



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



Mizoram State MSME Policy



MSME & Startup Committee, ICAI

Disclaimer

This publication is intended solely for general information and reference purposes only and does not constitute professional advice. Readers are advised to seek professional help for specific queries. While every effort has been made to avoid any mistake or omission, ICAI assumes no responsibility and makes no warranty, either express or implied, regarding the accuracy, completeness, or timeliness of the content. ICAI would not be liable in any manner, whatsoever, to any person by reason of any mistake or omission in this publication or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this publication. ICAI shall not be liable for any loss, damage, or consequences that may arise from the use of or reliance upon this publication, howsoever caused. Readers are advised to exercise their own independent judgment and consult official government sites, notifications, circulars, statutory instruments, and prevailing laws for the most current and authoritative pronouncements or seek independent professional advice before proceeding with any decision or action.

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 Mizoram**, which will play a crucial role in this initiative.

MSME & Startup Commitment Growth

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

CA Gyan Chandra Misra
Chairman
MSME & Startup Committee, ICAI

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

Industrial and Investment Policy of Mizoram, 2025

1. INTRODUCTION TO THE POLICY

1.1. Brief State Profile and Policy Rationale

The northeastern state of Mizoram, often called the Land of the Hill People, is a landlocked region characterised by steep hills, extensive forest cover (over 85%, the highest in India), and international borders with Myanmar and Bangladesh.

Mizoram’s economy relies largely on bamboo and forest products, agro-horticulture, handloom and handicrafts, together with a growing services sector. The Industrial and Investment Policy 2025 aims to position Mizoram as a leading investment destination driven by sustainability, innovation, and inclusive development. The policy aims to foster a conducive environment for industrial expansion, strengthen competitiveness, encourage entrepreneurship, and generate employment opportunities, while ensuring environmental stewardship and social inclusiveness.

1.2. Vision

The Industrial and Investment Policy of Mizoram, 2025 envisions positioning Mizoram as a leading investment destination driven by sustainability, innovation, and inclusive growth. It aims to create a progressive and enabling ecosystem that fosters industrial development, strengthens competitiveness, promotes entrepreneurship, and generates meaningful employment opportunities, while ensuring environmental stewardship, ecological balance, and social equity.

1.3. Key Highlights at a Glance

Mizoram Investment Policy Highlights



1.4. Objectives

- To encourage and facilitate investments that are strategically aligned with the state's economic potential, developmental priorities, and commitment to environmental sustainability.
- To provide incentives and technical support to local entrepreneurs to establish micro and small enterprises, enhancing employability among youth.
- To reinforce and empower Micro, Small, and Medium Enterprises (MSMEs) as key drivers of industrial growth and economic development.
- To develop and enhance a resilient and well-integrated industrial infrastructure network that supports sustainable industrialization, improves ease of doing business, and facilitates the establishment of Special Investment Zones (SIZs) as strategic hubs for investment and economic growth.
- To strengthen and modernize governance mechanisms through efficient institutional frameworks and integrated single-window systems that facilitate transparency, coordination, and ease of doing business.
- Encourage the adoption of environmentally responsible practices and innovative technologies to support long-term, sustainable industrial development while minimizing ecological impact and ensuring balanced economic growth.
- Establish a stable and investor-friendly ecosystem that promotes transparency in governance, ensures consistent and predictable policy implementation, and enhances the overall ease of doing business to attract and sustain long-term investment.
- Optimize economic outcomes by encouraging high-return, value-added investments that drive job creation and contribute significantly to overall GDP growth.
- Provide transparent, efficient, and well-structured financial investment facilitation services that prioritize investor confidence and protection while also advancing the broader interests of the public and supporting inclusive economic development.

2. ABOUT THE POLICY

2.1. Definition

| | Investment | Turnover |
|---------------------------|--|------------------------------|
| Micro Enterprises: | Not exceeding INR 2.5 crore in plant and machinery or equipment. | Not exceeding INR 10 crore. |
| Small Enterprises | Not exceeding INR 25 crore in plant and machinery or equipment. | Not exceeding INR 100 crore. |
| Medium Enterprises | Not exceeding INR 125 crore in plant and machinery or equipment. | Not exceeding INR 500 crore. |

- **Tribal:** A person belonging to Scheduled Tribes for Mizoram as specified by Presidential Order under Article 342(1) of Constitution of India.
- **SIZ (Special Investment Zone):** Designated industrial zones providing pre-approved infrastructure, streamlined regulatory processes, and lease-based land access especially for non-indigenous investors.
- **Plug and Play Infrastructure:** Pre-built industrial units with ready access to electricity, water, and internet aimed at reducing time-to-market for enterprises
- **Lease-Holder:** A person given a lease of specified tenure to occupy a land parcel for a specific purpose such as industry, educational institution, etc.

2.2. Institutional Framework for Implementation

Effective implementation of the policy is ensured through a multi-tiered institutional mechanism. The framework is designed to ensure coordination, transparency, and operational efficiency across all stages of industrial development and investor engagement.

| Institution | Role & Mandate |
|---|--|
| Commerce & Industries (C&I) | Nodal department for all industrial development, MSME support, infrastructure oversight, and policy enforcement |
| Planning & Programme Implementation Department | Nodal department for broader investment policy coordination and interdepartmental harmonization |
| Single Window Clearance Authority (SWCA) | Established under Mizoram Ease of Doing Business Act, 2022; provides end-to-end digital facilitation and clearances |
| Investment Promotion Agency (IPA) | Autonomous agency (Section 8 Company/Society/Statutory Body) for investor facilitation, aftercare, trade promotion, and post-investment services |
| IPA HQ & Outreach | Headquartered in Aizawl with outreach in other states; tracks investment inflows and monitors government benefits |

2.3. Investment Promotion Agency (IPA) Key Mandates

The IPA is the most significant new institutional creation under this policy. Its core mandates include:

- Promoting domestic and foreign investments across priority sectors
- Streamlining regulatory clearances and improving the Ease of Doing Business (EODB)
- Offering aftercare services and resolving investor grievances in a time-bound manner
- Enhancing export capabilities and engaging with national and international stakeholders
- Supporting infrastructure development and skill-building initiatives

- Preparing operational guidelines, standard documents, and facilitation procedures for investment proposals
- Conducting research and collaborating with institutions for R&D on specific investible items
- Exploring Infrastructure Investment/Finance Companies through Alternative Sources, NBFCs, or other available avenues for working capital financing
- Tracking actual investment inflows and monitoring government benefits extended to investors
- Promoting transparency in land allocation, financial expenditure, and capital budgeting

2.4. Single Window Clearance Authority (SWCA)

The SWCA operates as the central digital interface for all industrial approvals. Through a unified portal established under the Mizoram Ease of Doing Business Act, 2022, investors can access end-to-end facilitation including land allotment, construction permits, utility connections, statutory registrations, and grievance redressal. Time-bound service delivery with standardized SOPs is a core feature of this system.

