



INDUSTRIES DEPARTMENT GOVERNMENT OF MAHARASHTRA



New Industrial Policy 2019- For Futuristic Maharashtra



Magnetic Maharashtra
Attracting Investments



Government of
Maharashtra



Maharashtra - Introduction

- ▶ Strategically located
- ▶ Well developed infrastructure (i.e. road, rail, airports and seaports)
- ▶ Abundant qualified and skilled labour
- ▶ Established industrial ecosystem
- ▶ Conducive policy environment and proven track report

Target

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

Policy objectives

- ▶ To retain leadership position in industrial investment
- ▶ To sustain high levels of employment generation
- ▶ To promote regionally balanced, environmentally sustainable and inclusive industrial growth

To make Maharashtra, first US\$ 1 trillion economy in India, Government of Maharashtra has released "Industrial Policy 2019" effective 1st April 2019 which will be valid for 5 years.

Magnetic Maharashtra- Attractions Unlimited

**Largest
Economy**

**Established
Industrial
Ecosystem**

**Best
Incentive
Policies**

**Single
Window
(MAITRI)**

**Developed
Infrastructure**

**Conducive
Policy
Environment**

**Highest FDI
Inflow**

**Strategically
located**

**Ease of
doing
Business**

Policy Offers Fiscal & Non – Fiscal benefits

100%

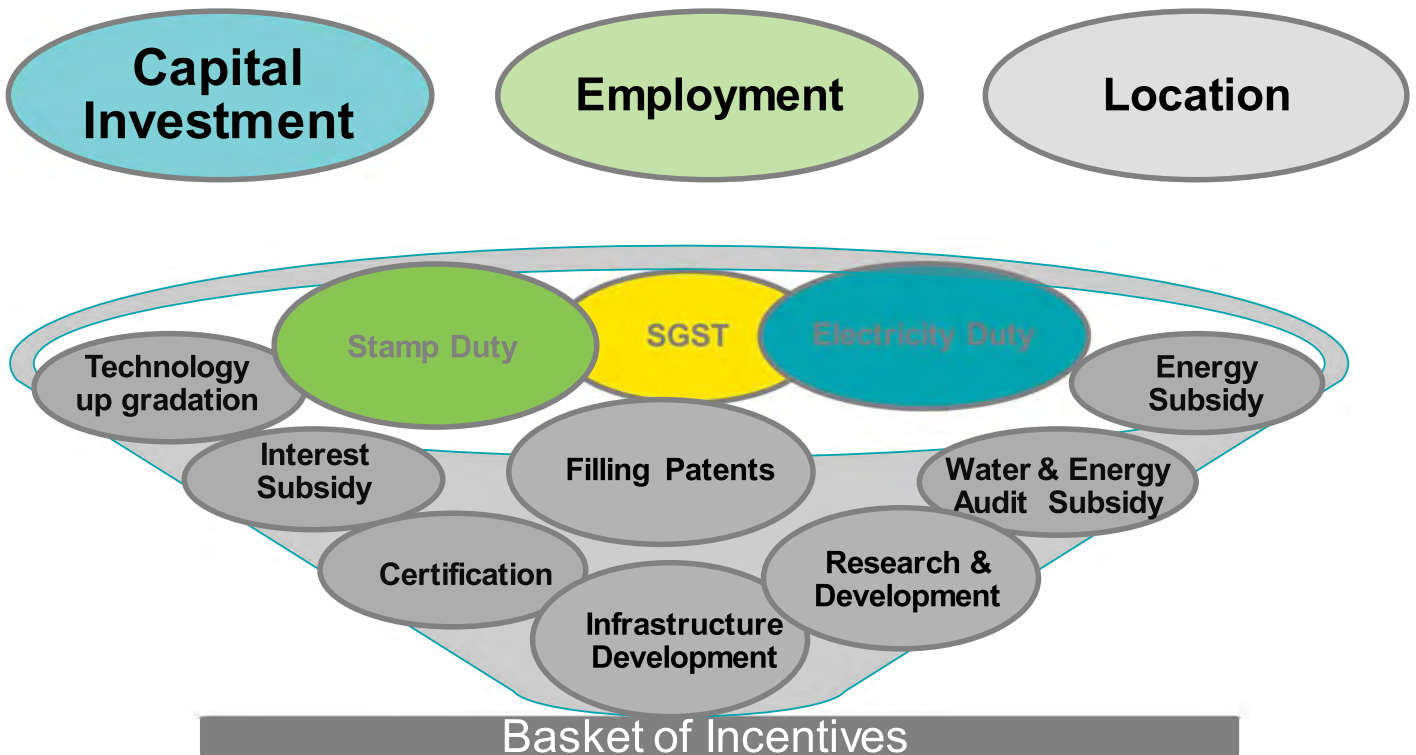
Fiscal incentives up to 100 per cent on Capital Investment

