

Maharashtra Industrial Policy 2019

CA JULFESH SHAH

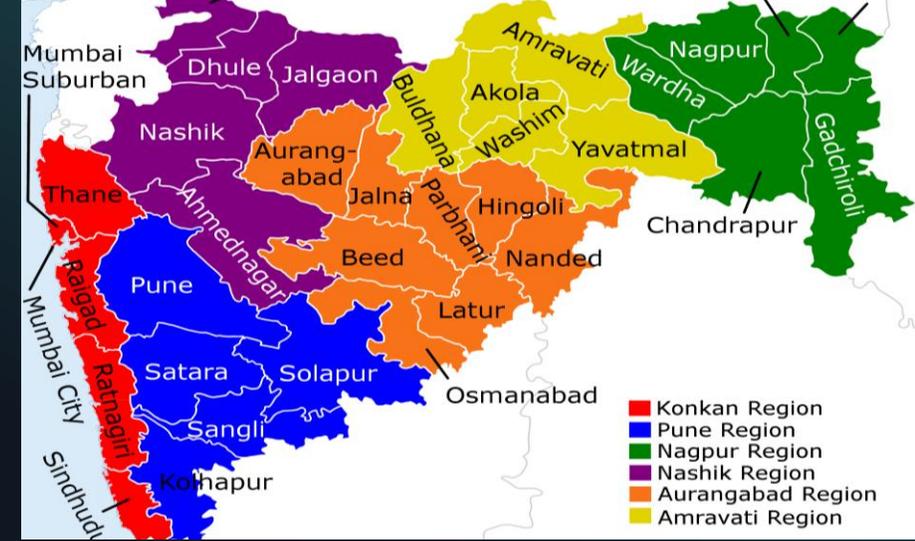
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I. Preamble



- ❖ Maharashtra has been the leader in industrial development in India. With world class infrastructure together with rewarding industrial policies and ease of doing business initiatives, the State is home to several global brands.
- ❖ The State has witnessed unprecedented technological advancements in the industries, thus attracting several innovative enterprises and start-ups in various upcoming technology field including Industry 4.0 and IT/ITes.
- ❖ Maharashtra intends to be a major contributor in Nations economy, by strengthening its *numero uno position and "Magnetic Maharashtra"* brand with its progressive vision focused on accelerated industrial growth and sustainable development.

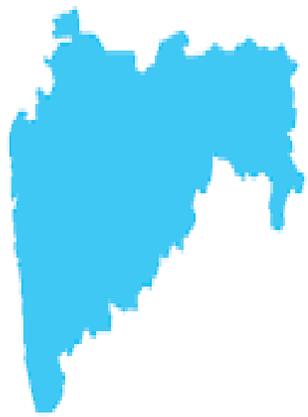


I.1 Introduction of Maharashtra

- ❖ Maharashtra, the most industrialized state in the country is located in the western region of India. With Gross State Domestic Product (GSDP) of INR 24.97 lakh crore (US\$387 billion), Maharashtra is the largest economy in India and accounts for 15.01% of the country's GDP in 2017-18.
- ❖ According to the Department of Industrial Policy and Promotion (DIPP), Government of India, cumulative FDI inflows in Maharashtra during April 2000 to December 2017 stood at US\$ 113.82 billion, amounting to one third of the total FDI inflow in the country.

**Magnetic
Maharashtra**

Attractions Unlimited



Magnetic Maharashtra- Attractions Unlimited

- ❖ Maharashtra is the most favoured destination for industries owing to its well-developed infrastructure, skilled workforce, strategic location with good transportation network, Progressive Sectorial Policies, best incentive policy and much more.
- ❖ Maharashtra has been able to attract highest investments from within and outside India and it has emerged as a brand "MAGNETIC MAHARASHTRA-Attractions Unlimited".



I.I.I Well-developed Infrastructure :

- ❖ The State is well connected to major industrial and consumption centers through road, rail, air and port connectivity. With power generation capacity of over 43,000 MW, Maharashtra ensures 24x7 power supply to its industries.
- ❖ Maharashtra Industrial Development Corporation (MIDC), the state also ensures land (both developed and undeveloped) availability to the investors.



1.1.2 Well-developed Infrastructure :

a. Road network : National highways of around 22,000 km are passing through the state.

Futuristic expressway projects such as Maharashtra Samruddhi Mahamarg & Mumbai and Vadodara Expressway are under construction.

b. Rail network : Two major railway zones are enhancing the State's connectivity to the domestic market

Maharashtra has longest metro rail network of around 233 km under construction

c. Airport and seaports : Maharashtra has 7 domestic airports and 4 international airports

The state government is developing 10 new airports

The state is well connected to the world via sea through 2 major ports and 53 minor ports



1.1.3 Abundant Highly qualified and Skilled Labour Pool:

- ❖ The state is home to 20 state universities, 21 deemed universities and several institutes of national importance like Indian Institutes of Technology (IIT), Indian Institutes of Management (IIM), National Institute of Fashion Technology (NIFT), National Institute of Pharmaceutical Education and Research (NIPER), Tata Institute of Social Sciences (TISS), National Institute of Construction Management and Research (NICMAR), Institute of Chemical Technology (ICT) etc. More than 6,000 institutes in the state enrolls over 1.6 million students per annum.



1.1.4 Established Industrial Ecosystem :

- ❖ Several renowned industrial units have come up as a result of the supporting Industrial policy environment. As per Economic Survey of Maharashtra the expected growth of manufacturing sector in 2017-18 is 7.6 per cent.
- ❖ The state has well developed industrial ecosystem for various industries including Automobile, ESDM, Pharmaceuticals & Chemicals, Engineering, FMCG, Textile, Food Processing, Logistics, Cement and Steel industry and IT & ITES.
- ❖ During 2014 to 2018, 119 private IT parks with an investment of approximately INR 192.60 billion and employment of 5,50,000 have come up in the state.

1.1.5 Conducive Policy Environment and Proven Track Report :

- ❖ Maharashtra has progressive sectional policies for industries aimed at improving business environment in the state. In light of these policies, the state is able to maintain its leadership position in industrial investment.
- ❖ Mega events were organized in the State such as Magnetic Maharashtra and Make in India along with State's participation in various national and international road shows. All these efforts resulted in receipt of industrial investment proposals over INR 8 lakh crore in the last five years.

