, Primary Healthcare, Agriculture, and green start-ups.

“Commencement of Commercial Production (Manufacturing Sector)” means starting manufacturing of finished goods on a commercial basis and installation of complete plant and machinery for manufacturing finished products in commercial quantity and all raw materials, consumables, etc. required for manufacture are available.

“Commencement of Commercial Operation (Service Sector)” means starting of operation/delivery of services on a commercial basis.

“Building and other durable physical assets” in the case of service sector units shall cover new buildings and other durable physical assets for a service sector unit where purchases have been made following an arm’s length pricing. The details of durable physical assets shall be provided in the guidelines.

“Industrial Park” means an Private Industrial Estate / Industrial Park / Industrial Growth Centres / Food Processing Park / Pharma Park / Export Promotion Industrial Park developed in Meghalaya in which plots of developed space or built-up space or a combination, with common facilities and quality infrastructure facilities, is developed and made available for establishment of industrial units to manufacture any goods or service and having basic industrial infrastructures like developed plot, internal roads, water distribution facilities, sewage collection and treatment, power distribution, communication faculties and such other facilities as may be required for the purposes of industrial activities or commercial activities in accordance with the provisions under this policy.

Plant and Machinery” in case of Manufacturing units shall cover industrial plant and machinery as erected at the site, which is newly purchased from the open market at an arm’s length price. It excludes relocated/recycled/refurbished plants and machinery. The details of core and non-core components of Plant & Machinery shall be provided in the guidelines.

“Raw material” means materials or substances used by any unit to produce or manufacture the finished goods.

“Finished Good” means the goods produced and supplied by an industrial unit and for which it is registered under the State of Meghalaya.

“Building and other durable physical assets” in the case of service sector units shall cover new buildings and other durable physical assets for a service sector unit where purchases have been made following an arm’s length pricing. The details of durable physical assets shall be provided in the guidelines.

“High-Powered Investment Committee” means an investment committee constituted under Meghalaya State Investment Promotion and Facilitation Act 2024 for the purpose of approval of Industrial Units of investments of more than Rupees Ten Crore and customized financial incentive packages.

“State Investment Committee” means an investment committee constituted under Meghalaya State Investment Promotion and Facilitation Act 2024 for the purpose of approval of investments of **more than Rupees One Crore to Rupees Ten Crore** and financial incentive packages for Medium and Small Industrial Units in Meghalaya.

“District Investment Committee” means an investment committee constituted under Meghalaya State Investment Promotion and Facilitation Act 2024 for the purpose of approval of Industrial Units with investments of **up to Rupees One Crore** in Meghalaya.

“Unified Investment Portal (UIP)” means an online system to provide all clearances to the investors as defined under Meghalaya State Investment Promotion and Facilitation Act, 2024.

“Physically Challenged Person” means a person with disabilities in accordance with the provisions of “The Meghalaya Rights of Persons with Disabilities Rules, 2017” or any other relevant Act of the State.

Classification of Manufacturing and Service Enterprises

The classification of the MSMEs has been done by the Ministry of MSME and defined under MSMED Act, 2006, as follows:

Micro Enterprises- Investment in Plant and Machinery or Equipment does not exceed Rs 1 crore and turnover does not exceed Rs 5 crore.

Small Enterprises- Investment in Plant and Machinery or Equipment does not exceed INR 10 crore and turnover does not exceed Rs 50 crore.

Medium Enterprises - Investment in Plant and Machinery or Equipment does not exceed INR 50 crore and turnover does not exceed Rs 250 crore.

Large Industrial Enterprises- Investment in Plant and Machinery or Equipment exceeds Rs 50 crore.

