

Package Scheme of Incentives 2019-2024



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Applicability of Scheme

The Package Scheme of Incentives (PSI) – 2019 shall remain in operation from the 1st April, 2019 upto 31st March, 2024 or till the new PSI comes into force.

Following categories of Eligible Industrial Units in the Private Sector, Co-operative Sector, State Public Sector / Joint Sector shall be eligible to be considered for incentives under the PSI - 2019:

- Industries Listed in the First Schedule of the Industries (Development and Regulation) Act, 1951
- Manufacturing Enterprises as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006
- Information Technology Manufacturing Units registered with
 - Directorate of Industries or
 - Maharashtra Industrial Development Corporation (MIDC) or
 - Development Commissioner, Santa Cruz Electronic Export Processing Zone (SEEPZ) or
 - Software Technology Parks of India (STPI) in the State
- Bio-technology Manufacturing Units as specified by the Government from time to time.
- Mechanized, Food / Agro Processing Industries in the following sectors:
 - Dairy, Fruit and Vegetable Processing.
 - Grain Processing.
 - Fish / Meat / Poultry Processing.
 - Consumer foods including Packed foods.
 - Nonalcoholic beverages from fruits and vegetables.

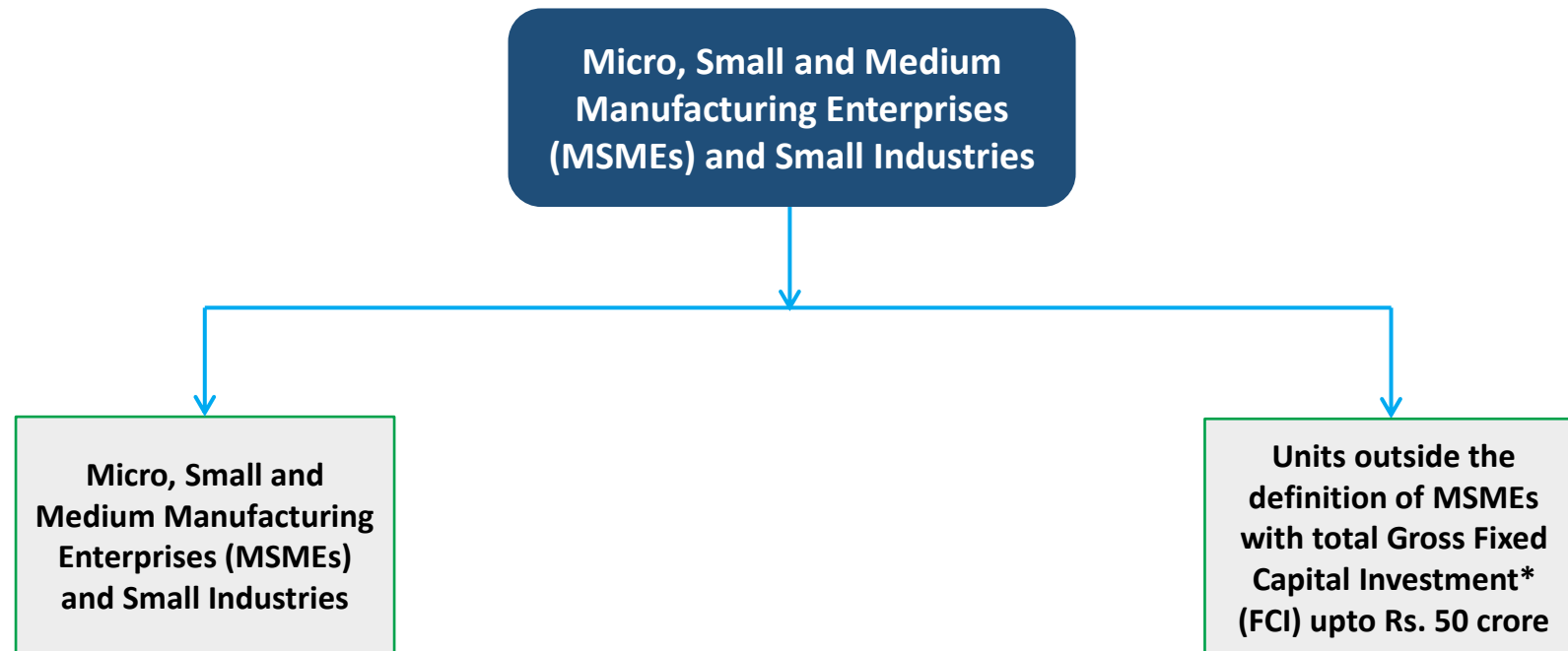
Classification of Areas for PSI - 2019

For the purposes of the PSI- 2019, detailed taluka-wise classification of different areas of the State as Groups shall be as follows:

Sr. No.	Group	Particulars
1	Group A	Industrially Developed Areas
2	Group B	Some industrial development has taken place, but are less developed than the areas under Group A
3	Group C	Developed than those covered under Group B
4	Group D	Lesser developed areas of the State, not covered under Group A / Group B / Group C.
5	Group D+	Least developed areas, not covered under Group A / Group B / Group C / Group D
6	No Industry Districts	Districts having no industries - Hingoli and Gadchiroli.
7	Naxalism Affected Areas	Areas affected by naxalism
8	Aspirational Districts	Defined by Government of India - Washim, Gadchiroli, Osmanabad and Nandurbar.

Classification of Industries (1/3)

Industries eligible to be considered for incentives are classified into following categories:



* Gross Fixed Capital Investment - The capitalized value (net value after all set-offs) of new Fixed Assets acquired and put to use at site of the eligible Unit and duly paid for during the eligible investment period.

Classification of Industries (2/3)

Large Scale Industries (LSI)

Units having investment more than MSMEs but less than Mega Projects, satisfying the minimum threshold limits of Fixed Capital Investment (FCI) **OR** Direct Employment as prescribed below

Taluka / Area Classification	Minimum Qualifying Fixed Capital Investment (INR crore)	Minimum Direct Employment (number of people)
A & B	750	1,000
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

Classification of Industries (3/3)

Mega Projects / Ultra Mega Projects

Industrial Units satisfying the minimum threshold limits of Fixed Capital Investment **OR** Direct Employment as prescribed below

Type of Unit	Taluka / Area Classification	Minimum Qualifying 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	1,000
	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

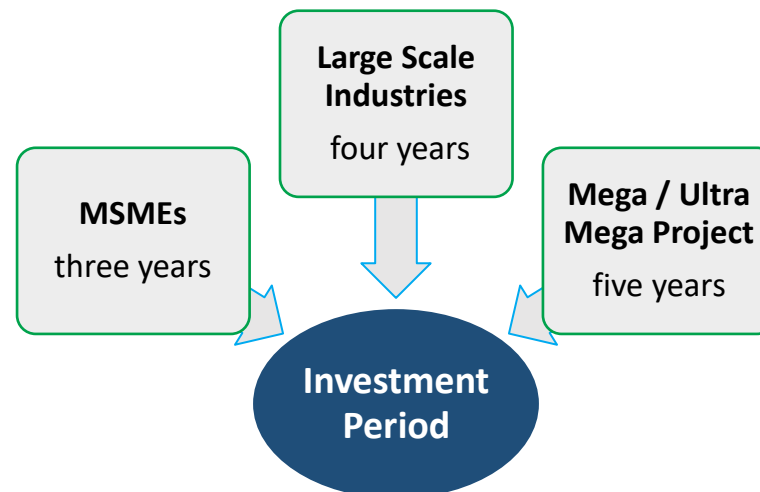
Eligibility and Investment Period

Eligibility Period

- Incentives of Industrial Promotion Subsidy, Interest Subsidy, Electricity Duty Exemption, Power Tariff Subsidy etc., will be admissible to an Eligible Unit subject to the fulfillment of the conditions of the PSI-2019.
- The period of eligibility will be computed from the Effective date of Eligibility and depend on the nature and location of the Eligible Unit.

Investment Period

For claiming the eligibility under the PSI-2019, Eligible Unit has to commence the commercial production and acquire the fixed assets at site, put them to use and duly pay for it within the permissible investment period



Financial Incentives (1/6)

Financial Incentives for MSMEs

Basket of Incentives for MSMEs

Taluka / Area Classification	Maximum Permissible Fixed Capital Investment (FCI) (INR crore)	Minimum Ceiling of basket of incentives as % of FCI	Eligibility Period (Years)
A	For the purpose of this policy, MSME includes 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

Financial Incentives (2/6)

Financial Incentives for MSMEs (contd.)