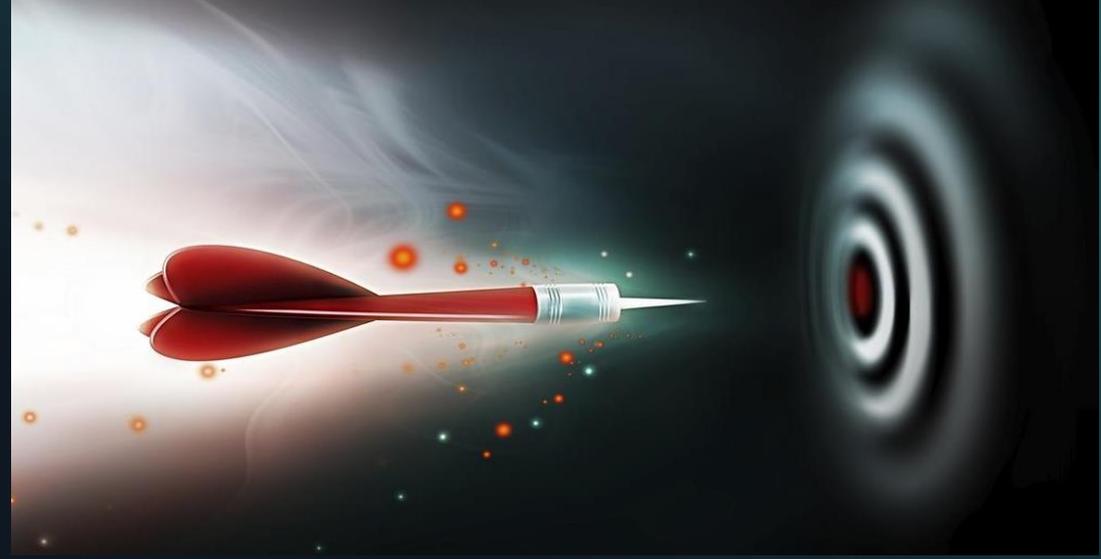
2 Vision :

- ❖ 'Maharashtra - a global investment, manufacturing and technology hub, promoting sustainable development'.



3 Mission :

- ❖ To make Maharashtra first US\$1 trillion economy in the country, by augmenting manufacturing ecosystem, complemented by ease of doing business initiatives, thereby evolving it into a preferred destination for global manufacturers and investors, resulting into largest employment creating state with balanced regional and inclusive growth, by 2025.



4 Target :

- a. To attain manufacturing sector growth rate of 12% to 13% to reach GSDP share of 25% by 2023-24.
- b. Attract investments worth INR 10 lakh crore by 2023-24.
- c. Create employment opportunities for 40 lakh people by 2023-24.

5 Policy Period :



- ❖ This policy shall be valid for a period of five years from 1st April, 2019.



6 Creating Well-developed Industrial Infrastructure -

- ❖ Quality infrastructure is a key driver for industrial growth. It is also very important for attracting global manufacturers, investors and other corporates to the State.
- ❖ Maharashtra has one of the best industrial infrastructure in place, concerted efforts will be made to develop and strengthen state of the art infrastructure in various industrial estates spread across the State.
- ❖ MIDC will continue to be dedicated agency for developing necessary industrial infrastructure.

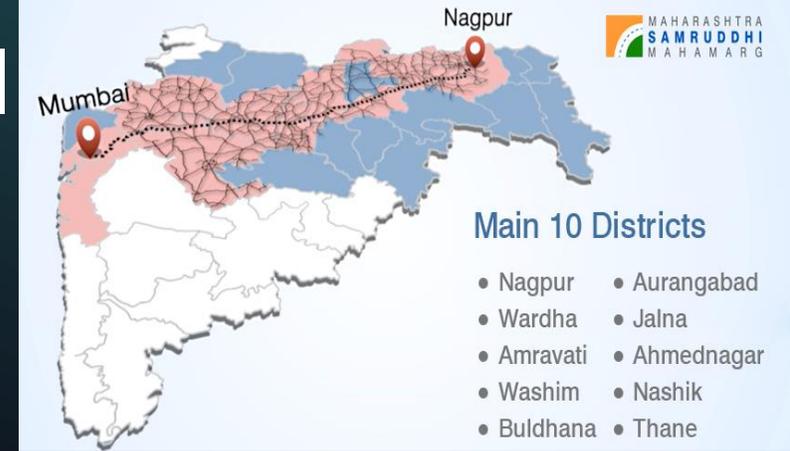
6 Creating Well-developed Industrial Infrastructure -



6.1 Augmenting Infrastructure and Ensuring Land Availability-

- 6.1.1 MIDC will be primarily responsible for augmentation of existing infrastructure wherever necessary in its existing industrial estates
- 6.1.2 New industrial estates (multi-sector and sector specific) shall be planned and developed, in line with industry requirements. For this, MIDC shall prepare a perspective plan in order to promote systematic and regionally balanced industrial development across the State in the next 5 to 10 years
- 6.1.3 Considering the upcoming futuristic Industry 4.0 and hi-tech projects such as air taxi, drone, driverless vehicles, etc. necessary industrial infrastructure shall be planned by MIDC.

6 Creating Well-developed Industrial Infrastructure -

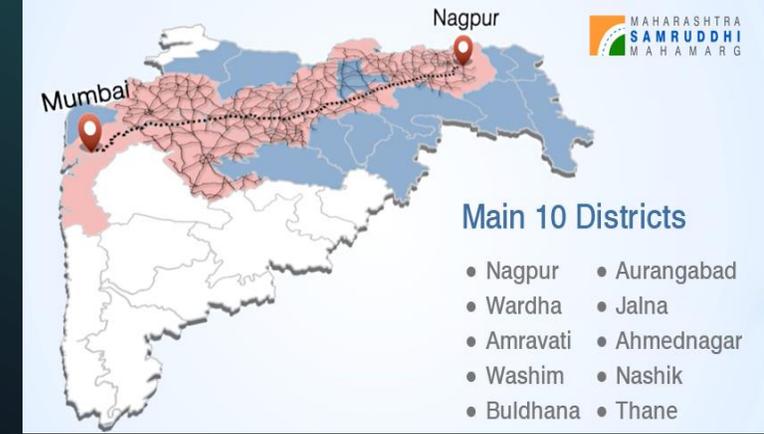


6.1 Augmenting Infrastructure and Ensuring Land Availability-

6.1.4 Although large land bank is available in the State, considering the future industrial land requirement to facilitate INR 10 Lakh crore of investment, MIDC shall create land bank across the State based on demand assessment.

6.1.5 'Excluding Urban Local Bodies Area', MIDC shall be declared the Special Planning Authority (only for permission purposes and no infrastructure support shall be provided by MIDC in such areas) for industrial land above 10 acre for multiple industrial units with single developer for a contiguous land of more than 10 acre and for all the Industrial clusters approved under Government of India and State government schemes.