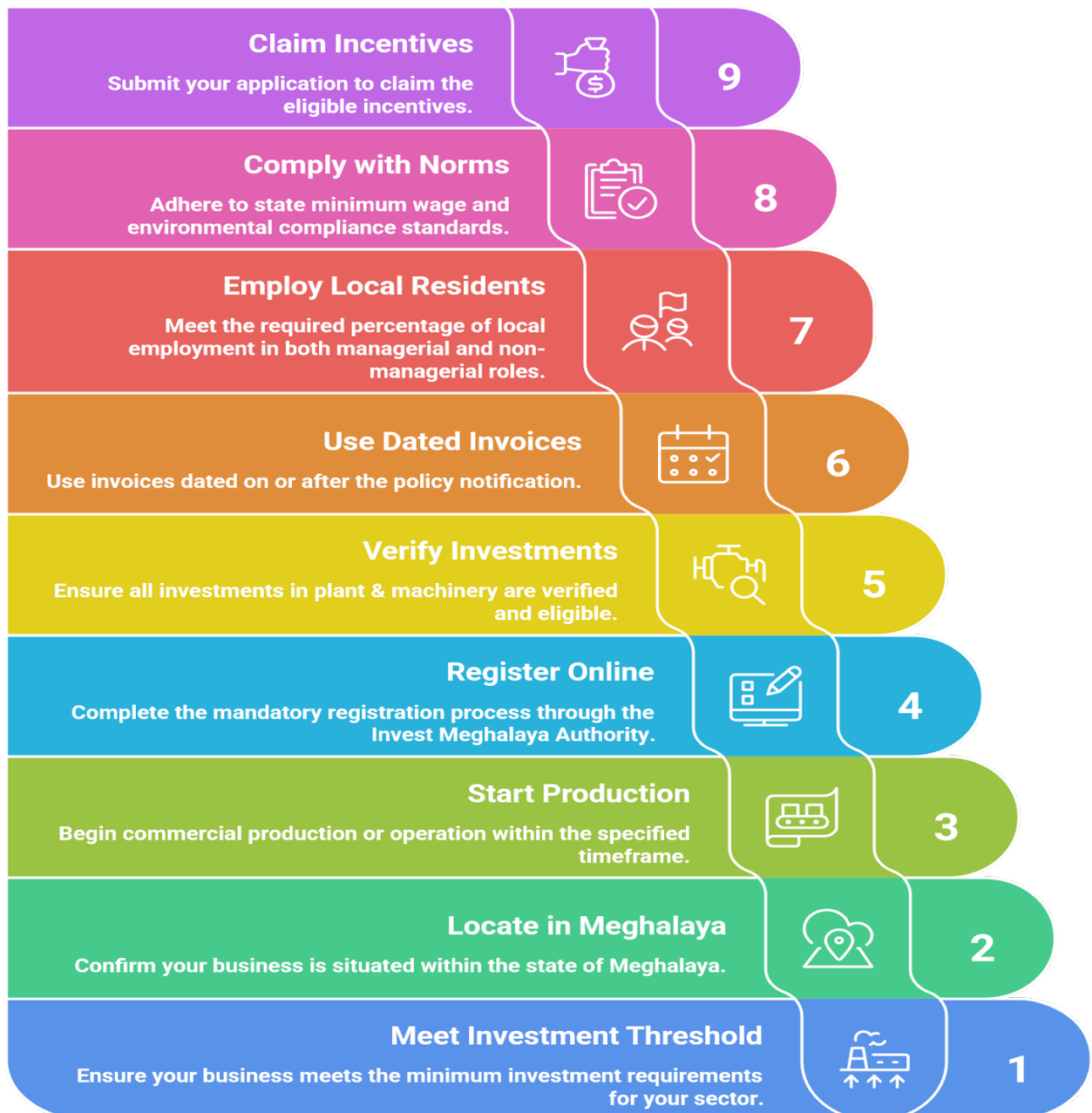
2.2. Policy Period and Applicability

- **Commencement:** December 21, 2022
- **Duration:** Up to December 20, 2034 (with committed liabilities payable beyond this period)
- **Applicability:** To all *New* and *Expanding* units registered within the policy period, meeting eligibility criteria.