Type of Subsidy	Eligibility	Benefit / Quantum of Subsidy
Industrial Promotion Subsidy	New / Expansion MSMEs	100% State Goods and Service Tax (SGST) payable by the unit on the first sale of eligible products billed and delivered within Maharashtra
Interest Subsidy	New MSMEs	5% per annum subject to maximum of value of bills paid for electricity consumed during the relevant year
Exemption from Electricity Duty	➤ New MSMEs (Except in Group A and Group B)	100% exemption from payment of Electricity Duty for eligibility period
	➤ 100% Export Oriented Units, Information Technology (IT) and Bio-Technology (BT) Manufacturing Units from Group A and B	100% exemption from payment of Electricity Duty for a period of 7 years
Waiver of Stamp Duty	➤ New / Expansion MSMEs (Except in Group A and Group B)	100% exemption from payment of stamp duty during the Investment Period for acquiring land
	➤ Group A and B <ul style="list-style-type: none"> • Units in Public IT / BT Parks • Units in Private IT / BT Parks 	100% 75%

Financial Incentives (3/6)

Financial Incentives for MSMEs (contd.)

Type of Subsidy	Eligibility	Benefit / Quantum of Subsidy
Power Subsidy	<ul style="list-style-type: none"> ➤ New / Expansion MSMEs in <ul style="list-style-type: none"> • Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region • No Industry Districts • Naxalism Affected Areas • Aspirational Districts 	INR 1 per unit for a period of 3 years from the date of commencement of commercial production for energy consumed and paid
	<ul style="list-style-type: none"> ➤ Other areas 	INR 0.5 per unit for a period of 3 years from the date of commencement of commercial production for energy consumed and paid

Financial Incentives (4/6)

Additional Incentives for Expansion projects of MSMEs and Small Industries

Type of Subsidy	Benefit / Quantum of Subsidy	Maximum Limit (INR lacs)
Technology Upgradation	5% subsidy only on additional capital equipment acquired for technology upgradation	25
Quality Certification	75 % subsidy on the expenses incurred on quality certification	1
Cleaner Production Measures	25% subsidy on additional capital equipment acquired for cleaner production measures	5
Patent Registration	75 % subsidy on the expenses incurred on patent registration	National Patents – 10 International Patents – 20
Water Audit	75% of cost of water audit	1
Energy Audit	75% of cost of energy audit	2
Conserve / Recycle Water	50% of the cost of Capital Equipment under the measures to conserve / recycle water	5
Improving Energy Efficiency	50% of the cost of additional Capital Equipment for improving energy efficiency	5

Financial Incentives (5/6)

Financial Incentives for Large Scale Units (LSIs)

Basket of Incentives for LSIs

Taluka / Area Classification	Minimum Qualifying Fixed Capital Investment (FCI) (INR crore)	Minimum Direct Employment (number of people)	Maximum Ceiling of basket as a % of FCI	Incentive period in years
A & B	750	1,000	25%	7
C	500	750	40%	7
D	250	500	60%	7
D+	150	400	70%	7
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	100	300	80%	9
No Industry Districts, Naxalism Affected Areas and Aspirational Districts	100	250	100%	9

Financial Incentives (6/6)

Financial Incentives for LSIs (contd.)