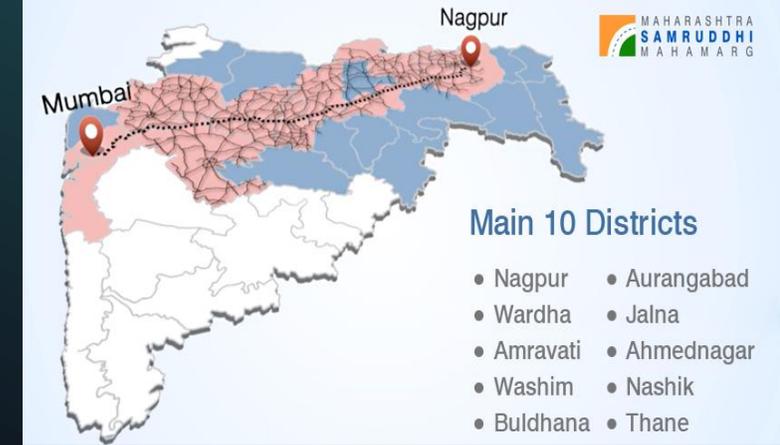
6 Creating Well-developed Industrial Infrastructure -



6.1 Augmenting Infrastructure and Ensuring Land Availability-

- 6.1.6 MIDC shall reserve minimum 500 acre Industrial area for development of warehousing and logistics facilities in the State.
- 6.1.7 On the lines of MIDC areas, additional floor space index (FSI) shall be permitted in all co-operative industrial estates to the extent of 0.5, over and above the basic FSI. The premium shall be charged at rates as decided by MIDC with approval of the State Government.
- 6.1.8 MIDC shall promote setting up of flatted galas for the micro and small enterprises under Special Purpose Vehicle (SPV) model.

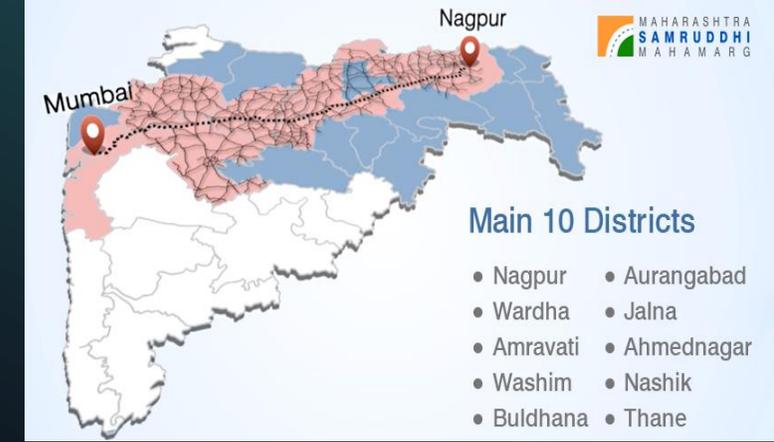
6 Creating Well-developed Industrial Infrastructure -



6.1 Augmenting Infrastructure and Ensuring Land Availability-

- 6.1.9 For supporting industrial infrastructure and developing last mile connectivity, Critical Industrial Infrastructure Fund (CIIF) shall be created. Support shall be extended to Co-Operative Industrial estates through the CIIF.
- 6.1.10 The land earmarked for public health amenities in MIDC industrial estates shall be developed by concerned departments. Specially ESIC (Employees State Insurance Corporation) hospital facilities will be provided by concerned department as per need & demand from Industrial Associations.

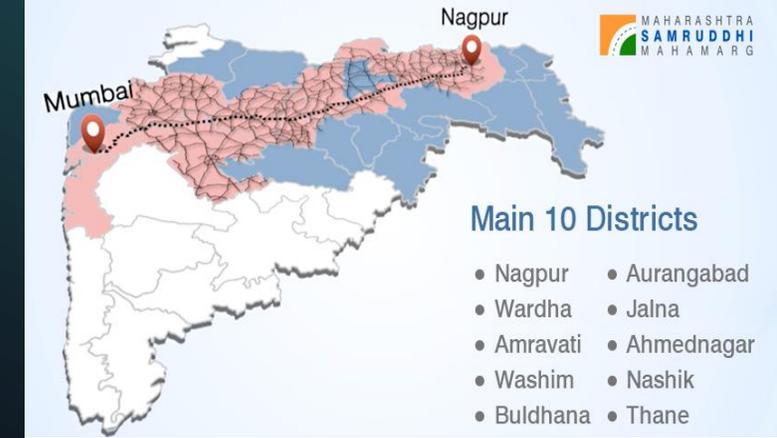
6 Creating Well-developed Industrial Infrastructure -



6.1 Augmenting Infrastructure and Ensuring Land Availability-

- 6.1.11 For sectors with same additional FSI (IT & ITeS, Biotechnology, Garmenting, Gems and Jewellery and Logistics & Warehousing) under the related policies of the State Government, interchangeability of land use shall be allowed with the approval of State Government.
- 6.1.12 Land owned by State Government or State Government Organization if required by MIDC for planned development will be made available at no cost.

6 Creating Well-developed Industrial Infrastructure -

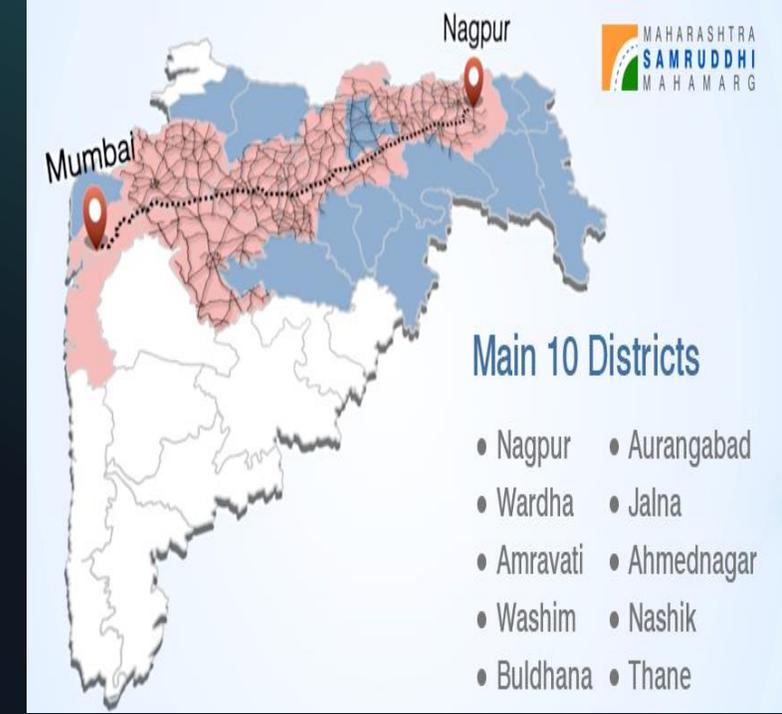


6.2 Leveraging Special Projects -

- ❖ Department of Industries, Government of Maharashtra, shall promote setting up of industrial clusters along the special projects declared by Central/State Government such as Maharashtra Samruddhi Mahamarg, Delhi Mumbai Industrial Corridor (DMIC), Sagarmala, Bharatmala, etc.
- ❖ MIDC will be the nodal agency for development of industrial nodes along the special projects of Central/State Government.