2.3. Terms & Conditions for Incentives

- Incentives apply to eligible manufacturing and service sector units meeting minimum investment limits – ₹1 crore (manufacturing) and ₹50 lakh (services); ₹50 lakh for micro units.
- Units must be located in Meghalaya; Central/State PSUs are not eligible.
- Commercial production/operation must start within 4 years from registration.
- Registration through the Invest Meghalaya Authority via the Unified Investment Portal is mandatory.
- Only verified core investments in plant & machinery or durable physical assets are eligible.
- Invoices must be dated on or after the policy notification.
- Cash payments are ineligible for investment calculation.
- Units must employ local residents –
 - 1st–2nd year: 25% locals (managerial) & 90% (non-managerial).
 - From 3rd year: 50% locals (managerial) & 90% (non-managerial).
- Must follow state minimum wage and environmental compliance norms.
- Maximum total incentive capped at ₹100 crore per unit (extendable for customized packages).
- If incentives overlap with UNNATI (Gol) or other schemes, only the difference can be claimed.
- Units misrepresenting facts or violating conditions must refund incentives with 15% interest and may face legal action.
- Units relocating or closing within 5 years must refund all incentives; within 10 years, become ineligible for further benefits.
- Government of Meghalaya's decision on interpretation or disputes is final and binding.

Achieving Incentive Eligibility



2.4. Priority Sectors

The Government has identified following sectors as 'Priority Sectors' based on their potential of contributing to the economic growth of Meghalaya:

- Hotel and Hospitality
- Tourism
- Education
- Bio-Technology
- Fin-tech & Financial Services

- Healthcare
- Information technology
- BPOs
- EV Charging station
- Tech-oriented start-ups/units providing services in the field of Education, Primary Healthcare and Agriculture
- Food Processing
- Power Generation
- Music, Films and Entertainment
- Logistics
- Green Start-ups
- Bio-Fuels
- Agri-Allied Industries
- Bamboo-Based Industries
- Textiles
- Manufacturing (Other than Negative sectors)
- Automobiles/EVSE
- Electronic System Design and Manufacturing (ESDM)

3. POLICY FEATURES AND INCENTIVES

3.1. State Capital Investment Incentive

New and expanding units are eligible for the State Capital Investment Incentive. One applicant (same name and GST number) may claim incentives for only one unit/application. A new unit cannot claim expansion benefits.

	Priority Sector Units	Other Units
Micro, Small and Medium Industrial Units	<ul style="list-style-type: none"> • Subsidy @30 % on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) • maximum limit- Rs 10 crore 	<ul style="list-style-type: none"> • Subsidy @30 % on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) • maximum limit- Rs 8 crore

	Priority Sector Units	Other Units
Large Industrial Units	<ul style="list-style-type: none"> subsidy @30 % (thirty percent) on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) maximum limit- Rs 15 crore 	<ul style="list-style-type: none"> subsidy @30 % (thirty percent) on cost of plant and machinery (for the manufacturing sector) or for construction of building and installation of other durable physical assets (for services sector) maximum limit- Rs 12 crore

3.2. State Interest Subvention Incentive

Eligibility	<ul style="list-style-type: none"> New units, as well as Expanding units of both the manufacturing and service sectors principal amount of Rs. 250 crores for investment in eligible plant and machinery (manufacturing sector) or Building, and all other durable physical assets (for service sector) interest on the loan amount exceeding Rs. 250 crores would not be eligible This incentive is applicable on the loans availed from Scheduled Commercial Banks or Financial Institutions registered by Reserve Bank of India. For Units that are eligible for claiming Capital Interest Subvention Incentive under the UNNATI scheme of Government of India, the State Interest Subvention Incentive shall be provided to the extent of difference between the State Capital Investment Incentive and Government of India Incentives. 	
State Interest Subvention Incentive	Incentive at the annual rate of interest of 5% for priority sector units	Incentive at the annual rate of interest of 4% for non-priority sector units
Period	maximum of 7 consecutive years	maximum of 7 consecutive years