3. POLICY FEATURES AND ARCHITECTURE

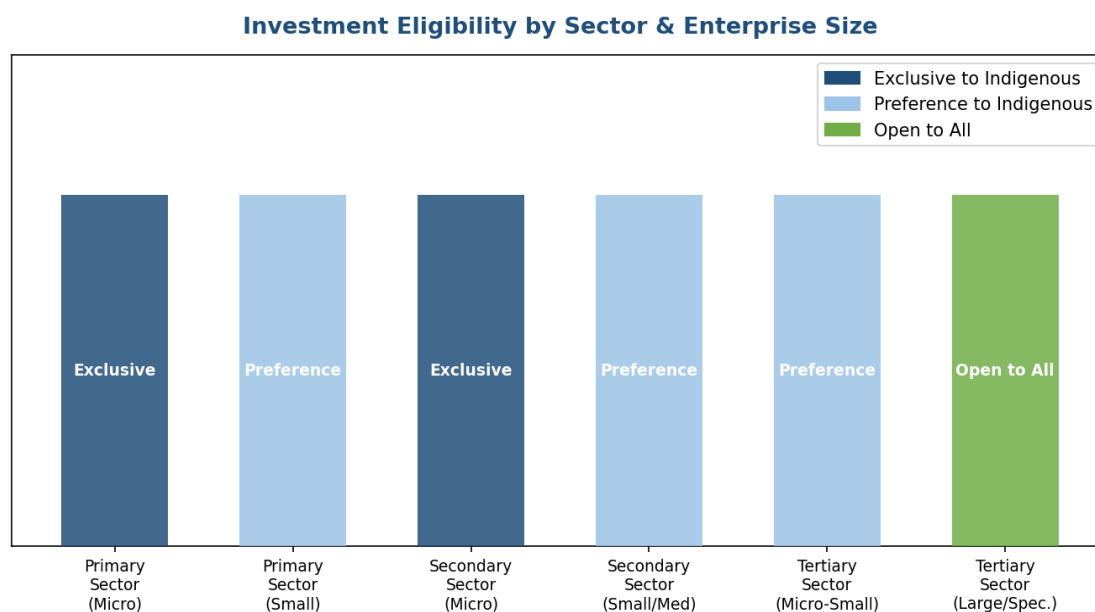
3.1. Land Provision, Utilization and Development

Land is the foundational infrastructure for all industrial activity. The policy addresses Mizoram’s unique land constraints through a multi-pronged strategy that balances indigenous rights, investment needs, and environmental sustainability.

| Land Provision | Details |
|---------------------------------------|---|
| Industrial Plot Allotment | Up to 33 years per term (max 99 years) for local entrepreneurs; up to 50 years for other eligible investors within declared industrial areas with the discretion of the government. |
| Non-Indigenous Lease | Up to 33 years per term; sub-leasing only for ancillary industries; land purpose must be realized within 2 years (extendable to 5 years) |
| Joint Ventures on Private Land | Indigenous landowner must retain at least 51% paid-up capital; land ownership stays with indigenous owner |
| IIDMF | Industrial Infrastructure Development and Maintenance Fund for sustaining industrial estates and SIZs; funded by Government allocations and user charges |
| GIS Land Bank | Systematic GIS-based mapping of land parcels across districts; regularly updated for legal status, ownership, sectoral suitability, and infrastructure readiness |
| PPP Infrastructure | Large infrastructure via PPP; empanelled promoters allowed branch offices; moveable assets anywhere state-wide under PPP arrangements |

3.2. Investment Scaling and Entry Conditions

The policy recognizes the need to promote local entrepreneurship while enabling larger-scale investment from outside the state. The micro-scale is exclusively reserved for indigenous entrepreneurs in most primary and many secondary sectors. The following chart illustrates the eligibility framework across sectors and investment scales.



For investments where both indigenous and non-indigenous proposals carry equal merit (measured by GST revenue potential, local employment generation, sustainability, fiscal adequacy, and technology capability), preference is accorded to indigenous entrepreneurs. This represents a significant protective mechanism for local economic empowerment.

3.3. Channels of Indirect Investment

Indirect investment channels remain open to all investors through Government-maintained Local Entrepreneurship Development Funds. These funds are deployed for:

- Improving entrepreneurial education for young indigenous entrepreneurs
- Extending lines of credit and credit guarantee facilities
- Incubation of new ventures and start-ups
- Helping small and medium enterprises scale up and attract further investment

3.4. Marketing and Branding Support

The Government of Mizoram recognizes the need to build a strong brand identity for its industrial and agricultural produce. Key marketing initiatives under this policy include:

- “Made in Mizoram” certification and branding scheme for domestic and export markets
- Organization of buyer-seller meets, vendor development programmes, and export readiness workshops

- Promotion of e-commerce platforms, logistics integration, and digital market access
- Brand ambassador appointments to promote Mizoram as a viable investment destination
- “Invest in Mizoram” promotional materials at strategic locations; investment summits in major cities within and outside India

3.5. Technology Adoption and Innovation

The government aims to boost productivity and competitiveness through modern technology adoption. Key initiatives include:

- Encouraging adoption of IoT, Artificial Intelligence (AI), and blockchain technologies
- Establishing technology incubators and innovation hubs to support startups and research institutions
- Leveraging the state’s rich biodiversity for biotechnology through incubation centers and strategic partnerships
- Positioning Mizoram as a hub for innovation and sustainable resource utilization

3.6. Industrial Emission and Environmental Management

Environmental compliance is a non-negotiable aspect of this policy. Specific provisions include:

- Development of Action Plans for setting up new industries in Critically Polluted Areas (CPAs)
- Establishment of e-waste recycling units in industrial areas wherever feasible, compliant with e-Waste Management Rules
- Encouragement of transition of industries to gaseous fuels (CNG, PNG, CBG) in line with the North East Gas Grid Pipeline Project by Indradhanush Gas Grid Ltd.

3.7. Monitoring and Feedback Mechanism

The Government shall adopt a dynamic performance management system including:

- Key Performance Indicators (KPIs): investment inflow, job creation, project implementation rate, investor satisfaction
- Digital dashboard for real-time tracking of policy outcomes
- Sectoral roundtables and investor outreach sessions for stakeholder feedback and adaptive governance

3.8. Local Level Facilitation

The policy acknowledges the importance of smooth communication between indigenous and non-indigenous persons. Language learning nodes will be established to impart business-level

communication in English, Hindi, and Mizo for both entrepreneurs and workers. These nodes will be recognized under the Companies Act, 2013 (Schedule VII, Section 137) and can serve as compliant Corporate Social Responsibility (CSR) activities.

Additionally, NABL-certified quality testing and certification entities will be enabled across the state to serve investors and local entrepreneurs in testing and certifying products and services.