6 Creating Well-developed Industrial Infrastructure -

6.2 Leveraging Special Projects -



6.2.1 Maharashtra Samruddhi Mahamarg

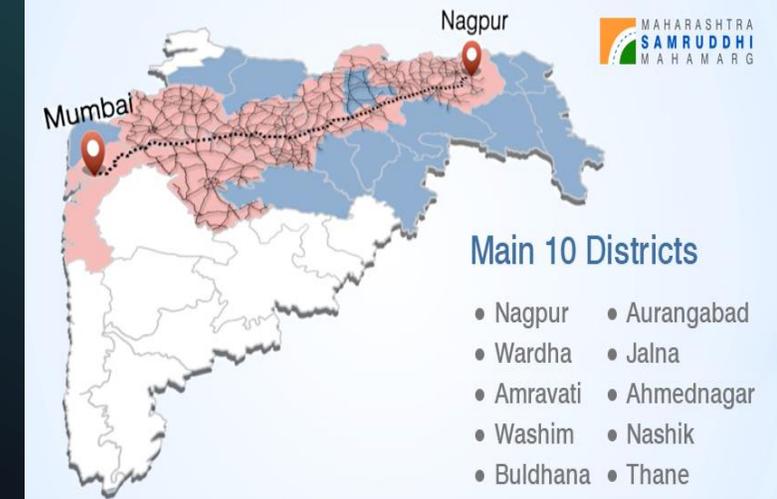
6.2.2 Delhi Mumbai Industrial Corridor (DMIC)

a) Shendra Bidkin Industrial Area (SBIA)

b) Dighi Port Industrial Area (DPIA)

6.2.3 Sagarmala and Coastal Economic Zones (CEZs)

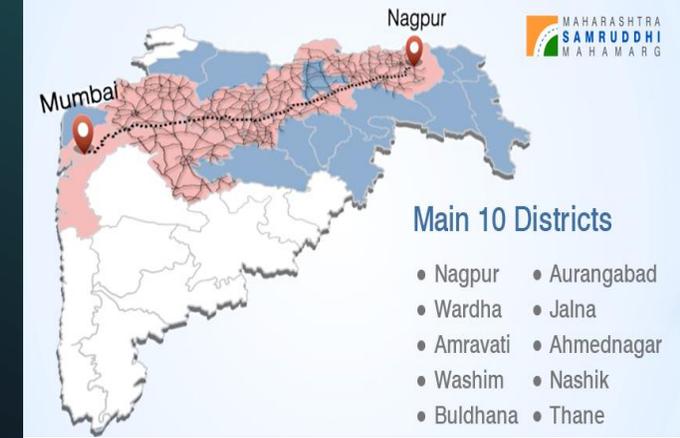
6 Creating Well-developed Industrial Infrastructure -



6.3 Critical Industrial Infrastructure Fund -

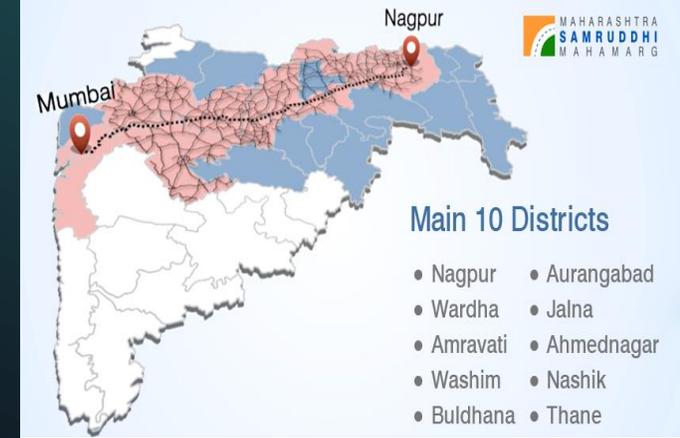
- ❖ In industrial areas mainly outside MIDC, there are some critical infrastructure issues like last mile road connectivity, dedicated power feeder, water supply etc. which is causing hindrance in the production and evacuation of goods.
- ❖ Considering this requirement and visible impact, Critical Industrial Infrastructure Fund (CIIF) which was created during the previous policy will be continued with an enhanced corpus of INR 1,000 crore over this policy period.
- ❖ State Government through Plan Scheme will provide budgetary support for this scheme over the policy period.

6 Creating Well-developed Industrial Infrastructure -



6.4 Promotion of Private Industrial Infrastructure Development -

- 6.4.1 To encourage private sector participation in the development of industrial infrastructure, assistance shall be provided to the projects for establishing industrial parks related to thrust sectors identified in this policy.
- 6.4.2 The industrial estates developed for women and SC/ST entrepreneurs & MSMEs will be given preference and higher fiscal support through ongoing schemes. If need arises fund will be provided from Special Component Plan (SCP) & Tribal Sub Plan (TSP)
- 6.4.3 MIDC shall be the planning authority for these private industrial estates