3.3. SGST Reimbursement

Eligibility	Only New units having a valid GST Identification Number
Priority Sectors Units	<ul style="list-style-type: none"> ▪ SGST reimbursement equal to 100% of the Net payment of SGST i.e., SGST Paid less Input Tax Credit ▪ for a maximum period of 15 years from the date of commencement of commercial production/operation or till the validity of the policy whichever is earlier ▪ up to a ceiling of 150% of the eligible value of the investment made in plant & Machinery (for manufacturing sector) or construction of building and other durable physical assets (for services sector). ▪ SGST paid on exported goods or services will not be counted towards eligible incentive amounts under this component. ▪ The State Government shall grant a 99% exemption/remission of MVAT to eligible industrial units on the sale of finished goods and by-products taxable under the MVAT Act, 2003 within the State, for a period of seven (7) years from the date of commencement of commercial production. ▪ The industrial unit shall be required to pay 1% of the tax amount payable in accordance with the tax returns filed under the MVAT provisions of the State Government. ▪ The unit shall be eligible for exemption/remission of 99% of the applicable CST amount and shall pay only 1% of the applicable CST amount on the sale of finished goods to registered dealers/customers, subject to submission of the applicable declarations under Section 8(4) of the CST Act, 1956. ▪ All new industrial units, as well as existing units undertaking expansion of 25% or more, shall be eligible for exemption/remission benefits for an additional period of five (5) years. ▪ Exemption/remission benefits shall not apply to peripheral activities such as bottling and other similar ancillary activities. ▪ Industrial units eligible for 99% SGST remission under MIPP 2012 shall continue to avail such remission under the said policy for the committed period, along with any additional period permitted for payment of committed liabilities.

Non-Priority Sectors Units	<ul style="list-style-type: none"> ▪ SGST reimbursement equal to 100% of the Net payment of SGST i.e., SGST Paid less Input Tax Credit ▪ for a maximum period of 10 years from the date of commencement of commercial production/operation or till the validity of the policy whichever is earlier ▪ up to a ceiling of 100% of the eligible value of the investment made in plant & Machinery or construction of building and other durable physical assets. ▪ SGST paid on exported goods or services will not be counted towards eligible incentive amounts under this component
Other conditions	<ul style="list-style-type: none"> ▪ The amount of incentive paid in a financial year will be one-tenth of the total amount of eligible incentive under this component subject to full payment of SGST as per SGST return filed for the claim period. ▪ In case the Net SGST paid by any unit in a financial year is more than one-tenth of the total amount of eligible incentive, the balance can be carried forward to the subsequent financial year(s). Further, if the unit cannot claim the full eligible amount of incentives in the first 3 years, the same can be carried forward to subsequent years. However, this will not be carried forward beyond the eligible period of 15 Years for Priority sector and 10 years for non-Priority sector or beyond the policy's validity, whichever is earlier. ▪ In case the SGST is reimbursed under UNNATI Scheme or any other scheme of Government of India, the unit shall only claim the balance net SGST as applicable for Priority and Non-Priority sectors under this scheme.

3.4. State Capital Investment Incentive to Industrial Units owned by Physically Challenged persons and other special category individuals

- i. Micro units where the majority shareholder is a physically challenged person or other special-category individual (and a Meghalaya domicile) are eligible for an additional 10% incentive on the cost of factory building and plant & machinery / other durable physical assets.
- ii. Small units with majority shareholder as above are eligible for an additional 5% incentive on plant & machinery cost, subject to a maximum ceiling of INR 50 lakh, provided the majority shareholder is domiciled in Meghalaya.

3.5. Transportation Subsidy

Micro & Small units qualify for a subsidy on actual inland transportation costs for raw materials sourced within Meghalaya and for finished goods produced in the State, subject to a maximum of INR 15 lakh per annum for 4 years for Priority Sectors, and INR 10 lakh per annum for 3 years for Non-Priority Sectors.

