

CENTRAL & STATE INCENTIVE SCHEMES FOR INDUSTRIES & PRACTICAL ASPECTS

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Legal Framework

The Small and Medium Enterprises Development Bill 2005 which was enacted in June 2006 was renamed as “Micro, Small & Medium Enterprises Development Act, 2006”

Aims at facilitating the promotion and development of small and medium enterprises.

MSMEs are governed by Micro, Small & Medium Enterprises Development Act, 2006

(MSMED Act, 2006 – hereafter referred as “Act”) which came into force w.e.f. 02.10.2006.

Salient Feature of the Act:

- Setting up of a National Board for MSME's
- Classification of Enterprises
- Advisory committees to support MSME's
- Measures for promotion development and enhancement of MSME's
- Schemes to control delayed payments to MSME's
- Enactment of rules by State Governments to implement the MSME's Act, 2006 in their respective states.

Enterprise means

- An Industrial undertaking or a business concern or any other establishment, by whatever name called
- engaged in manufacture or production of goods,
- or engaged in providing or rendering of any service or services .

Thus broadly MSME are classified in two categories:

- **Manufacturing Enterprises:** The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951)9 or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use.
- **Service Enterprises:** The enterprises engaged in providing or rendering of service.

Old MSME Classification

Criteria: Investment in Plant Machinery or Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment < Rs.25 Lakhs	Investment < Rs.5 Crores	Investment < Rs.10 Crores
Service Enterprise	Investment < Rs.10 Lakhs	Investment < Rs.2 Crores	Investment < Rs.5 Crores

Revised MSME Classification w.e.f 01.07.2020

Criteria: Investment & Annual Turnover			
Classification	Micro	Small	Medium
Mfg. & Service Enterprises	Investment < Rs.1 Crore & Turnover < 5 Crore	Investment < Rs.10 Crore & Turnover < 50 Crore	Investment < Rs.50 Crore & Turnover < 250 Crore

Note: The turnover with respect to exports will not be counted in the limits of turnover for any category of MSME units whether micro, small or medium.

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : Development Commissioner (DC-MSME) Schemes

Related scheme : Credit Guarantee (CGTMSE)

Scheme Activity:

- ▶ Ministry of MSME, GOI, SIDBI established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement Credit Guarantee Fund Scheme for Micro and Small Enterprises. The corpus of CGTMSE is being contributed by GoI and SIDBI.

Nature of assistance

- ▶ Collateral free loans up to a limit of Rs.200 lakhs for MSEs for Mfg Units
and 100 Lakhs for Service Providing Unit

Who can apply

- ▶ Both existing and new enterprises are eligible

How to Apply

- ▶ eligibility criteria may approach banks/financial institutions, which are eligible under the scheme, or scheduled commercial banks and select Regional Rural Banks.

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : Development Commissioner (DC-MSME) Schemes

Related scheme : Credit Linked Capital Subsidy (CLCS) for Technology Upgradation

Scheme Activity:

- ▶ Technology upgradation - present technology level to a substantially higher one involving improved productivity
 1. improved packaging techniques
 2. anti-pollution measures
 3. energy conservation machinery

▶ Replacement of existing equipment/technology with same equipment/technology will not qualify

for subsidy under this scheme

Nature of assistance

- ▶ 15% upfront capital subsidy to MSEs, including tiny, khadi, village and coir industrial units, on institutional finance
- ▶ Ceiling on loans under the scheme has been raised from Rs.40 lakh to Rs.1 crore
- ▶ Capital subsidy is calculated with purchase price of plant and machinery, instead of term loan disbursed to the beneficiary unit.

Who can apply

- Sole proprietorships, partnerships, co-operative societies, and private and public limited companies in the MSE sector **Priority shall be given to women entrepreneurs**

How to Apply

- ▶ eligibility criteria may approach banks, scheduled cooperative bank, Regional Rural Bank (RRB), State Financial Corporation (SFC)

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : SME Division Schemes

Related scheme : Assistance to Training Institutions (ATI)

Scheme Activity:

To training institutions in the form of **capital grant** for creation/strengthening of **infrastructure and support for conducting entrepreneurship development and skill development** training programmes.