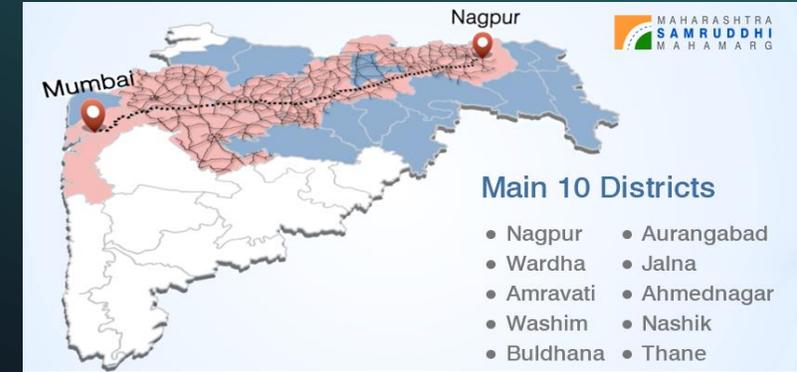


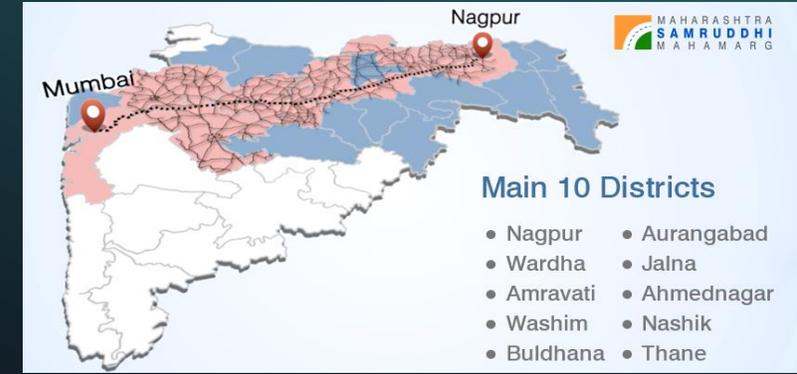
7 Promotion of Thrust Sectors -

- ❖ With a view to steer industrial development towards high tech emerging sectors and generate employment, the State Government has identified following thrust sectors.
- ❖ Thrust sectors shall be accorded priority in land allotment and incentives.

7 Promotion of Thrust Sectors -

- ❖ 7.1 Electric Vehicles (Manufacturing, Infrastructure and Servicing)
- ❖ 7.2 Aerospace and Defence Manufacturing
- ❖ 7.3 Industry 4.0 (Artificial Intelligence, 3D Printing, Internet of Things and Robotics, Nanotechnology, among others)
- ❖ 7.4 Promotion of Integrated Data Centre Parks (IDCP)
- ❖ 7.5 Textile Machinery Manufacturing
- ❖ 7.6 Biotechnology and Medical and Diagnostic Devices





❖7.7 Agro & Food Processing (Secondary and Tertiary Food Processing units)

❖7.8 Information Technology (IT) & IT Enabled Services (ITeS)

❖7.9 Electronic Systems Design & Manufacturing (ESDM) and Semiconductor Fabrication (FAB)





8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-

- ❖ MSMEs are the backbone of State's economy. With more than 3 million MSMEs, Maharashtra has largest number of MSME in the country, which contributes more than 80 per cent of the total employment.
- ❖ MSMEs are best placed to utilize local resources and create local entrepreneurship and employment. About 40% of the exports originate from MSMEs. Considering the vital role of this sector, the State Government intends to strengthen and promote the MSME sector for achieving inclusive industrial growth and promoting employment generation.
- ❖ The investment limit for incentive purpose for small industrial units will be increased upto INR 50 crore in Fixed Capital Investment (FCI) so that more such units can come under the ambit of small industries. In order to enhance the benefits of this policy to MSME units, the state will dovetail various MSME schemes into one scheme.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.1 District-wise identification of potential MSMEs -

- ❖ The State shall conduct a study of all districts of Maharashtra aimed at identifying potential for MSME manufacturing activities, and formulating and executing strategies based on Geographical Indications (GI).
- ❖ A Geographical Indications (GI) is primarily an agricultural, natural or a manufactured product. (handicrafts & industrial goods) originating from a definite geographical territory. eg. Nagpur Oranges, Warali Paintings, Vengurla Cashews, Solapur Chaddar etc. GI's are not only part of our rich culture & collective intellectual heritage, but they also supplement the incomes of our rural farmers, Weavers, Artisans & Craftsmen across the country.
- ❖ The Promotion of GI's is in line with the Government of India's "Make in India" Campaign & therefore it is our responsibility to preserve & protect them. Maharashtra Small Scale Industrial Development Corporation (MSSIDC) shall be entrusted with this task.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.2 Launching of new flagship scheme - Chief Minister Employment Generation Programme -

8.2.1 The scheme shall cover manufacturing as well as service sector units. The Industries Department of Government of Maharashtra shall be the nodal agency for implementing the scheme.

Under the scheme eligible persons aged between 18 and 45 years will be trained and promoted for self-employment for which equity to be converted into back end subsidy, which will be provided by State Government against bank loans.

The project cost will be up to a maximum of INR 50 lakh under manufacturing sector and INR 10 lakh under business/ service sector. State Government will provide budgetary support through scheme expenditure & if necessary in proportion of beneficiaries from Special Component Plan (SCP) & Tribal Sub Plan (TSP) & Women & Child Development Department.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.2 Launching of new flagship scheme - Chief Minister Employment Generation Programme -

- ❖ The scheme shall be implemented through Directorate of Industries and Khadi & Village Industries Board (KVIB). The salient features of the programme are:
 - a. Promotion of self-employment – Minimum 1,00,000 micro enterprises during the policy period.
 - b. Creation of employment opportunities – Minimum 10 lakh during the policy period.
 - c. Entrepreneurship Development Programme for youth – 2,00,000 youths during the policy period.
 - d. Financial support by way of grant in aid – 15% to 35% of the approved project cost.
 - e. The scheme covers manufacturing and business/ service sector.
 - f. Boost to rural and semi urban economy.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.3 Institutional Support to MSMEs -

- ❖ MSME units need support for adoption and dissemination of technology, exploring markets, management techniques, etc. For this, the State Government shall assist in strengthening the existing related institutions within Maharashtra.
 - a. State will endeavor to support 'Centers of Excellence (CoE)/research facilities to develop/assimilate technologies that are of significance to the industry.
 - b. CoE/ research facility shall have Plug & Play Incubation Facilities and provision for mentoring and training.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.3 Institutional Support to MSMEs -

- c. State will also support institutional tie-ups for sector specific skill development and for use of new/ upgraded technology or products.
- d. Workshops shall be conducted in the institutes for SME entrepreneurs to create awareness and for adoption of new technologies.
- e. State will promote tie-up with global MSMEs.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.4 Cluster Promotion -

Maharashtra is the leading state in the country for Industrial Cluster development. Cluster based approach is increasingly being recognized as sustainable, cost-effective and an inclusive strategy to ensure competitive and improved MSME units.