3.6. Green Subsidies

i. **Subsidy on Cost incurred on installation of Rainwater Harvesting System in the Industrial Unit**

- a. Subsidy @ 50% of cost of Rainwater Harvesting System installed subject to a maximum limit of **INR 2 Lakhs to Micro & Small Units**
- b. Subsidy @ 50% of cost of Rainwater Harvesting System subject to a maximum limit of **INR 10 lakhs to Medium & large Units.**

ii. **Subsidy on Cost incurred on installation of Wastewater Recycling facility in the Industrial Unit**

- a. subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 5 lakhs to Medium Units
- b. Subsidy @ 50% of cost of Wastewater Recycling facility subject to a maximum limit of Rs 15 lakhs to Large Units



iii. **Reimbursement of expenses incurred on Water Audit by an Industrial Unit**

All units: 75% reimbursement of water audit expenses, up to INR 1 lakh, provided the audit demonstrates at least 25% water-consumption savings. Audits must be conducted by a government-recognised agency, and the final audit report and saving certificate must be submitted with the subsidy application.

iv. **Subsidy on Cost incurred on installation of Zero Discharge facility in the Industrial Unit**

Medium & Large Units shall be eligible for subsidy @ 50% of Cost incurred on installation of Zero Discharge facility subject to a maximum limit of INR 5 Lakhs for Medium Units and to a maximum limit of INR 10 lakhs for Large Units.

Policy Features and Incentives

	 Priority Sector Units	 Other Units
State Capital Investment Incentive	30% subsidy, max Rs 10 crore	30% subsidy, max Rs 8 crore
State Interest Subvention Incentive	5% annual interest rate	4% annual interest rate
SGST Reimbursement	100% net SGST, 15 years, 150% investment ceiling	100% net SGST, 10 years, 100% investment ceiling
State Capital Investment Incentive (Special Category)	Additional 10% incentive for micro units	Additional 5% incentive for small units
Transportation Subsidy	Max Rs 15 lakh/year for 4 years	Max Rs 10 lakh/year for 3 years
Green Subsidies	50% and Max 2 lakh for Micro units	50% and Max 10 lakh for Medium unit
Rainwater Harvesting System	50% subsidy, max Rs 2 lakh (Micro & Small)	50% subsidy, max Rs 10 lakh (Medium & Large)
Wastewater Recycling Facility	50% subsidy, max Rs 5 lakh (Medium)	50% subsidy, max Rs 15 lakh (Large)
Water Audit Reimbursement	75% reimbursement, max INR 1 lakh	75% reimbursement, max INR 1 lakh
Zero Discharge Facility	50% subsidy, max INR 5 lakh (Medium)	50% subsidy, max INR 10 lakh (Large)

3.7. Subsidy on Power

i. Subsidy on Capital Investment on Power Generating Sets

- Micro & Small units: 50% subsidy on the cost of power generating sets for Conventional systems and 75% on the cost power generating sets for renewable systems, capped at INR 10 lakh for conventional sets and INR 50 lakh for non-conventional/renewable systems.
- Medium & Large units: 50% subsidy, capped at INR 50 lakh for power generating sets conventional systems and 75% subsidy, capped at INR 2 crore for non-conventional/renewable systems.

- Only one claim is permitted per unit (either for conventional or non-conventional systems).
- Renewable systems must demonstrate captive use and be connected to the net-metering system.

ii. **Reimbursement on Capital Investment on Drawl of Power Line**

Micro & Small units: 100% reimbursement for drawl of 11 kV and above lines (including transformers), up to INR 10 lakh

iii. **Subsidy on Power Service Connection Charges**

Micro & Small units: 50% subsidy on service connection charges (excluding internal wiring), up to INR 2 lakh

3.8. **Employee-related Reimbursement**

All units are eligible for 100% reimbursement of the employer's EPF contribution for 3 years, with an additional 1 year for women employees, for Meghalaya-domiciled staff from the commencement of commercial production/operation. Reimbursement is capped at 12% of basic + DA/retaining allowance or INR 1,800 per month, whichever is lower.

This incentive is not applicable to IT & ITeS units, which receive similar benefits under the Meghalaya IT/ITeS Policy, 2024 (Expenses Reimbursement section).