Determining Factors

Capital Investment

Employment

Location



Non - Fiscal incentives

Infrastructure

Single Window

Skill Development

Export Promotion Council

Common Facilitation Centre

Regional Facilitation

Global Investment Promotion Council

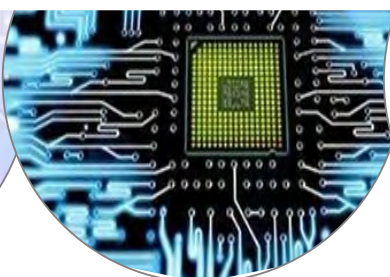
Support to Incubators



Thrust Sectors

In order to steer industrial development towards emerging sectors and generate employment the State government have identified list of following thrust sectors. These sectors will be accorded land and incentives on priority.

- ▶ Electric Vehicles (Manufacturing, Infrastructure and Servicing)
- ▶ Aerospace and Defence Manufacturing –
- ▶ Industry 4.0 (Artificial Intelligence, 3D Printing, Internet of Things and Robotics, Nanotechnology, among others)
- ▶ Promotion of Integrated Data Centre Parks (IDCP)
- ▶ Textile Machinery Manufacturing
- ▶ Biotechnology and Medical and Diagnostic Devices –
- ▶ Agro & Food Processing (Secondary and Tertiary Food Processing units)
- ▶ Information Technology (IT) & IT Enabled Services (ITeS) –
- ▶ Electronic Systems Design & Manufacturing (ESDM) and Semiconductor Fabrication (FAB)
- ▶ Logistics & Warehousing
- ▶ Green Energy/ Bio Fuel Production
- ▶ Sports and Gym Equipment Manufacturing
- ▶ Nuclear Power plant equipment manufacturing
- ▶ Mineral / Forest based Industries



Incentives for Micro, Small and Medium Enterprises (MSME)

MSME includes units as per the definition of Government of India – Micro, Small and Medium Enterprises Development (MSMED) Act 2006 as well as small industries with fixed capital investment (FCI) of up to INR 50 Crores

Incentive Component	Zone A	Zone B	Zone C	Zone D	Zone D+	Specified Areas*	No Industry Area**
Eligibility Period (Years)	-	7	7	10	10	10	10
Ceiling as % of FCI	-	30	40	50	60	80	100

▶ Stamp Duty Exemption:

- 100 per cent exemption within the investment period for acquiring land including assignment of lease rights, sale certification and for term loan.
- In case of A and B, exemption is given only to Information Technology (IT) and Biotech (BT) manufacturing units in IT and BT parks

▶ State Goods and Service Tax (SGST)

- Investment promotion subsidy of SGST paid by unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra

▶ Electricity Duty Exemption

- In zone A & B Electricity Exemption only to 100 per cent export oriented MSMEs and IT/BT units for 7 years
- Eligible New MSMEs in C, D, D+, No industries Districts and Naxalism area will be entitled to exemption from payment of electricity duty for tenure equal to the eligibility period

▶ Power Subsidy

Subsidy for eligible units shall be for 3 years from the date of commencement of commercial production

- Units located in Vidarbha, Marathwada, North Maharashtra and districts of Raigad, Ratnagiri and Sindhudurg will be to the extent of INR 1 per unit consumed
- Other areas to the tune of INR .50 per unit consumed

▶ Interest Subsidy

Subsidy @ 5per cent per annum up to the maximum value of electricity consumed

▶ Other Incentives

Eligible MSME units in Agro & Food Processing, Green energy/ biofuel and Industry 4.0 shall be granted 20% additional fiscal assistance and two year additional eligibility period shall be applicable.

▶ Non Fiscal Benefits

- Reservation of 20% land in MIDC areas

*Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule

**No district industry, Naxalism affected areas and Aspirational districts

Incentives for Large Scale Industries (LSI)

LSI are defined as industrial units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment prescribed:

Incentive Component	Zone A & B	Zone C	Zone D	Zone D+	Specified Areas	No Industry Area
Minimum FCI (INR)	750 Cr.	500 Cr.	250 Cr.	150 Cr.	100 Cr.	100 Cr.
Minimum direct employment (No. of people)	100	750	500	400	300	250
Ceiling as % of FCI	25	40	60	70	80	100
Eligibility Period (Years)	7	7	7	7	9	9

▶ Stamp Duty Exemption:

- 100 per cent exemption within the investment period for acquiring land including assignment of lease rights, sale certification and for term loan.
- In case of A and B, exemption is given only to Information Technology (IT) and Biotech (BT) manufacturing units in IT and BT parks

▶ State Goods and Service Tax (SGST)

- Investment promotion subsidy of SGST paid by unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra. This shall be provided on first-cm-first serve basis

▶ Electricity Duty Exemption

- In zone A & B Electricity Exemption only to 100 per cent export oriented MSMEs and IT/BT units for 7 years
- 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

▶ Other Incentives

- Eligible MSME units in Agro & Food Processing, Green energy/ biofuel and Industry 4.0 shall be granted 20% additional fiscal assistance and two year additional eligibility period shall be applicable.
- Incentives shall be given to promote quality competitiveness, Research & development, technology upgradation, water & energy conservation, cleaner production measures and credit rating

Mega and ultra-mega projects

Industrial units satisfying the minimum threshold limits of **Fixed Capital Investment** or **Direct Employment prescribed** shall be classified as Mega units/ Ultra-Mega units.