4. POLICY INCENTIVES AND SUBSIDIES

The Government of Mizoram has designed a comprehensive package of fiscal and non-fiscal incentives to support the establishment, growth, and sustainability of eligible industrial units and investments.

4.1. Complete fiscal incentives matrix

The following table provides the full details of all fiscal subsidies and incentives available to eligible MSMEs:

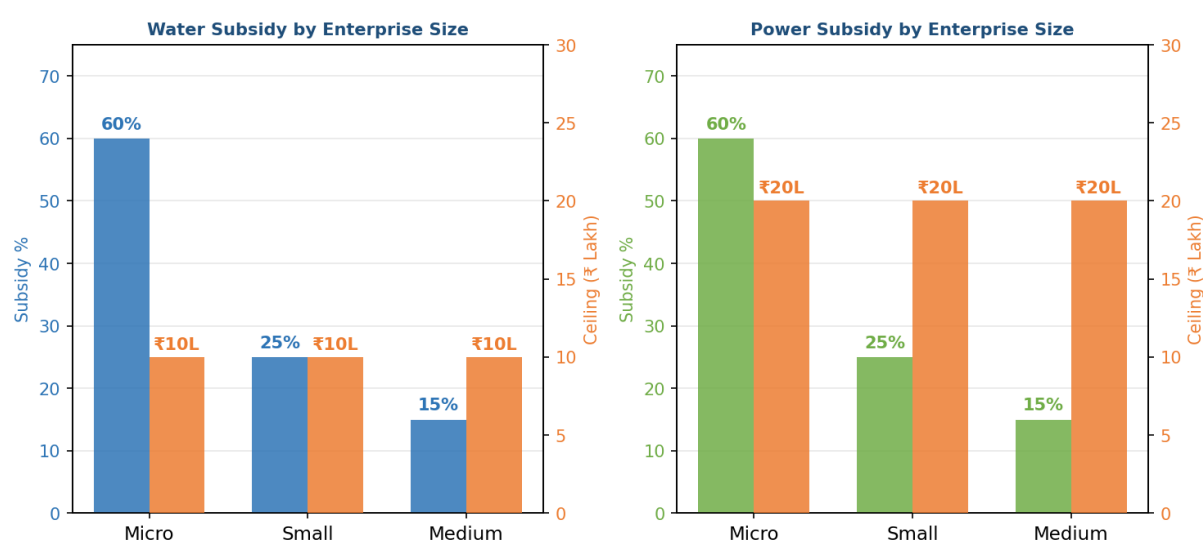
| Sl. | Incentive / Subsidy | Eligibility | Details / Rate | Maximum Amount |
|-----|---|--|--|--|
| 1 | Land Development Subsidy | New MSMEs in Notified Industrial Area (within 5 yrs) | 25% of land development expenditure | ₹10 Lakh |
| 2 | Factory Building Subsidy | New MSMEs in Notified Industrial Area (within 5 yrs) | 25% of factory construction cost | ₹15 Lakh |
| 3 | Interest Subsidy | New MSME units | Up to 5% p.a. on term loan for 5 years | ₹10 Lakh/year on total interest |
| 4 | Water Subsidy | New MSMEs (5 yrs from production) | Micro: 60% Small: 25% Medium: 15% | ₹10 Lakh/annum each |
| 5 | Power Subsidy | New MSMEs (5 yrs from production) | Micro: 60% Small: 25% Medium: 15% | ₹20 Lakh/annum each |
| 6 | Power Line & Transformers | New MSME (within 1 yr from production) | 50% of actual expenditure | ₹5 Lakh/unit |
| 7 | Captive Power Generating Set | New MSME (within 5 yrs from production) | 50% of cost including installation | ₹7 Lakh/unit |
| 8 | Transport of Plant & Machinery | New MSME (within 1 yr from production) | 50% of actual transport cost | Actual cost basis |
| 9 | Skilling / Re-skilling | New MSME (case-to-case basis) | 50% of training expenses | ₹2 Lakh/training/year |
| 10 | IT/ITES Rental Subsidy | New MSME in IT/ITES (5 yrs) | 50% monthly office rental (3 yrs) | ₹1.5 Lakh/annum |
| 11 | IT/ITES Tech Infrastructure | New MSME in IT/ITES (5 yrs) | 25% on cloud subscription (2 yrs) | ₹1 Lakh/annum |

| Sl. | Incentive / Subsidy | Eligibility | Details / Rate | Maximum Amount |
|-----|--|---|---|-----------------------------------|
| 12 | State GST Reimbursement | New MSME (within 5 yrs from production) | Net SGST paid (excl. ITC) for 5 years | As per SGST filed |
| 13 | Market Promotion | All MSMEs | 30% of stall rental at trade fairs | ₹1 Lakh/fair, 2 fairs/MSME |
| 14 | Wastewater & Effluent (ETP) | New MSME (5 yrs) | 50% capital subsidy for ETP/ZLD systems | ₹10 Lakh |
| 15 | Solid Waste & Plastic Recycling | New MSME (5 yrs) | Flat financial support for infrastructure | ₹5 Lakh/unit |
| 16 | Pollution Control Devices | New MSME (5 yrs) | 25% capital subsidy on certified PCDs | As per actual cost |

4.2. Utility Subsidies Water and Power

Water and power subsidies are structured on a graduated basis based on enterprise size. Micro enterprises receive the highest support at 60% of utility consumption costs, declining proportionally for small (25%) and medium (15%) enterprises. The following chart compares these rates:

Utility Subsidies for MSMEs – Water & Power



4.3. Green Incentives

The policy demonstrates a strong commitment to environmental sustainability through a dedicated suite of green incentives. These are available to new MSMEs within 5 years from commencement of production:

| Sl. | Incentive | Eligible Activity | Subsidy Rate | Maximum Amount |
|-----|---|---|---------------------|-----------------|
| 1 | Wastewater & Effluent Management | Construction of ETP, ZLD systems, and wastewater recycling facilities | 50% capital subsidy | ₹10 Lakh |

| Sl. | Incentive | Eligible Activity | Subsidy Rate | Maximum Amount |
|-----|--|--|---------------------|------------------------|
| 2 | Solid Waste & Plastic Recycling | Infrastructure for industrial solid waste management and plastic recycling | Flat grant | ₹5 Lakh/unit |
| 3 | Pollution Control Devices | Certified PCDs for air, water, and noise pollution control | 25% capital subsidy | Per actual cost |
| 4 | Green Building & Retrofitting | GRIHA/LEED-certified green buildings and energy efficiency retrofitting | Additional subsidy | To be notified |