- a. The State Government shall offer fiscal assistance for approved Common Facility Centers (CFCs) across the state except A and B zones.
- b. The limit for fiscal assistance for cluster promotion will be increased to INR 10 core from existing INR 5 crore.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.4 Cluster Promotion -

- c. The State Government shall offer fiscal assistance to the Special Purpose Vehicles (SPVs) specifically setup for the purpose. A state level Steering Committee shall evaluate and approve proposals under the scheme.
- d. In new MIDC industrial estates, 20% area shall be reserved for MSMEs. Out of this, 20% area shall be reserved for SC/ST entrepreneurs and 5% for women entrepreneurs and industrial units of Women's Savings Groups. For rehabilitation of Ex-Servicemen & to promote self-employment among Ex-Servicemen 2% plots will be reserved for Ex-servicemen.
- e. Common Facility Centre (CFC) established under the cluster development programme of Central/ State Government will be treated as industrial activity.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.5 Facilitating Public Funding for MSMEs -

- ❖ There are many MSMEs which have potential to expand on a larger scale. However, due to fund limitations they are unable to scale up. In view of their capacity augmentation, SME exchanges were setup in the country in 2012.
- ❖ The exchange has been instrumental in garnering public funds in the State. The CAGR of SMEs was around 40% in last fiscal year.
- ❖ MSME units can now access public funding through listing on stock exchanges. The State Government intends to support MSME units by providing financial assistance to first 250 SMEs based in Maharashtra which will be listed on the SME exchange, Mumbai during the policy period.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.6 Advisory Cell on Insolvency and Bankruptcy Resolution for MSMEs -

- ❖ To provide speedy resolution of insolvency and bankruptcy, the Government of Maharashtra shall maintain region-wise cells to guide the concerned units seeking resolution under the Insolvency & Bankruptcy Code 2016 mechanism. For this, MSSIDC will be strengthened and empowered suitably.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.7 Fiscal Incentives to MSMEs -

Maharashtra state offers most attractive fiscal incentive in the country.

- 8.7.1 For the purpose of this policy, MSME shall include units as per the definition of Government of India- Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, as well as the small industries with FCI of upto INR 50 crore.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.7 Fiscal Incentives to MSMEs -

- 8.7.2 A basket of incentives, their aggregate amount not exceeding a specified ceiling will be offered to eligible MSME units.
- 8.7.3 Eligible MSME units in Agro & Food Processing (secondary and tertiary processing units and Farmer Producer Companies for manufacturing/processing activity only), Green energy/ bio-fuel and Industry 4.0 shall be given additional support.
- 8.7.4 The power tariff subsidy, for eligible new units located (other than A areas) in Vidarbha, Marathwada, North Maharashtra, and Districts of Raigad, Ratnagiri and Sindhudurg in Konkan will be to the extent of INR 1/- per unit consumed and in other areas (except A areas), to the tune of INR 0.5/- per unit consumed for 3 years from the date of commencement of commercial production.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.7 Fiscal Incentives to MSMEs -

- 8.7.5 In areas other than A area, Interest subsidy @ 5 per cent p.a., maximum upto the value of electricity consumed and bills paid for that year, will be admissible.
- 8.7.6 In addition to incentives listed above, eligible MSMEs will be entitled to 100 per cent stamp duty exemption within investment period for acquiring land (including assignment of lease rights and sale certificate) and for term loan purposes. However, in A and B areas Stamp Duty exemption will be offered only to IT and BT manufacturing units in IT and BT Parks. Eligible Units under PSI 2013 Scheme will also be eligible for stamp duty exemption for their Investment Period.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.7 Fiscal Incentives to MSMEs -

- 8.7.7 Eligible New MSMEs in C, D,D+, No industries Districts and Naxalism Affected Area will be entitled to exemption from payment of electricity duty for tenure equal to the eligibility period. However, in A and B areas Electricity Duty exemption will be offered to 100 per cent Export Oriented MSMEs and IT/BT units for seven years.
- 8.7.8 All the central government and State government schemes relevant to MSMEs shall be dovetailed in this policy.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.7 Fiscal Incentives to MSMEs -

- 8.7.9 Marketing Assistance scheme shall be formed for MSMEs to support marketing activities. To improve the competitiveness of MSMEs in marketing, both at the national and international level, fiscal assistance shall be provided for SC/ST/women entrepreneurs and for participation in national and international fairs.
- 8.7.10 For strengthening of MSMEs, standalone incentives (not linked with PSI) shall be admissible to the MSMEs so as to promote quality competitiveness, Zero Defect Zero Effect (ZED scheme), Research & Development, technology up-gradation, water & energy conservation, cleaner production measures and credit rating.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-



8.7 Fiscal Incentives to MSMEs -

8.7.11 Eligible Micro, Small & Medium enterprises & Small Industries as defined above shall be offered Investment Promotion Subsidy (IPS) on Gross SGST paid by the unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra.

8 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-

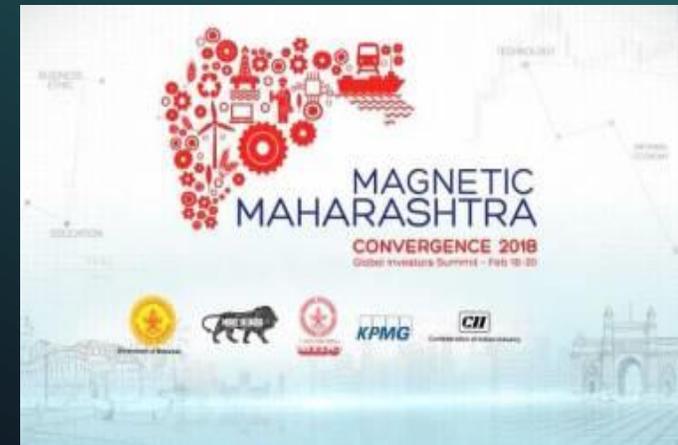


Table I – Eligibility Criteria to MSME -

Taluka / Area Classification	Maximum Admissible Fixed Capital Investment (INR crore)	Ceiling as % of FCI	Eligibility Period (Years)
A	For the purpose of this policy, MSME shall include units as per the MSMED Act, 2006, as well as the units with FCI of upto INR 50 crore	-	-
B		30%	7
C		40%	7
D		50%	10
D+		60%	10
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule		80%	10
No Industry Districts, Naxalism Affected Areas* and Aspirational Districts**		100%	10

*Naxalism affected areas as per Government Resolution No.: PSI -2013/ (CR- 54) /IND- 8 Dated 1st April 2013 issued by Government of Maharashtra Industries, Energy and Labour Department.

** Aspirational Districts are Osmanabad, Gadchiroli, Washim and Nandurbar



9 Attracting Large, Mega and Ultra-Mega Investments -

- ❖ Maharashtra has the largest number of Large and Mega projects in the country. These Large, Mega and Ultra-Mega projects have a proven track record of providing multi-faceted benefits to the State in terms of revenue and employment generation.
- ❖ To leverage the benefits further, concerted efforts are made in the policy to ensure regionally balanced and inclusive growth of the industry.