3.9. **Customized Package of Incentives**

- Industrial units with minimum investment of INR 100 crore (fixed capital) qualify for customized incentive packages.
- Green-technology industries that hold registered patents are also eligible for customized incentives regardless of investment value.
- Proposals for customized packages will be evaluated by the High-Powered Committee and approved by the cabinet.

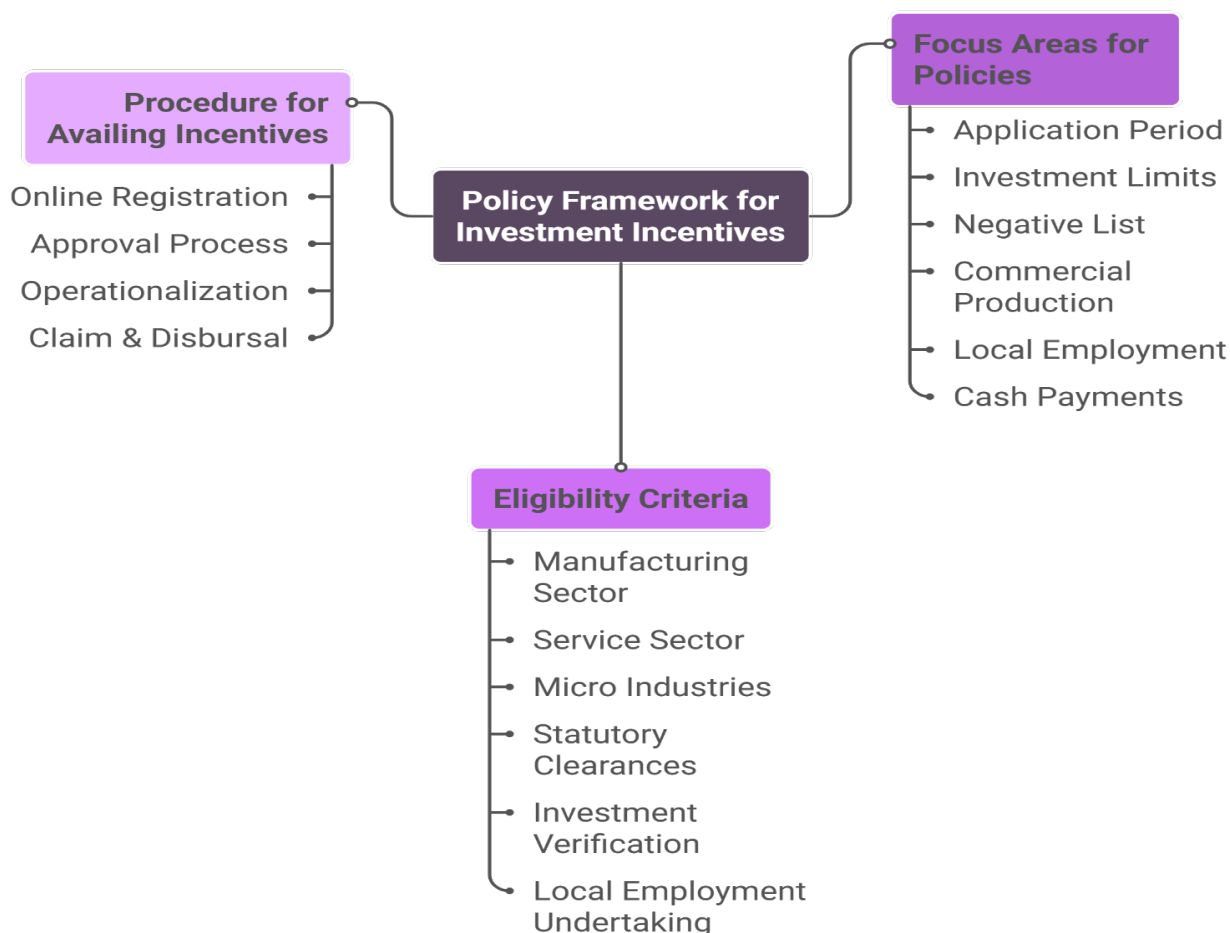
3.10. **Limit of Incentives / Subsidies**