4.4. Market and Business support Incentive

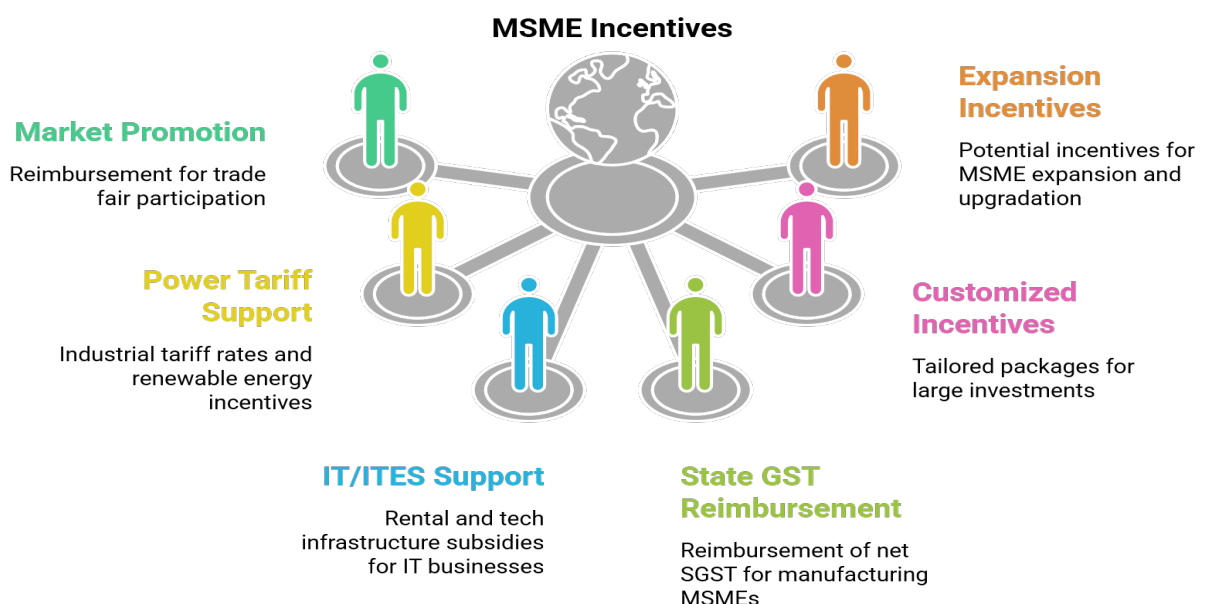
1. Market Promotion

MSMEs may receive reimbursement of up to 30% of stall rental (maximum ₹1 lakh per trade fair) for participation in national and international trade fairs. This is subject to prior government approval and is limited to a maximum of 2 trade fairs per MSME per year.

2. Power Tariff and Utility Support

Investors are entitled to the industrial tariff category as determined by the Mizoram Electricity Regulatory Commission (MZERC). Dedicated industrial feeders will be established in notified industrial areas and SIZs. The Government encourages captive renewable energy installation and provides priority for government incentives to industries implementing energy efficiency measures.

Mizoram MSME Incentives



3. IT/ITES Sector Support

New MSMEs engaged in the IT/ITES sector for 5 years from commencement may avail:

- Rental Subsidy: Reimbursement of 50% of monthly office space rental for 3 years (up to ₹1.5 Lakh/annum) for MSMEs in notified IT zones or approved incubation centers
- Tech Infrastructure Support: 25% subsidy on cloud service subscription charges for hosting applications and platforms (up to ₹1 Lakh annually for 2 years)

4.5. State GST Reimbursement

One of the most significant fiscal incentives is the SGST reimbursement available to manufacturing MSMEs. This covers the net SGST paid (excluding the amount of tax paid through input tax credit) for a period of 5 years from the date of commencement of commercial production. Claims must be submitted within 6 months from the date of filing SGST returns.

4.6. Customized Incentives for Large Investments

The Government may consider customized incentive packages for projects with a minimum initial investment of ₹25 crore for setting up industrial units in focus sectors under flagship government programmes. Such customized packages are evaluated on a case-by-case basis and may combine multiple incentive streams.

4.7. Incentives for Expansion and Upgradation

While the primary incentive framework targets new MSME units, the Government retains the discretion to extend applicable incentives to MSMEs undertaking expansion and upgradation activities through a separate notification, as and when deemed appropriate.

5. PRIORITY SECTORS

The Government of Mizoram has identified the following potential sectors for their ability to generate employment, leverage local resources, and contribute to sustainable growth:

- Agro and Food Processing Industries
- Bamboo and Forest-Based Industries
- Handloom and Handicrafts
- Textiles and Garment
- Tourism and Wellness Industries
- Information Technology and IT-enabled Services (ITES)
- Sports-Related Industries
- Plantain Fiber and Hill Broom Processing and Marketing
- Tea, rubber, coffee and plantation-based industries

- Clean and Green Energy
- Legal Process Outsourcing and Higher Education Services
- Entertainment and Music Industries
- Packaging Industries
- Animal Husbandry, Dairy, and Allied Activities
- Education and Skill Development
- Power and Renewable Energy
- Transport and Logistics
- Healthcare Sector
- Waste Processing and recycling

A few of the thrust areas are elaborated below:

a. Bamboo and forest-based Industries:

The bamboo industry in Mizoram is crucial and requires updates in policy to harness its full potential. With 35 identified bamboo species, including 20 indigenous varieties, the state has significant potential for industrial applications.

Key Considerations for Development:

Supply Chain Development: Strengthen linkages between bamboo growers, industries, and markets is essential for the growth of the bamboo industrial sector.

Market-Based Handicrafts: The handicraft sector should adopt a market-driven approach to enhance its viability.

Commercial Utilization of Thin-Walled Species: Initiatives to utilize thin-walled bamboo species for commercial purposes need to be launched.

Revitalization of Existing Industries: Exploring avenues to strengthen or revive current bamboo-based industries is vital for sustainable development.

The State shall also explore ways to produce non-edible oils by harnessing the potential of oil-bearing trees such as Tung, Jatropha, etc.

b. Food Processing Industries:

Mizoram's favourable temperate climate and consistent rainfall make it ideal for cultivating a wide variety of crops, fruits, and spices with high value-addition and export potential.

With more than 60% of the population engaged in agriculture and allied sectors, the State has a strong base for agro-based industries.

Developing food-processing units alongside cold-chain infrastructure will enhance shelf life and marketability, create employment, and promote sustainable economic growth.

c. Handloom & Textiles Industries:

The handloom sector is vital to rural livelihoods, women's empowerment, and cultural preservation.

Its low capital requirements and eco-friendly nature make it attractive both locally and internationally. However, the sector faces challenges in fulfilling large orders due to its unorganised structure and lack of quality control.

The Government will strengthen small-scale production through infrastructure development, skill enhancement, market-driven design, and formalisation of enterprises, thereby improving weaver incomes and competitiveness.

d. Processing of hill brooms

The hill broom processing industry in Mizoram constitutes a vital component of the state's rural economy. Notably, Mizoram's hill brooms are recognized for their superior quality. This crop requires minimal care, making it an excellent source of income for local farmers. The government aims to promote post-harvest technology and facilitate market expansion for hill brooms.

e. Tourism and Hospitality Industries:

Tourism and hospitality are vital to Mizoram's economic growth and cultural exchange, leveraging the State's scenic beauty, national parks, and wildlife sanctuaries.