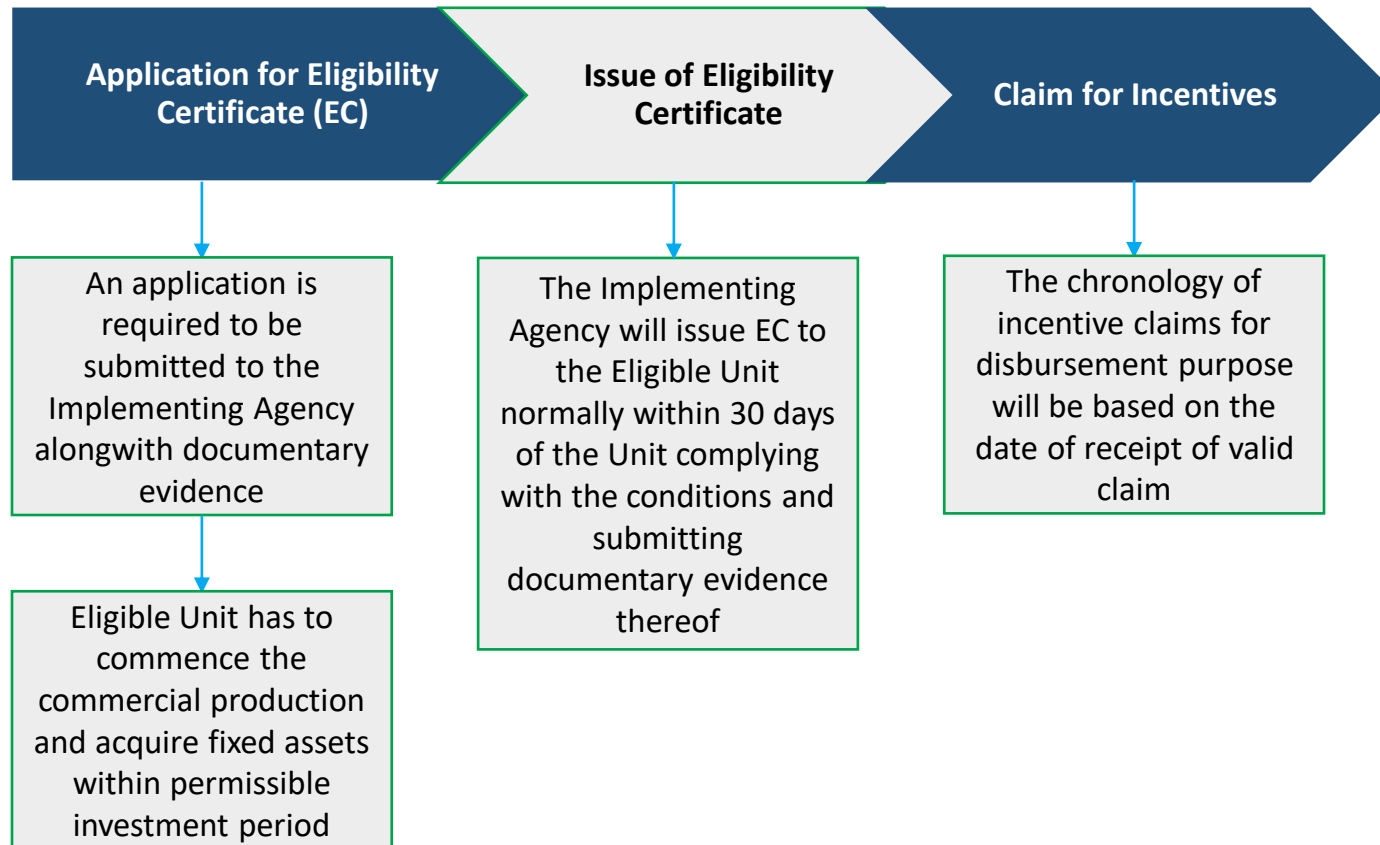
Type of Subsidy	Eligibility	Benefit / Quantum of Subsidy
Industrial Promotion Subsidy	New / Expansion LSIs (Except Group A and Group B)	50% SGST payable by the unit on the first sale of eligible products billed and delivered within Maharashtra
Exemption from Electricity Duty	New LSIs (Except in Group A and Group B) 100% Export Oriented Units, Information Technology (IT) and Bio-Technology (BT) Manufacturing Units from Group A and B	100% exemption from payment of Electricity Duty for eligibility period 100% exemption from payment of Electricity Duty for a period of 7 years
Waiver of Stamp Duty	New / Expansion LSIs (Except in Group A and Group B) Group A and B Units in Public IT / BT Parks Units in Private IT / BT Parks	100% exemption from payment of stamp duty during the Investment Period for acquiring land 100% 75%

Financial Incentives for Mega / Ultra Mega Projects

The template for quantum of incentives for Mega Projects and Ultra Mega Projects will be decided by the High Power Committee under the chairmanship of the Chief Secretary, Government of Maharashtra.

Procedure for Application

Steps for Application and Claim for Eligibility



Monitoring and Review

Monitoring and Review:

- The Eligible Unit has to submit a report regarding
 - production and sales
 - period of stoppage of production and / or closure of the unit, if any
 - addition to fixed capital investment
 - disposal of fixed assets
 - changes in the constitution of unit
- The Eligible Unit is also required to submit to the Implementing Agency, within a period of 9 months from the close of every year, a certified true copy of the audited annual statement of accounts and Balance Sheet for the said year.
- Failure on the part of an Eligible Unit to submit any of the above information / documents will result in any or all of the following:
 - Suitable action for breach of PSI-2019 as provided under the procedural rules
 - Cancellation of Eligibility Certificate
 - Premature recall of and immediate recovery of incentives availed.

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