- i. The maximum aggregate benefit for a single unit under all policy components is INR 100 crore, subject to extension for units granted customised incentives.
- ii. Where MIIPP benefits overlap with UNNATI or other Central schemes, only the difference between the State Incentives and UNNATI/Government of India Incentives will be eligible.
- iii. If multiple State schemes provide overlapping incentives, the unit may choose the scheme offering the greater benefit.
- iv. Units that have received benefits under the CM Elevate Program or similar State initiatives may claim only the SGST incentive under MIIPP-2024, while remaining eligible to avail UNNATI benefits.
- v. No interest is payable for delayed incentive payments.

4. FOCUS AREAS FOR POLICIES

4.1. Application period for registration

Policy Framework for Investment Incentives



Made with Nankin

The registration period under the policy will commence from the date of issue of notification till **31.03.2026** subject to the guidelines issued in this regard.

4.2. Eligibility Criteria

- Manufacturing Sector Units investing a minimum of INR 1 crore in plant & machinery will be eligible for incentives and subsidies. For determining the value of eligible incentives/subsidies, only investments made in plant and machinery shall be considered.
- Units engaged in the manufacture of products listed in the Negative List shall not be eligible for any incentives, subsidies, or reimbursements.
- Service Sector Units investing a minimum of INR 50 lakh in building and other durable physical assets shall qualify for incentives and subsidies. The eligible value for incentive computation will be determined based on investment made in building and other durable physical assets.

- For Micro Industries, the minimum investment limit shall be 10 Lakh for both manufacturing and service sectors. In such cases, the cost of building construction will also be included in the calculation of plant and machinery value.
- All eligible All eligible units must commence commercial production or operation within 4 years from the date of registration.

Units may install plant and machinery in up to three phases, with incentives becoming applicable only after final commencement of production.

The final date of commencement shall not exceed 4 years from the registration date as recorded in the online portal. During intermediate phases, the unit may sell or supply goods and services as permitted under the GST Act, 2017.

- The Invest Meghalaya Authority will ensure that all registered units obtain the necessary statutory clearances within the defined timelines and commence production accordingly.
- Eligibility for incentives, subsidies, and reimbursements shall be subject to verification of investment in plant and machinery (for manufacturing sector); and in building and other durable physical assets (for service sector). However, only the core investment segment in both sectors shall qualify for incentives
- The Unit must furnish an undertaking regarding local employment to be eligible for incentives / subsidies;
 - a) For the Years 1 & 2: At least 25% of managerial positions and 90% of non-managerial positions must be filled by individuals domiciled in Meghalaya.
 - b) From Year 3 onward: At least 50% of managerial and 90% of non-managerial positions must be held by Meghalaya domiciles.
 - c) The unit must comply with the minimum wage policies of the Government of Meghalaya.
- Any payments made in cash for transactions related to investment will be considered ineligible for the purpose of availing incentives or subsidies under MIIPP, 2024.

4.3. Procedure for Availing Incentives

- a. **Online Registration:** Apply via Unified Investment Portal (UIP).
- b. **Approval:** Routed through District Investment Committee (DIC), State Investment Committee (SIC), or High-Powered Investment Committee (HPIC), depending on the scale of investment as per investment scale.
- c. **Operationalization:** Accelerated and grant of various licenses, permissions and issuance of clearances from various competent authorities of Government of Meghalaya in a time bound.
- d. **Claim & Disbursal:** File claims with the Department of Commerce & Industries (nodal agency).

Mere registration under the policy does not automatically entitle the unit to incentives; approval shall be subject to verification and fulfillment of eligibility criteria

4.4. Industries Benefiting

- Agri & Food Processing
- Tourism & Logistics
- IT/ITES & Fintech
- Sustainable and Green Technology Industries.
- Hotel & Hospitality
- Education
- Bio-technology
- Fin-tech & Financial Services
- Healthcare
- Information Technology
- Business Process Outsourcing
- EV Charging Station
- Tech Oriented start-up
- Power Generation
- Music, Film and Entertainment
- Green Startups

4.5. Export Promotion Support

- Providing required impetus to the 'Priority Sectors' carrying exports
- Development of export promotion park.