Committed to sustainability, the Government seeks to promote natural and cultural heritage, generate employment, and form strategic partnerships to position Mizoram as a premier tourist destination.

Investments will focus on hotels, lodges, travel agencies, convention halls, and leisure facilities, as well as developing adventure-sports and eco-tourism.

Recognising the high standards of Mizoram's nursing professionals, the Government will also promote wellness tourism, reflecting the Mizo value of Tlawmngaihna, the spirit of selfless service.

f. IT & IT-enabled service Industries:

With a young, educated, and tech-savvy population, Mizoram aims to foster a dynamic IT and ITES ecosystem. The Government intends to promote AI- and drone-based technologies, encourage investment in IT parks, high-speed internet, plug-and-play facilities, and support emerging AI/drone start-ups.

This initiative is expected to enhance productivity, stimulate innovation, and create new employment opportunities.

g. Sports Related Industries:

Mizoram has shown exceptional sporting talent and national recognition. The Commerce & Industries Department will include sports-related activities within State incentive schemes to encourage investment.

Strategic focus areas:

- Infrastructure & training: Establish academies, training centres, and rehabilitation facilities; upgrade existing venues and host national/international events.
- Sports tourism & community engagement: Promote events and adventure sports; run youth and fitness programmes to generate employment.
- Sports-goods manufacturing: Develop a manufacturing hub leveraging local skills and resources to meet the growing demand for quality equipment and apparel.

5.1. Primary Sector Analysis

The primary sector focuses on Mizoram's most abundant natural resources. Bamboo and horticulture are flagship areas, leveraging the state's rich forest cover and agro-ecological diversity. Sericulture, palm oil, piggery, poultry, and rice production are similarly emphasized. The micro-scale of these activities is exclusively reserved for indigenous entrepreneurs, ensuring that the primary wealth of the state's natural resources flows to local communities.

5.2. Secondary Sector Analysis

The secondary sector encompasses food processing, silk and fabric processing, textiles, garments, fashion, sports goods manufacturing, wines and spirits (for markets outside Mizoram), light engineering, handicrafts, and prefabricated construction. These activities offer significant value addition to primary sector outputs and form a bridge between traditional industries and modern manufacturing.

5.3. Tertiary Sector Analysis

The tertiary sector is the most diverse, ranging from IT/ITES and banking to tourism, healthcare, research, and specialized education. Notably, sectors such as data warehousing, legal process outsourcing, private 5G networks, and research & higher education are open to all investors from India and abroad, reflecting Mizoram's ambition to be a knowledge and services hub of the Northeast.

5.4. Cross-Sectoral Opportunities

Several sectors present significant cross-sectoral opportunities. For instance, bamboo cultivation feeds into food processing, construction materials, and handicrafts. Clean and green energy underpins manufacturing viability. Healthcare connects to skill development. Tourism links with entertainment, hospitality, sports, and digital content creation. The policy's comprehensive sector mapping enables investors to identify these synergies.

6. MSME DEVELOPMENT FRAMEWORK

Micro, Small and Medium Enterprises form the backbone of Mizoram's industrial economy, comprising over 99% of the business base. Recognizing their centrality, the policy devotes a dedicated framework to MSME promotion and development.

| Component | Details |
|-------------------------------|--|
| Legal Framework | Mizoram-specific MSME Facilitation Act for simplified registration, self-certification, and protection |
| AMEn Scheme | Accelerating Micro Enterprises scheme providing end-to-end business support through trained community-based facilitators (Bankaitu) assisting Business Aspirants Units (BANTU) |
| Credit Guarantee | 100% credit guarantee coverage for micro-units under the AMEn Scheme integrated with institutional credit access |
| Cluster Development | Industry-specific MSME clusters with common facility centers, raw material banks, and shared service platforms |
| Procurement Preference | Minimum 25% of annual government procurement reserved for Mizoram-based MSEs employing at least 70% local workforce |
| Price Preference | Up to 12% price preference over lowest out-of-state bid; exemption from tender fees and Earnest Money Deposits (EMD) |
| Land & Finance | Priority land allotments in industrial estates; subsidized collateral-free financing in partnership with banks and NBFCs |
| Start-up Priority | Industrial plots prioritized to start-ups completing incubation; supports growth of micro and small enterprises |

6.1. Accelerating Micro Enterprises (AMEn) Scheme

Because micro enterprises form about 99% of Mizoram's enterprise base, the state introduces the Accelerating Micro Enterprises (AMEn) Scheme, which provides:

- Bankaitu (hand-holders): registered agencies or consultants who mentor entrepreneurs (BANTU – Business Aspirants Unit).
- Support for first-generation entrepreneurs, assistance with procedures, and facilitation of bank finance.
- 100% credit guarantee for registered micro enterprises under the scheme.

6.2. Procurement Preference Boosting Local Business

The Mizoram Procurement Preference Policy for Micro and Small Enterprises (MSEs), 2025, mandates:

- Minimum 25% of annual government procurement reserved for Mizoram-based MSEs
- Minimum 70% local workforce employment required for eligibility

- Price preference of up to 12% over the lowest out-of-state bid
- Exemption from tender fees and Earnest Money Deposits (EMD)
- In bid tie situations, preference accorded to Mizoram-based MSEs

7. START-UP AND INNOVATION PROMOTION

Recognizing innovation as a critical driver of industrial growth, the Government of Mizoram has articulated a proactive start-up promotion strategy as an integral part of this policy. The start-up ecosystem is designed to complement the broader MSME development framework while introducing a pipeline of high-growth, technology-driven ventures.

| Initiative | Description |
|---|--|
| Business Incubation Centers | Established across educational and technical institutions across the state |
| State Start-up Fund | Seed funding and early-stage capital through a Government-backed start-up fund |
| Focus Sectors | IT, biotechnology, agro-tech, renewable energy, and creative industries |
| Land & Infrastructure Priority | Preference in industrial land and infrastructure allotment to start-ups graduating from state-recognized incubators |
| Research-Industry Linkages | Promote collaboration between research institutions and industries; participation in national innovation networks |
| Technology Incubators | Innovation hubs to support startups leveraging IoT, AI, blockchain, and biodiversity-based biotechnology |
| Customized Incentives | Projects with minimum initial investment of ₹25 crore in focus/flagship sectors eligible for customized incentive packages |

7.1. Technology Focus Areas

The Government identifies the following as priority technology domains for start-up investment:

- Information Technology (IT) and digital services
- Biotechnology leveraging Mizoram’s biodiversity
- Agro-technology precision farming, supply chain, and post-harvest
- Renewable energy technology solar, hydro, and clean energy solutions
- Creative industries entertainment, music, film production, and digital media

7.2. Incubation of Industrial Plot Pipeline

The policy creates a clear pathway from incubation to industrial establishment. Start-ups that successfully complete recognized incubation programs in the state are accorded priority in the allocation of industrial plots within declared industrial areas. This incentivizes serious entrepreneurial engagement with the incubation ecosystem and ensures that graduates have a tangible path to building operational facilities.

