

## **MAHARASHTRA'S** **GRAPES PROCESSING INDUSTRY POLICY, 2001**

Maharashtra is a leading state in production of Grapes in the whole country. In regards to agriculture land under grapes cultivation & grapes production, Nashik & Sangli districts are at forefront in the State. Apart from these, grapes are also grown in the districts of Ahmednagar, Pune, Satara, Solapur & Osmanabad. Nowadays, grapes are produced in Latur district of Marathwada also. However, Nashik and Sangli districts are ahead in the production of grapes in a scientific manner. The progressive farmers in these districts have also entered in the grapes exports and grapes processing sector. But, major grapes are produced for eating purposes and limited quantity is utilised for the production of liquor, dryfruits like raisins, etc. However, as grapes are of perishable nature, many times when the production of grapes is much more and sufficient domestic market is not available for sale of grapes, farmers have to sustain heavy financial losses. Further, as process of grapes production basically requires major capital investment, if sale or exports of grapes is not possible in time, farmers do suffer a lot. In these circumstances it was under consideration of government to declare a independent policy to encourage the grapes growers to produce more beneficial alternative products from grapes, other than the dryfruits and table grapes.

It was also noticed by the government that in some foreign countries international exhibitions are organised and in such exhibitions, in addition to wine production, guidance is also provided for maintaining regular supplies of wine during the whole year. In similar manner, there was a thinking that if proper boost is given to wine production in the state, it would create more employment opportunities. It was also observed that if the farmers in the state cultivate peculiar types of grapes for wine and similar kind of processed products, they will get more income from domestic and export markets. The State Government has specifically provided in Maharashtra's Industrial Policy, 2001 that Wine Parks will be set up in Sangli and Nashik districts to encourage the Wine Industry in the state. In fact, Maharashtra Industrial Development Corporation has already initiated the action for setting up of Wine Parks in Sangli and Nashik districts. Accordingly, to give impetus to the grape processing and wine industry in the state, preparation of a separate policy was under active consideration of the State Government.

After due consideration of above facts, Government of Maharashtra has now declared 'Maharashtra Grapes Processing Industry Policy, 2001', as described hereafter:-

### **1. Declaration as a Preferential Area:**

As the Winery industry does not fall in the preferential area of granting loans, the financial institution like NABARD does not grant loans in such industries. Therefore, to get the high price of the product for farmers and to create better employment in the state, NABARD may be requested to declare preferential area for Winery Industries, enabling to grant such requisite loans.

### **2. Declaration as a Small Scale Industry:**

Within the limits of investments prescribed for the Small Scale Industry, wineries should be considered as a Small Scale Industry.

### **3. Concessions in Excise Duty:**

For those wine industries whose production has been started before 19th September, 2001, the excise duty will be charged at the rate of 50 per cent of the production expenditure incurred by such units instead of present 100 per cent rate. For those wine industries whose production has been started or would be started on or after 19th September, 2001, the excise duty will be charged at the rate of 25 per cent of the production expenditure incurred by such units. Such concessions will be admissible for period of 5 years.

#### **4. Concessions in Sales Tax:**

It has been decided with the consent of all states in the country that the floor rate of Sales Tax on liquor will be at the rate of 20 per cent. However, the Wine Process is totally different from the Liquor Production Process and wine unit is considered as agriculture process unit by the Central Government. Therefore, to encourage the Grapes Processing Industry in the state, a request will be made to the Empowered Committee of Finance Ministers of all states constituted by the Government of India to reduce the floor rate of Sales Tax on wine.

#### **5. Wine Sales License:**

Wine will be permitted for sale by Beer Bars and also licenses will be given to Wine Bars to sell wine on the basis of Beer Bars.

#### **6. Wine Sales License Fee:**

An amount of Rs. 5000/- per year will be charged for License Fee for the sale of wine and this rate will not be changed for next 10 years.

#### **7. Simplification in the system of License/Permission for Wine Production:**

If Wine production is taken in Winery Park as declared by the State Government, Wine Product License will be given at district level at the time of allotment of Plot. In other places for Wine Production, by simplifying the system of License the Collector of the district level will be empowered with a binding condition to issue licenses within 30 days.

#### **8. Establishment of Wine Institute:**

To maintain the quality of Wine at the International Level and to make available trained man power, a separate Wine Institute will be established. For setting up of the Wine Institute, Government/ MIDC will allot the plot at the nominal rate as given to the other educational institute. Such Institute will look after the work of training, checking the quality of wine, research and information centre for the Wine Industry. These institutes will be established by forming separate trust firstly at Sangli and Nashik. For this purpose, by choosing appropriate alternative from the following alternatives, training institutes will be established:-

- a) To help the existing trust for formation of training centre.
- b) To establish training institute in joint venture with the existing trust.
- c) To establish training institute by creating a separate trust.

#### **9. One Window System:**

For Winery Industry, essential license, plot, electricity supply, telephone etc. infrastructure will be made available with One Window System.

#### **10. Establishment of Grapes Board:**

A Grape Processing Industry Board would be established for Wine and other Grape Processing Industry in Maharashtra. The Board will consist of representatives from the concerned industry, Grapes producing farmers, State Government, government laboratories, wine institute etc. The organisation and functions of similar kinds of Boards existing in other countries will be examined before establishment of Grape Board in Maharashtra on same standards. The jurisdiction of the said Grapes Board will be as under:-

- a) To inspect and control the Quality of Grape Cultivation and Wine Production.
- b) To give approval to Lables.

- c) To inspect Quality and Standard Norms.
- d) To draft various Schemes for Sale of Processed Grape Products on the Global Level.

### **11. Facilities of Food Processing Industries:**

The facilities which are given to the food processing industry units, will be given to the Winery Product Units by giving them the status of Food Processing Units.

### **12. Wine Product Units - Permission for the Tourists:**

In foreign countries, permission is given to watch the Wine Product Units. In similar manner, in Maharashtra also, permission will be given to the tourists to visit Wine Product Units for testing the wine. Also, licenses will be given to such Wine Product Units to sale wine on retail basis.

### **13. Taxation on Imported Wine:**

**a) Excise Duty:** Excise Duty cannot be charged on the Imported Wine. It would be examined as how to charge tax equivalent to the percentage of excise duty on the Imported Wine by other ways.

**b) Fees on Labels and Brand:** No fee on Labels/Brands is charged on Imported Wine. However, fee is charged on the wine produced in the state and the country. This issue would be examined fees will be charged on labels and brands.

### **14. Grapes Processing Industry - Easiness in the control of Excise Duty Dept.:**

To simplify the procedure in the collection of excise duty and for creating easiness in the control of Excise Dept., a committee would be constituted under the Chairmanship of Principal Secretary (Excise) as under:-

1. Principal Secretary (Excise), Home Dept.	Chairman
2. Secretary (Industries)	Member
3. Secretary (Agriculture)	Member
4. Development Commissioner (Industries)	Member
5. Representative of Winery Product Units	Member
6. Managing Director, MTDC	Member
7. Commissioner (Excise Dept.)	Member Secretary