Particulars	Zone A & B	Zone C	Zone D	Zone D+	Specified Areas*	No Industry Area**	Entire State
Classification	Mega Projects						Ultra-Mega
Minimum Fixed Capital Investment (INR)	1500 Cr.	1000 Cr.	750 Cr.	500 Cr.	350 Cr.	200 Cr.	4000 Cr.
Minimum direct employment (No. of people)	2000	1500	1000	750	500	350	4000

Incentives-

- ▶ All incentives on Ultra-Mega & Mega units shall be offered **Gross** basis
- ▶ Allocation of MIDC land to Mega and Ultra Mega projects on priority basis
- ▶ Financial refund/incentives put together shall be admissible within the limit of 100% of Fixed Capital Investment
- ▶ Eligible 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 granted 20% additional fiscal assistance and two year additional eligibility period shall be applicable
- ▶ 100% Captive Process Vendor (CPV) investment can also considered as part of Fixed Capital Investment (FCI)
- ▶ Projects of Special Importance (may or may not be Mega/ Ultra-Mega projects) may be considered for customized package of incentives on case-to-case basis
- ▶ State government shall be an equity partner through Maharashtra Vikrikar Rokhe Pradhikaran Limited (MVRPL) in LSI, Mega, Ultra-Mega industries with FCI of more than 500 crores

*Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule

**No district industry, Naxalism affected areas and Aspirational districts

Other Incentives – (1/2)

Fiscal Aspect	Description	Budgetary Support
100 operational Common Facility Centres (CFCs) for MSEs	In ongoing MSICDP scheme a grant of max INR 5 crore is given for developing CFC. More than 100 Clusters have been identified and policy limit is enhanced to maximum INR 10 crore/CFC in view of the increased prices	INR 400 crore over the policy period i.e. INR 80 crore per annum
Initial setup and administrative cost for MSME Apex Institute	To support Industrial growth and promotion of Entrepreneurship, an apex institute will be setup in the vicinity of Mumbai, and the existing centres of Maharashtra Centre for Entrepreneurship development (MCED) at Aurangabad and Nagpur will be upgraded and made satellite centres	INR 50 crore over the policy period i.e. INR 25 crore initial expenditure for infrastructure plus 5 crore per annum
Supporting MSMEs for listing and Equity support	Partial reimbursement of listing expenses and Equity participation. Facilitating Public funding for MSMEs i.e. 5 Lakh each for 100 units each year.	INR 25 crore over the policy period i.e. INR 5 crore per annum
Specialized Support to MSMEs	The ongoing schemes of specialised support to MSMEs is continued	INR 90 crore over the policy period i.e. INR 18 crore per annum
Green Industrialization Assistance	This is an ongoing scheme being continued in the new policy	INR 50 crore over the policy period i.e. INR 40 crore for Large units and INR 10 crore for MSMEs over the policy period
Assistance to Private Parks including Mini Food Parks	25 mini food parks, 5 biotech parks to be promoted in the State Financial assistance to Industrial Parks for Infrastructure development. Additional assistance for Parks for Women & SC/ST entrepreneurs.	Provision of INR 100 crore over the policy period i.e. INR 20 crore per annum
Export Promotion Initiatives	Setting up of Export Promotion council, Export Data Intelligence cell, Brand Development, Export Excellence Awards, Venture Capital Fund, etc.	INR 146 crore over the policy period

Other Incentives – (2/2)

Fiscal Aspect	Description	Budgetary Support
MAITRI Administrative set-up cost including setting up MAITRI regional offices	MAITRI is an ongoing setup which will be further strengthened and also MAITRI cell will be setup at regional headquarters	INR 30 crore over the policy period i.e. INR 10 crore initial expenditure for infrastructure plus INR 5 crore per annum for administrative cost
Strengthening of District Industry Centres	This is an ongoing initiative	INR 25 crore over the policy period
Special Incentives for SC/ST and Women Entrepreneurs as per already approved policy	a) Higher fiscal support will be given to entrepreneurs setting up incubators b) b) Fiscal support for participation in international trade fairs	INR 25 crore over the policy period i.e. a) Incubator - INR 15 crore over the policy period and b) International fair - INR 10 crore

THANK YOU

Development Commissioner (Industries)

Chairman (MAITRI)

Government of Maharashtra

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