8. SPECIAL ECONOMIC ZONES (SIZS)

The introduction of Special Investment Zones (SIZs) is arguably the most transformative structural feature of the Industrial and Investment Policy of Mizoram, 2025. SIZs are specifically designed to enable investment from parties outside the State of Mizoram while remaining compliant with the protections under the Bengal Eastern Frontier Regulations, 1873.

8.1. Definition and Purpose

A Special Investment Zone (SIZ) is a designated industrial zone developed by the State Government, aimed at attracting investments by providing pre-approved infrastructure, streamlined regulatory processes, and lease-based land access especially for non-indigenous investors. SIZs bridge the gap between Mizoram's constitutionally protected land rights and the practical requirements of attracting external capital

8.2. Key Features of SIZs

| Feature | Details |
|---------------------------|--|
| Land Pooling | Government pool lands, private surplus lands, acquired lands, and existing industrial estates consolidated into SIZs |
| Pre-Cleared Status | SIZs pre-approved for environmental clearances for specified activity groups; consent to establish/operate data ready |
| Support Services | Fast-track business registration, GST registration, and rapid processing of permits and clearances |
| Applicability | Indigenous entrepreneurs can benefit anywhere in the state; non-indigenous investors operate predominantly within SIZs |
| Income Sharing | All land pool contributors partake in income from lease of lands; terms decided case-by-case via legally binding MoA |
| Infrastructure | All-weather roads, power, wastewater/drainage, bulk water, fiber-optic + satellite (LEO) digital infrastructure |
| Funding Model | Public funding, private participation, or hybrid PPP as appropriate |
| Sub-leasing | Permitted only for ancillary industries within SIZ boundaries |

8.3. Land Composition of SIZs

SIZs will be constituted from multiple land sources:

1. Areas from government land pool as per the Mizoram Government Land Pooling and Management Scheme, 2018
2. Private surplus lands contributed by indigenous citizens of Mizoram
3. Any land obtained or acquired by the Government specifically for SIZ development
4. Existing industrial areas, parks, and estates administered by the Commerce & Industries Department

8.4. Income Sharing Mechanism

A notable equity feature of SIZs is the income-sharing mechanism. All contributors to the land pool whether government or private are entitled to partake in the income generated from leasing such lands to investors. The specific terms are determined on a case-by-case basis through legally binding Memoranda of Agreement (MoAs). This ensures that the economic benefits of SIZ development flow back to the original landowners and the State.

8.5. Infrastructure Standards

Investment Zones shall be developed as fully infrastructure-ready sites equipped with:

- All-weather road access
- Reliable and dedicated power supply
- Wastewater treatment and drainage systems
- Bulk water connectivity
- Advanced digital infrastructure: fiber-optic networks and satellite-based systems (including Low Earth Orbit and conventional satellites)

8.6. Industrial Infrastructure Development and Maintenance Fund (IIDMF)

A dedicated IIDMF will be created to support the development, regular maintenance, renovation, and sustainability of industrial estates and SIZs. Contributions to this fund will come from a mix of government allocations and user charges collected from occupants of industrial zones. The fund will be administered by the Commerce & Industries Department in coordination with local management authorities.

8.7. Public-Private Partnership (PPP) Arrangements

The policy establishes a comprehensive framework for Public-Private Partnership arrangements that enables the State Government to leverage private sector expertise and capital for the development of strategic infrastructure and industrial projects.

| Aspect | Description |
|----------------------------------|---|
| Investment Threshold | PPP applicable for projects with private investment above ₹10 crore; below ₹10 crore evaluated at ministerial level |
| Comparative Framework | Financial implications (budgetary vs PPP), departmental capacity, Bengal Eastern Frontier Regulations, environment, and contract management capabilities assessed |
| Arbitration & Dispute | Review and strengthen arbitration, mediation, and conciliation mechanisms for PPP dispute resolution |
| Project Co-Option | Government may co-opt strategic private projects via equity infusion or acquisition at replacement/market cost |

| Aspect | Description |
|-----------------------------|---|
| SPV Mechanism | Special Purpose Vehicle (SPV) formed via Asset Management Agency to manage strategic projects |
| Swiss Challenge | Method available for identifying and handling unsolicited PPP proposals |
| PPP Structures | Financial closure, concession agreements, independent engineer appointment, INVITs, capital market fundraising explored |
| Empanelled Promoters | Proven infrastructure promoters permitted to set up branch offices and moveable assets anywhere in the state |

1. PPP Applicability Threshold

Projects proposed by Government Departments involving private investment above ₹10 crore may be considered for PPP implementation. For sub-₹10 crore projects, an appropriate evaluation mechanism at the ministerial level is constituted in alignment with the principles of this policy. This tiered threshold ensures that large strategic projects receive rigorous PPP scrutiny while smaller projects maintain administrative agility.

2. Project Co-Option and Asset Management

In cases where the State Government determines that a private project is of strategic and economic importance, it may co-opt the project through:

- Additional equity infusion, retaining the original proponent's interest in the project; or
- Acquisition of project assets at replacement cost or market value if the original proponent is unable to take the project to fruition

3. Special Purpose Vehicle (SPV) Framework

An Asset Management Agency may be engaged to form an SPV with State Government representation. The SPV's mandate includes:

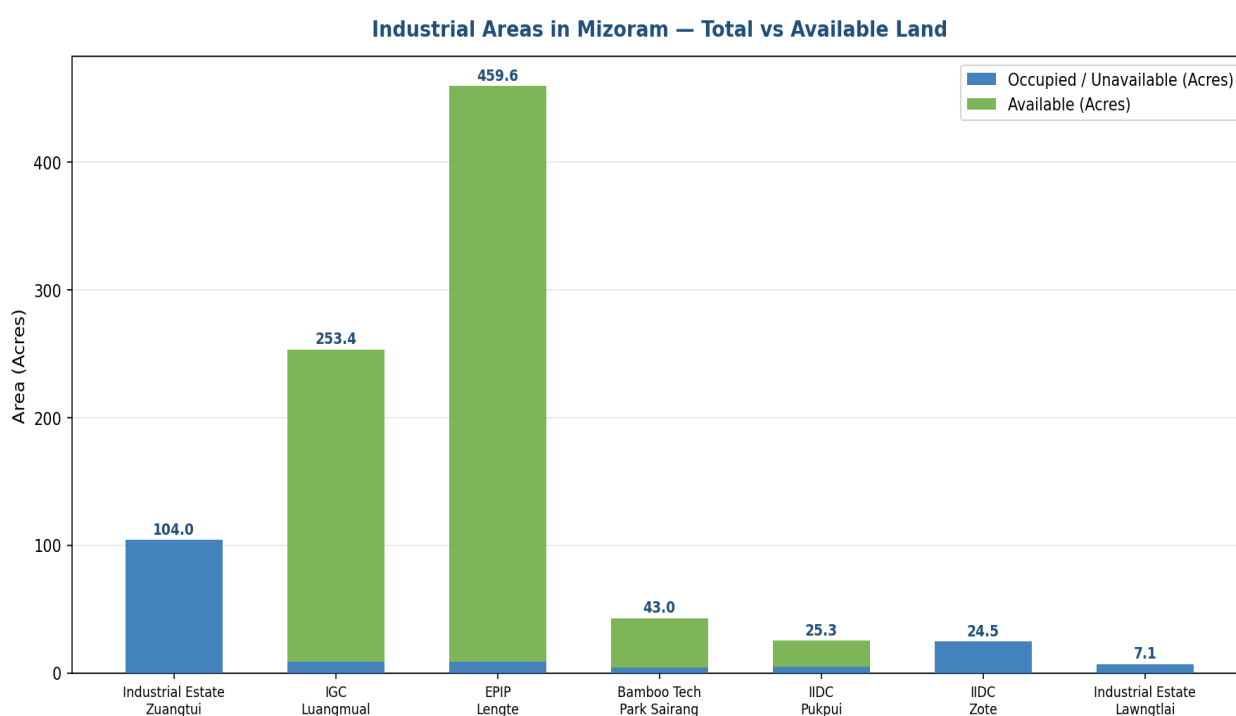
- Identifying projects of strategic and economic importance
- Assessing whether state intervention (step-in) is warranted at the current stage of development
- Identifying projects suitable for PPP, including those proposed via Swiss Challenge Method
- Facilitating PPP agreements, concession arrangements, financial closures, and independent engineering appointments
- Planning, developing, and constructing investment zones directly or through concession

- Assessing capital market fundraising options including INVITs and investor funds
- Acquiring distressed assets and completing stalled projects by finding new investors

9. EXISTING INDUSTRIAL AREAS AND INFRASTRUCTURE

Mizoram currently maintains seven industrial parks and estates administered by the Commerce & Industries Department. All seven have been onboarded on the Industrial Investment Land Bank System (IILBS). The policy commits to their systematic modernization and expansion.

| Sl. | Park / Industrial Area | District | Total (Acres) | Available (Acres) | Distance from NH |
|-----|--|-----------|---------------|----------------------|----------------------|
| 1 | Industrial Estate, Zuangtui | Aizawl | 104.03 | NIL (Fully occupied) | 2.1 km from NH |
| 2 | Industrial Growth Centre, Luangmual | Aizawl | 253.36 | 244.73 | 9.0 km via MZU Road |
| 3 | Export Promotion Industrial Park, Lengte | Mamit | 459.57 | 450.62 | 3.1 km from NH |
| 4 | Bamboo Technology Park, Sairang | Aizawl | 43.01 | 38.86 | Adjacent to NH (6 m) |
| 5 | IIDC, Pukpui, Lunglei | Lunglei | 25.34 | 20.17 | 12.5 km from NH |
| 6 | IIDC, Zote, Champhai | Champhai | 24.50 | NIL (Fully occupied) | 157 km from NH |
| 7 | Industrial Estate, Lawngtlai | Lawngtlai | 7.09 | NIL (Fully occupied) | 1.5 km from NH |



9.1. Modernization and Expansion Plans

Under the policy, existing industrial parks and estates will be revamped through a thorough evaluation including:

- Inspection of existing lease agreements and identification of distressed units
- Upgrading to include plug-and-play facilities, flatted factory modules, incubation centers, and common facilities such as tool rooms and testing labs
- Developing formulation of revitalization proposals for underperforming industrial areas

9.2. GIS-Based Land Bank

A GIS-based Land Bank will systematically inventory, classify, and monitor land parcels across all districts. This digital system will be regularly updated to reflect changes in land size, legal and ownership status, sectoral suitability, and infrastructure readiness. The Land Bank will serve as an internal mechanism for data-driven planning and efficient land allocation aligned with the State's industrial and economic development objectives.

10. INTEGRATION WITH OTHER STATE POLICIES

The Industrial and Investment Policy of Mizoram, 2025 does not operate in isolation. It is designed to integrate seamlessly with a broad range of existing state policies, acts, and rules to ensure consistency and regulatory clarity for investors.

10.1. Land and Revenue Laws

- Mizoram (Land Revenue) Act & Rules, 2013 governs all land use matters
- Mizoram Government Land Pooling and Management Scheme, 2018 land pooling framework for SIZs

10.2. Labour Laws

- The Mizoram Minimum Wages Rules, 1992
- The Mizoram Payment of Wages Rules, 1992
- The Mizoram Trade Union Regulation, 1992
- The Mizoram Contract Labour (Regulation & Abolition) Rules, 2004
- The Mizoram Inter-State Migrant Workmen Rules, 2005
- The Mizoram Building and Other Construction Workers Rules, 2008
- The Mizoram Employees Compensation Rules, 2009
- The Mizoram Child Labour (Prohibition and Regulation) Rules, 2010
- The Mizoram Shops & Establishments Rules, 2011
- The Mizoram Factories Rules, 2014

10.3. Other Concurrent State Policies

- Mizoram State Logistic Policy, 2022
- The Mizoram Ease of Doing Business Act, 2022
- Mizoram State Policy on Skill & Entrepreneurship Development, 2018
- Solar Power Policy of Mizoram, 2017
- Mizoram Eco-Tourism Policy, 2017
- Mizoram Responsible Tourism Policy, 2020
- Mizoram Bamboo Policy, 2002

11. CONCLUSION AND STRATEGIC SIGNIFICANCE

The Industrial and Investment Policy of Mizoram, 2025 represents a landmark policy document that charts a new course for Mizoram's economic development. By unifying two prior policies, establishing new institutional mechanisms, introducing Special Investment Zones, and offering a comprehensive incentive package, the Government has created a robust, balanced, and forward-looking framework.

The policy's greatest strength lies in its nuanced approach to inclusivity. It firmly protects indigenous entrepreneurial rights at the micro-scale while progressively opening larger investment scales to wider participation. This graduated approach ensures that the gains of economic development are distributed equitably rather than concentrated among external investors.

For investors, the policy offers clear pathways through SIZs, PPP arrangements, and a single-window clearance system to navigate Mizoram's unique regulatory environment. The comprehensive fiscal incentive package, including land development subsidies, interest subsidies, GST reimbursements, and green incentives, makes Mizoram economically competitive with other Northeastern states.

For the people of Mizoram, the AMEn scheme, the MSME procurement preference policy, the Start-up promotion initiatives, and the local-language facilitation nodes represent concrete mechanisms for broad-based economic empowerment. The policy's commitment to environmental integrity through green incentives, emission controls, and sustainable land management ensures that Mizoram's natural heritage is preserved for future generations.