4.6. Target Beneficiaries

- **Primary:** New and Expanding Units in manufacturing and service sectors.
- **Focus Groups:** MSMEs, Green Technology Enterprises, and Special Category Entrepreneurs (local residents, women, and differently-abled individuals).

5. CONCLUSION AND STRATEGIC SIGNIFICANCE

In conclusion, the Meghalaya Industrial & Investment Promotion Policy (MIIPP), 2024 represents a strategic initiative by the Government of Meghalaya to foster sustainable industrial growth, attract private investment, and generate employment opportunities across the state. By emphasizing infrastructure development, entrepreneurship promotion, ease of doing business, and sector-specific incentives, the policy aims to create a competitive and investor-friendly ecosystem while ensuring balanced regional development. Furthermore, MIIPP 2024 reflects the state's commitment to inclusive and environmentally responsible industrialization by encouraging innovation, local resource utilization, and participation of micro, small, and medium

enterprises (MSMEs). If effectively implemented, the policy has the potential to strengthen Meghalaya's economic landscape, improve livelihoods, and position the state as an emerging investment destination in Northeast India.

Additionally, the policy underscores the importance of collaboration between the government, private sector, financial institutions, and local communities to achieve long-term economic progress. Through skill development programs, technological advancement, and support for emerging industries, MIIPP 2024 seeks to empower the youth and enhance the overall industrial capacity of the state. The policy also promotes transparency, accountability, and efficient governance mechanisms, which are essential for building investor confidence and ensuring sustainable outcomes. Overall, the Meghalaya Industrial & Investment Promotion Policy, 2024 serves as a comprehensive roadmap for accelerating industrial transformation while preserving the unique socio-cultural and environmental identity of Meghalaya.

6. Contact details

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Directorate Office: https://megindustry.gov.in/con_directorate.html

Secretariat Office: https://megindustry.gov.in/con_secretariat.html

7. REFERENCES

Official policy PDF and department site.
<https://megindustry.gov.in/policy/MIIPP-2024.pdf>

Official Policy Amendment PDF
[MIIPP Amendment 2025](#)

FAQs

1. Are there any special provisions for women?

All Units shall be eligible for reimbursement of 100 % of employer's contribution to Employee Provident Fund (EPF) for a period of 3 years for employees and additional 1 year for women employees from the commencement of commercial production / operations for employees who are domiciles of Meghalaya.

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

While the MIIPP 2024 does not have a separate export policy, it aligns with the Uttar Poorva Transformative Industrialization Scheme (UNNATI) 2024 and promotes export-oriented industries through infrastructure like Export Promotion Industrial Parks and logistics support under transport subsidies.

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

Entrepreneurs can avail financial support through multiple provisions such as the State Capital Investment Incentive, State Interest Subvention Incentive, and transportation subsidies for raw materials and finished goods. Additional funding support is accessible through schemes like PRIME Meghalaya and CM Elevate, which provide seed funds, credit facilitation, and market linkages for startups and youth-led ventures.

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

Startups and MSMEs benefit under the Meghalaya Start-up Policy, 2018, which complements MIIPP 2024.

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

The policy offers several fiscal relaxations including SGST reimbursement for up to 15 years (priority sectors) or 10 years (non-priority), Interest subvention of 4–5% for 7 years, capital investment subsidy, Power subsidy for renewable and conventional energy systems, Transport subsidy on raw materials and finished goods, Green subsidies for rainwater harvesting, recycling, and zero-discharge facilities.

6. Which nodal agency/department implements this policy?

The Department of Commerce and Industries, Government of Meghalaya is the nodal agency for implementing the MIIPP 2024. The Invest Meghalaya Authority (IMA) functions under this department to handle investor facilitation, registration, and incentive disbursal in coordination with other line departments.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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Startup Portal:
startup.icai.org



MSME Portal:
msme.icai.org