9.1 Large Scale Industries -

9.1.1 Large scale industries (LSI) are defined as industrial units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment prescribed in the following table. LSIs shall be offered incentives that are graded in a way so as to assist dispersal of investment to industrially under-developed areas.

A basket of incentives, their aggregate amount not exceeding the specified ceiling will be offered to eligible LSI units.



9.1 Large Scale Industries -

- a. LSI units in thrust sectors shall get additional incentives.
- b. Eligible LSI units shall be offered Investment Promotion Subsidy (IPS) on Gross SGST paid by the unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra. The incentives will be given to the LSI units on firstcum- first serve basis.
- c. In addition to incentives listed above, eligible large units will be entitled to 100 percent stamp duty exemption within investment period for acquiring land (including assignment of lease rights and sale certificate) and for term loan purposes. However, in A and B areas, Stamp Duty exemption will be offered only to IT and BT units in IT and BT Parks. Eligible Units under PSI 2013 Scheme will also be eligible for stamp duty exemption for their Investment Period.



9.1 Large Scale Industries -

- d. Eligible new units in C, D, D+, No Industries Districts and Naxalism affected Area will also be entitled to exemption from payment of electricity duty for a tenure equal to the eligibility period. However in A and B areas, Electricity Duty exemption will be offered to 100 per cent EOU Large Scale units and IT/BT units for 7 years.
- e. The units applying for incentives in the first year of policy period will be given full basket of eligible incentives for respective category and location of the unit. If the unit applies in subsequent years of the policy period, the basket of incentives will be reduced by 5% for each year of delay in application. This provision will not be applicable to industries in thrust sectors.



9.1 Large Scale Industries -

- f. Eligible LSI units in Agro & Food Processing (secondary and tertiary processing units and Farmer Producer Companies for manufacturing/ processing activity only), Green energy/ biofuel and Industry 4.0 shall be given additional support.
- g. Aggregate fiscal incentives provided by various departments or agencies of the State Government shall not exceed the IPS cap (as percentage of FCI) defined by the State Government.
- h. Incentives to the LSI shall be given to promote quality competitiveness, Research & Development, technology up-gradation, water & energy conservation, cleaner production measures and credit rating.

9.1 Large Scale Industries -



Table 2 – Eligibility Criteria to LSI -

Taluka / Area Classification	Minimum Admissible Fixed Capital Investment (INR crore)	Minimum Direct Employment (number of people)
A & B	750	1000
C	500	750
D	250	500
D+	150	400
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	100	300
No Industry Districts, Naxalism Affected Areas* and Aspirational Districts**	100	250

*Naxalism affected areas as per Government Resolution No.: PSI -2013/ (CR- 54) /IND- 8 Dated 1st April 2013 issued by Government of Maharashtra Industries, Energy and Labour Department.

** Aspirational Districts are Osmanabad, Gadchiroli, Washim and Nandurbar

NOTE : For MSME units the ceiling of fixed capital investment is Rs. 50 Crores. For units having investment more than Rs. 50 Crores & upto the minimum investment stipulated for large scale units in table 2 above, the industrial promotion subsidy shall be 40% of the SGST paid for the first sale of goods sold in Maharashtra and billed & delivered to the same entity. This incentive will not be applicable for units located in "A" & "B" zone.



10.2 Ultra Mega and Mega Projects -

10.2.1 Industrial units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment prescribed in the following table shall be classified as Mega Projects/ Ultra Mega Projects:

Provided that :

- a. Ultra-Mega/ Mega projects based on employment criteria shall be required to maintain the qualifying direct employment on rolls of the company throughout the year. If the employment criteria is not maintained for any period of the year, then Industrial Promotion Subsidy shall not be admissible for such year/s.
- b. Minimum Direct Employment prescribed in the table above should be created within a period of three years from the date of commercial production.



10.2 Ultra Mega and Mega Projects -

10.2.1 Industrial units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment prescribed in the following table shall be classified as Mega Projects/ Ultra Mega Projects:

Provided that :

- c. The investment in Captive Power Plant shall not be considered for determining the qualifying criteria for eligibility as Mega Project/Ultra Mega Project.
- d. 100% Captive Process Vendor (CPV) investment can be considered as a part of admissible FCI. However, CPV investment will not be counted for determining qualifying criteria as Mega/ Ultra Mega Projects.
- e. The present policy of MIDC regarding allotting plots on priority basis to mega and ultra-mega projects shall be continued.



10.2 Ultra Mega and Mega Projects -

10.2.2 High Power Committee (HPC), under Chief Secretary, constituted vide GR.IDL- 1005/(CR119)/IND-8 dated 2.6.2005 will approve the customized Package of Incentives to Mega and Ultra Mega projects on case-to-case basis.

Cabinet Sub Committee under Chairmanship of the Chief Minister constituted for Industry vide GR IDL-1097/(13478)/IND-8 dated 18.1.1998 and reconstituted vide GR.IDL-1004/(CR318)/IND-8 dated 24.12.2004 will approve customized incentives on case-to-case basis.



10.2 Ultra Mega and Mega Projects -

10.2.3 State government shall be an equity partner of 9% through Maharashtra Vikrikar Rokhe Pradhikaran Limited (MVRPL) in Large, Mega and Ultra Mega projects in the State and projects with FCI of more than INR 500 crore.

The equity will be in lieu of incentives received by these projects under Industrial Policy 2019-2024. The equity participation shall be in the form of shares only. The shares and dividend shall be issued in the name of MVRP. In order to avoid hostile takeover, if State government decides to sell its equity, the first right of refusal will be with the promoter of the company at prevailing market rates only.



10.2 Mega and Ultra Mega Projects -

10.2.4 For mega and ultra-mega projects availing incentives from the State government under Package Scheme of Incentives will have to provide employment to local persons as stipulated by the State Government. Failing to do so will result into reduction of offered incentives.



10.2 Mega and Ultra Mega Projects -

10.2.5 Government may consider providing customized package of incentives on case-to-case basis as deemed necessary for projects of special importance (may or may not be mega/ultra-mega projects). The High Power Committee (HPC) under the chairmanship of Chief Secretary shall recommend the customized package of incentives for any such project to the Cabinet sub-committee for approval.

- ❖ Apart from Industries Departments Package Scheme of Incentives Micro, Small, Medium, Large, Mega and Ultra-Mega Units are given incentives/ concessions by other administrative departments of State Government (e.g. Spinning Mills). The financial refunds / incentives to an industrial units from all sources put together shall be admissible within the limit of 100% of Fixed Capital Investment.