Nature of assistance

Maximum assistance for creation or strengthening of infrastructure will be Rs.150 lakh on matching basis, not exceeding 50% of project cost. However, for the North-Eastern Region (including Sikkim), Andaman & Nicobar and Lakshadweep, maximum assistance on matching basis would be Rs.270 lakh or 90% of project cost, whichever is less.

Who can apply

Any State/Union Territory Government training institutions, NGOs and other development agencies can apply for assistance for creation or strengthening of infrastructure.

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : SME Division Schemes

Related scheme : Marketing Assistance

Scheme Activity:

- Organising exhibitions abroad and participation in international exhibitions/ trade fairs
- Co-sponsoring of exhibitions organised by other organisations/industry associations/ agencies
- Organising buyer-seller meets, intensive campaigns and marketing promotion events

Nature of assistance

- 95% of the air-fare and space rent for entrepreneurs; assistance is provided on the basis of size and type of the enterprise
- Financial assistance for co-sponsoring would be limited to 40% of the net expenditure, subject to a maximum amount of Rs.5 lakh

Who can apply

- MSMEs, Industry Associations and other organisations related to MSME sector

Related scheme : Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

Schemes : To organize different traditional industries and local artisans into clusters, generate sustainable employment opportunities for local artisans who are involved in traditional industries.

Nature of assistance

<u>Type of Clusters</u>	<u>Budget per cluster</u>
Heritage clusters with 1000-2500 artisans	Rs. 7.5 crores
Major clusters with 500 – 1000 artisans	Rs. 5 crores
Mini clusters up to 500 artisans	Rs. 2.5 crores

Who can apply

Central and State Government institutions, Non-Government Organizations (NGOs), Semi-Government institutions, State and Central Govt. field functionaries, Panchayati Raj institutions (PRIs), Corporate responsibility foundations, Private sector with special SPV



SFURTI



REVAMPED SCHEME OF FUND FOR REGENERATION OF TRADITIONAL INDUSTRIES

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MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : Development Commissioner (DC-MSME) Schemes

Related scheme : ISO 9000/ISO 14001 Certification

Scheme Activity:

- SMEs/ancillary undertakings who have acquired ISO 9000/ISO 14001/HACCP certification. The scheme is enlarged so as to include reimbursement of expenses for acquiring ISO 14001 certification.

Nature of assistance

- Reimbursement of charges for acquiring ISO-9000/ISO-14001/HACCP certification to the extent of 75% of expenditure subject to a **maximum of Rs.75,000** in each case.

Who can apply

- MSME are eligible to avail the incentive scheme. The scheme is applicable to those MSEs/ancillary/SSSB units who have already acquired ISO-9000/ISO-14001/ HACCP certification.

How to Apply

- Required to submit their application, duly completed, to their local Director- MSME-DI
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MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : Development Commissioner (DC-MSME) Schemes

Related scheme :Entrepreneurial and Managerial Development of SMEs through Incubators

Scheme Activity:

- ▶ To provide early stage funding for nurturing innovative business ideas
- ▶ financial assistance is provided for setting up of business incubators.

Nature of assistance

- ▶ Upgradation of infrastructure Rs. 2.50 lakh
- ▶ Orientation/training Rs. 1.28 lakh
- ▶ Administrative expenses Rs. 0.22 lakh
- ▶ Total assistance per BI - Rs. 66.50 lakh

How to apply

- ▶ Any individual or MSME having innovative ideas ready for commercialisation can apply to the host institution (e.g., IITs, NITs, technical colleges, research institutes, etc.)

