



Maharashtra Industrial Policy 2013 - Highlights

November 2014



Industrial Policy of Maharashtra 2013 — Highlights

Fig 1. Classification of Ultra Mega/Mega projects as per the Industrial Policy 2013-18

Type of unit	Taluka / Area Classification	Fixed Capital Investment (in INR Crore)	Direct Employment
Mega Industrial Unit	A & B	750	1,500
	C	500	1,000
	D & D+	250	500
	Naxalism affected area and No Industry districts	100	250
Ultra Mega Industrial Unit	Entire state	1500	3,000

Given the experience in the last five years, the GoM have developed the new policy to attract industries to Maharashtra. The objectives of the Industrial Policy, 2013 are:

- To retain Maharashtra's leadership position in industrial investment within the country
- To further accelerate investment flow to industrially underdeveloped regions of the state
- To create more employment opportunities

The Policy targets include:

- To achieve manufacturing sector growth rate of 12-13 per cent per annum;
- To achieve manufacturing sector share of 28 per cent of state GDP,
- To create new jobs for 2 million persons and
- To attract investments of INR 5 lakh crore (INR 5 trillion)

The validity of the Industrial Policy, 2013 is from 1st April 2013 to 31st March 2018

Some of the major highlights of the policy are:

1. Incentives for Mega Projects
 - Criteria for qualification is based on Investment or employment
 - Further to the threshold limits specified in the earlier industrial policy, a new category of Ultra Mega Projects have been added which includes projects where investment size is greater than INR 1500 crore or employment is greater than 3000
 - Naxalism affected areas, i.e. Gadchiroli, Gondia, Chandrapur,

Bhandara, Yavatmal and Nanded have been included along with the category of No Industry Districts to boost Industrial development

- Additional incentives will be provided to projects employing minimum twice the threshold number required to qualify as Mega Project at that location
- Customized Package of Incentives to Mega projects/Ultra Mega Projects on case-to-case basis by the High Power Committee under Chief Secretary and higher incentives/ concessions and relaxing of conditions, on a case-to-case basis will be approved by Cabinet Sub Committee under Chairmanship of the Chief Minister
- Threshold limits for classification of Ultra Mega/Mega projects is as given in Fig.1

Investor facilitation and ease of doing business

State Government will to set up an Integrated Cell, under Principal Secretary (Industries) to carry out inter-alia various investment promotion activities.

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Fig 2. Classification of Large projects as per Industrial Policy 2013-18

Taluka / Area Classification	Monetary ceiling as per cent of admissible Fixed Capital Investment*	Eligibility Period (years)
A	-	7
B	-	7
C	30	7
D	40	7
D+	50	7
No Industry Districts	70	7
Naxalite Affected Area	80	7

2. Incentives for Large Projects

- Industrial Promotion Subsidy
 - Every year, in areas other than A & B areas, the Industrial Promotion Subsidy payable will be calculated at the rate of 60% to 100% of VAT on local sales + CST payable on eligible finished products.
 - In areas other than A & B areas, to provide thrust to Food Processing Sector in the State, eligible units will be granted additional 10 per cent incentives and additional 1 year towards Eligibility Period.
- Energy and water audit
 - 75 per cent reimbursement of cost of water and energy audit limited to Rs. 1 lakh for water audit and Rs. 2 lakh for energy audit shall be admissible.
 - 50 per cent cost of capital equipment required for undertaking measures to conserve water and energy, limited to Rs. 5 lakh each will be granted to eligible units in the State
- Stamp duty exemption
 - Eligible large units will be entitled to 100 per cent stamp duty exemption
 - 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 2007 Scheme will also be eligible for stamp duty exemption for their Investment Period
- Electricity Duty exemption
 - 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 tenure equal to the eligibility period.
 - 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
- Threshold limits for classification of Large projects is given in Fig.2

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Fig 3. Threshold limits for classification of MSME projects

Taluka / Area Classification	Monetary ceiling as per cent of admissible Fixed Capital Investment*	Eligibility Period (years)
A	-	7
B	20	7
C	40	7
D	70	10
D+	80	10
No Industry Districts	90	10
Naxalite Affected Area	100	10

3. Incentives for MSME Projects

- Industrial Promotion Subsidy
 - Equal to VAT on local sales + CST payable + 20% to 100% of ITC on eligible finished products. (In areas other than A areas on annual basis)
- Power tariff subsidy
 - Eligible for new units
 - Located in Vidarbha, Marathwada, North Maharashtra, and Districts of Raigad, Ratnagiri and Sindhudurg in Konkan
 - Extent of Rs 1/- per unit consumed in above mentioned regions and in areas other than the above (except A areas) to the tune of Rs. 0.50/- per unit consumed
 - 3 years from the date of commencement of commercial production
- Interest subsidy
 - @ 5 per cent p.a., maximum up to the value of electricity consumed and bills paid for that year, will be admissible. (In areas other than A area)
- Food Processing Sector
 - Eligible units will be granted additional 10 per cent incentives and additional 1 year towards Eligibility Period.
- Energy and Water Audit
 - 75 per cent reimbursement of cost of water and energy audit
 - Assistance by way of 50 per cent grant limited to Rs. 1 lakh for water audit and Rs. 2 lakh for energy audit
- 50 per cent cost of capital equipment required for undertaking measures to conserve water and energy, limited to Rs. 5 lakh each
- Additional Incentives
 - Incentives for improving Quality Competitiveness, Research and Development, Technology Up-gradation and Cleaner Production Measures will be continued with suitable modifications
- Stamp Duty Exemption
 - 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.
 - In A and B areas Stamp Duty exemption will be offered only to IT and BT units in IT and BT Parks.
- Electricity Duty Exemption
 - 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.
 - 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.
- Threshold limits for classification of MSME projects is given in Fig. 3