10.2 Mega and Ultra Mega Projects -



Type of Unit	Taluka/ Area Classification	Minimum Admissible Fixed Capital Investment (INR crore)	Minimum Direct Employment (number of people)
Mega Industrial Units	A&B	1,500	2,000
	C	1,000	1,500
	D	750	1000
	D+	500	750
	Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	350	500
	No Industry Districts, Naxalism Affected Areas and Aspirational Districts	200	350
Ultra-Mega Industrial Units	Entire State	4,000	4,000

*Naxalism affected areas as per Government Resolution No.: PSI -2013/ (CR- 54)/IND-8 Dated 1st April 2013 issued by Government of Maharashtra Industries, Energy and Labour Department.

** Aspirational Districts - Osmanabad, Gadchiroli, Washim and Nandurbar



II Green Industrialization Assistance -

Maharashtra is a frontrunner state in sustainable development initiatives and promotes green industrialization, so as to minimize adverse environmental impact.

- a. Eligible units shall be provided a Green Industrialization Assistance for undertaking measures to conserve water, energy and environment. Projects covered under the scheme include waste management systems (including ETP, STP etc.), pollution control systems/ devices, health and safety systems/ devices, water conservation/harvesting systems/ devices and captive renewable power generation.

Budgetary support from States Maharashtra Pollution Control Board (MPCB) & Government of India's schemes will be considered. A committee under chairmanship of Development Commissioner (Industries) will approve this incentives.



II Green Industrialization Assistance -

- b. Solar captive power plant will be considered as a part of admissible FCI for the purpose of incentives. A captive solar power plant will be defined as one wherein at least 80% of power generated is utilized by the unit annually.



12 Promoting Research and Development (R&D) -

- ❖ R&D is crucial in enhancing the productivity and economic growth of a region. A robust R&D infrastructure directly contributes to sustained growth and creates employment opportunity for scientific community. India has high potential for intellectual property.
- ❖ To avoid brain drain and utilize existing talents it is necessary to provide special impetus to industrial research. It is also necessary to protect intellectual property rights of a researcher.



12 Promoting Research and Development (R&D) -

Following initiatives will be undertaken to promote R&D:

- a. R&D units including stand-alone facilities of eligible industrial units shall be considered as part of FCI for the purpose of availing fiscal incentives.
- b. Provision of special fund shall be made to support industrial R&D activities.
- c. Promotion of industry and academia linkage through universities, centre of excellence, technical institutes, etc. Contributions from respective departments like Higher & Technical Education, Universities etc. will be considered.



12 Promoting Research and Development (R&D) -

Following initiatives will be undertaken to promote R&D:

- d. Companies/ units/ private individuals shall be eligible for fiscal assistance towards obtaining patents related to manufacturing activities.
- e. Considering the nature of various new technologies involved, fiscal assistance shall also be given to R&D units carrying out joint ventures.



13 Promoting Ecosystem for Startups -

- ❖ As a policy, it has been the endeavour of State Government to promote innovative startups by providing necessary infrastructure, and creating facilitating environment involving young entrepreneurs to enable sharing of their ideas and help them by handholding, mentoring and providing them financial assistance.
- ❖ Steps would be taken to promote startups right from the college level and coordination between Government, industry and academia. Startups in thrust sectors & emerging technologies such as artificial intelligence, robotics, internet of things, nanotechnology etc. will be provided with mentors from industry/business houses.



14. Amnesty scheme

- a. The State Government shall bring an amnesty scheme for government dues and penalties under which unviable and closed units shall be allowed to settle all the State Government dues
- b. The settlement of dues of financial institutions (including those of Maharashtra State Finance Corporation), are subject to RBI guidelines. However, the State Government shall coordinate with financial institutions towards early resolution of such dues.
- c. Maharashtra State Finance Corporation (MSFC) shall announce an attractive One Time Settlement (OTS) Scheme.



15. Strengthening Maharashtra Industry, Trade & Investment Facilitation Cell (MAITRI)

- a. All State related services, consents and permissions required to set up and operate an industry in Maharashtra shall be provided through MAITRI.
- b. MAITRI will coordinate with Industrial Associations for Ease of Doing Business initiatives.
- c. The Special Assistance Cell will be set up in MAITRI for the promotion/guidance of the Schedule castes, scheduled Tribes & Women Entrepreneurs.



16 Special Initiatives -

- 16.1 Special Incentives for Industries in the underdeveloped districts of Maharashtra
- 16.2 Special Incentives for Industries in Agro & Food Processing, Green energy/bio-fuel and Industry 4.0.
- 16.3 Special Incentives for SC/ST and Women Entrepreneurs.



17 State Level Udyog Awards -

- ❖ Maharashtra is the most industrialized state of India and it contributes 15% of country's GDP. Various industries have immensely contributed to industrial development of the State thereby generating massive employment.



18 Strengthening of District Industry Centres -

- ❖ District Industry Centres (DICs) will be strengthened to provide comprehensive information on various policies and schemes as well as to support MSMEs in marketing, trade and commerce, entrepreneurship development and revival of sick MSME units at district level.



19 Apex Institute for Promotion of Entrepreneurship –

- 21.1 Apex Institute for Promotion of Entrepreneurship.
- 21.2 Setting up of State of the Art Exhibition-cum-Convention Centre.



20 Corporate Social Responsibility (CSR) Activities in the State



21 Sector Specific Policies -

These policies are:

- i. Policy for Industrial Parks comprising of flatted galas for Readymade Garment manufacturing, Gems & Jewellery, Micro Electronics and Engineering units **2018**.
- ii. Fin tech Policy 2018.
- iii. Maharashtra COIR Policy-2018.
- iv. Electrical Vehicle and Related Infrastructure Policy 2018.



21 Sector Specific Policies -

These policies are:

- v. Logistics Parks Policy 2018.
- vi. Textile Policy 2018.
- vii. Cloud Computing Policy 2018.
- viii. Aerospace & Defence Manufacturing Policy 2018.
- ix. IT/ITeS Policy 2015.



21 Sector Specific Policies -

These policies are:

- x. Electronics Policy 2016.
- xi. Retail Trade Policy 2016.
- xii. Incentive for Development of Integrated Industrial Area 2018.
- xiii. Bharat Ratna Dr. Baba Saheb Ambedkar Special Package of Scheme Incentive for SC/ST Entrepreneurs 2016.
- xiv. Women Entrepreneur Policy
- xv. Telecom Infrastructure Policy -2018

Thank You