In totality, the Industrial and Investment Policy of Mizoram, 2025 is a comprehensive, actionable, and well-integrated policy document. Its effective implementation particularly the operationalization of the IPA, the designation and development of SIZs, and the activation of the SWCA digital platform will determine the pace at which Mizoram transforms into the preferred investment destination envisioned in its policy objectives.

12. REFERENCES

1. Policy Link: Industrial and Investment Policy of Mizoram, 2025
2. The Mizoram Procurement Preference Policy for Micro and Small Enterprises, 2025 (MPPP 2025): <https://avantiscdnprodstorage.blob.core.windows.net/legalupdatedocs/41785/Mizoram-Procurement-Preference-Policy-for-Micro-and-Small-Enterprises-2025-APRIL212025.pdf>

FAQs

1. **What is the Industrial and Investment Policy of Mizoram, 2025?**

The Industrial and Investment Policy of Mizoram, 2025 is a unified policy framework notified by the Governor of Mizoram on 21st August, 2025. It consolidates the Mizoram Sustainable Investment Policy, 2024 and the Industrial Policy of Mizoram, 2025 into a single comprehensive document. The policy aims to guide industrialization, attract responsible investment, and harness the state's human and natural resources for sustainable and inclusive development.

2. **Who is considered an “indigenous” entrepreneur under this policy?**

An “indigenous” entrepreneur is defined as a Tribal person who is a Domicile of Mizoram meaning their family has been residing in Mizoram prior to 26th January, 1950. Only Scheduled Tribes as specified by Presidential Order under Article 342(1) of the Constitution of India qualify as Tribal for the purposes of this policy. Indigenous entrepreneurs receive preferential and exclusive access to certain sectors and investment scales.

3. **Can non-indigenous investors set up businesses in Mizoram?**

Yes. Non-indigenous investors including those from other Indian states and foreign countries are permitted to invest in Mizoram, predominantly within designated Special Investment Zones (SIZs). They may enter into lease agreements with government or private landowners subject to prior State Government sanction. The lease is governed by the Mizoram (Land Revenue) Act and Rules, 2013, and lease terms are capped at 33 years per term.

4. **What are Special Investment Zones (SIZs)?**

Special Investment Zones are designated industrial zones developed by the State Government to attract investments by providing pre-approved infrastructure, streamlined regulatory processes, and lease-based land access especially for non-indigenous investors. SIZs are constituted from government land pools, private surplus lands contributed by indigenous citizens, government-acquired land, and existing industrial estates. They are infrastructure-ready with roads, power, water, drainage, fiber-optic networks, and satellite connectivity.

5. **Is GST reimbursement available under this policy?**

Yes. New manufacturing MSMEs may claim reimbursement of the net State GST (SGST) paid excluding amounts paid through input tax credit for a period of 5 years from the date of commencement of commercial production. Claims must be submitted within 6 months from the date of filing SGST returns.

6. **Are there any incentives specifically for IT and ITES companies?**

Yes. New MSMEs in the IT/ITES sector may claim a rental subsidy of 50% of monthly office space rent for 3 years, up to ₹1.5 lakh per annum, provided they operate within notified IT zones or

approved incubation centers. Additionally, a 25% subsidy on cloud service subscription charges for hosting platforms is available for up to 2 years, capped at ₹1 lakh annually.

7. What green or environmental incentives does the policy offer?

The policy provides dedicated green incentives including a 50% capital subsidy (ceiling ₹10 lakh) for Effluent Treatment Plants (ETPs) and Zero Liquid Discharge (ZLD) systems; a flat grant of ₹5 lakh per unit for solid waste and plastic recycling infrastructure; a 25% capital subsidy on certified Pollution Control Devices (PCDs); and additional subsidies for industries adopting GRIHA or LEED-certified green building standards. All green incentives are available to new MSMEs within 5 years from commencement of production.

8. Does the government prioritize procurement from local MSMEs?

Yes. Under the Mizoram Procurement Preference Policy for Micro and Small Enterprises, 2025, the Government of Mizoram reserves a minimum of 25% of its annual procurement for Mizoram-based MSEs that employ at least 70% local workforce. Eligible MSEs receive a price preference of up to 12% over the lowest out-of-state bid and are exempted from tender fees and Earnest Money Deposits (EMD). In cases of tied bids, preference is accorded to Mizoram-based MSEs.

9. How long can land be leased to non-indigenous investors?

Lease of land to non-indigenous investors is permitted for a term not exceeding 33 years at one time, with the possibility of renewal upon application and Government approval. The land must be used solely for the purpose for which it was leased, and operations must commence within 2 years of allotment (extendable to 5 years on a one-time basis). Sub-leasing is permitted only for ancillary industries. Leasing to individuals for residential purposes is not permitted.

10. What is the role of the Single Window Clearance Authority (SWCA)?

The SWCA, established under the Mizoram Ease of Doing Business Act, 2022, serves as the unified digital interface for all industrial approvals. Through a single digital portal, investors can access services including land allotment, construction permits, utility connections, statutory registrations, and automated grievance redressal. Time-bound delivery and standardized operating procedures are central to its functioning, eliminating the need for multiple departmental visits.

11. What support is available for start-ups under this policy?

The policy promotes start-ups through the establishment of business incubation centers across educational and technical institutions, a State Start-up Fund providing seed and early-stage capital, and priority in land and infrastructure allotment for start-ups graduating from state-recognized incubators. Technology-based ventures in IT, biotech, agro-tech, renewable energy, and creative industries are particularly encouraged. Research-industry linkages and participation in national innovation networks are also supported.

12. What is the Public-Private Partnership (PPP) framework under this policy?

Projects requiring private investment above ₹10 crore may be considered for PPP implementation. The State Government will assess each project based on financial implications, departmental capacity, environmental factors, and contract management capabilities. A Special Purpose Vehicle (SPV) may be formed through an Asset Management Agency to co-opt strategic private projects via equity infusion or asset acquisition. Mechanisms such as the Swiss Challenge Method are also available for unsolicited PPP proposals.

13. Who is the nodal department for implementation?

The Commerce & Industries Department (C&I) is the nodal department for all industrial development activities, including MSME support, infrastructure oversight, and policy enforcement. The Planning & Programme Implementation Department serves as the nodal body for broader investment policy coordination. The Investment Promotion Agency (IPA), to be established as an autonomous body headquartered in Aizawl, will serve as the primary investor facilitation and aftercare agency.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

MSME & Startup Committee, ICAI

A-29, ICAI Bhawan, Admin Block, Sector-62, Noida,
Uttar Pradesh-201309, India | Phone: 0120-3045944
Email: msme@icai.in, msmeclinic@icai.in



Startup Portal:
startup.icai.org



MSME Portal:
msme.icai.org