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : ARI Division Schemes

Related scheme : Prime Minister's Employment Generation Programme (PMEGP)

Scheme Activity:

National Level : Khadi and Village Industries Commission (KVIC)

- ▶ State Level : KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks.

Nature of assistance

- ▶ Maximum cost of the project/unit admissible in manufacturing sector is Rs.100 lakhs and in business/service sector is Rs.50 lakhs.
- ▶ Total project cost will be provided by the banks as term loan and working capital.

Area	Promoters Cont.	Urban (Subsidy)	Rural (Subsidy)
General category	10%	15%	25%
Special (SC/ST/ OBC/etc)	05%	25%	35%

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : ARI Division Schemes

Related scheme : Prime Minister's Employment Generation Programme (PMEGP)

Who Can Apply

- ▶ above 18 years of age can apply
- ▶ The beneficiary must have passed at least VIII standard for projects costing above Rs.10 lakh in the manufacturing sector, and above Rs.5 lakh in the business/service sector.
- ▶ **Only new projects** are considered for sanction under PMEGP
- ▶ Institutions registered under Societies Registration Act, 1860; Production Co-operative Societies, and Charitable Trusts are also eligible
- ▶ Existing units (under PMRY, REGP or any other scheme of Government of India or State Government) and units that have already availed Government subsidy under any other scheme of Government of India or State Government are not eligible.

▶ How to apply

- ▶ The State/Divisional Directors of KVIC in consultation with KVIB and Director of Industries of the respective states (for DICs)

MINISTRY : MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES SCHEMES

Division : ARI Division Schemes

Related scheme : **ASPIRE** (Scheme for promotion of Innovation, Entrepreneurship and Agro- Industry) for setting **Livelihood Business Incubators (LBI) & Technology Business Incubators (TBI)**

Scheme Activity:

- ▶ Create new jobs and reduce unemployment.
- ▶ Promote entrepreneurship culture in India
- ▶ Grassroots economic development at district level
- ▶ Facilitate innovative business solution for un-met social needs, and
- ▶ Promote innovation to further strengthen the competitiveness of MSME sector.

Nature of assistance

- ▶ ***For Setting LBI's*** , one-time grant of 100% of cost of Plant & Machinery other than the land and infrastructure or an amount upto Rs.100 lakhs whichever is less to be provided.
- ▶ ***In case of Incubation center to be set up under PPP mode***, Onetime grant of 50% of cost of Plant & Machinery other than the land and infrastructure or Rs.50.00 lakhs (LBI) or 30 Lakhs (TBI), whichever is less to be provided.

MINISTRY : MINISTRY OF AGRICULTURE
DIVISION : Enterprise Development Schemes

Schemes

- ✓ **Marketing Research and Information Network - 100% grant**
- ✓ **Strengthening of Agmark Grading Facilities - 100% grant**
- ✓ **Development/Strengthening of Agricultural Marketing Infrastructure, Grading & Standardisation- 25% of capital cost**
- ✓ **Gramin Bhandaran Yojana(Now Agriculture Marketing Infrastructure): A Capital Investment Subsidy for Construction/ Renovation of Rural Godowns_-**
 - ✓ **Subsidy @ 25% to farmers, 15% of project cost to companies.**
- ✓ **Small Farmers' Agriculture-Business Consortium-Agriculture-Business Development - Financial assistance with a ceiling of Rs.5 lakh**
- ✓ **Assistance to NCDC Programmes for Development of Cooperatives**
- ✓ **Establishment of Agri-Clinics and Agri- Business Centres - 100% funding by Govt of India**



MINISTRY : MINISTRY OF AGRICULTURE
DIVISION : Enterprise Development Schemes

Schemes

Marketing Research and Information Network - 100% grant

Strengthening of Agmark Grading Facilities - 100% grant

Development/Strengthening of Agricultural Marketing Infrastructure, Grading & Standardisation- 25% of capital cost

Gramin Bhandaran Yojana(Now Agriculture Marketing Infrastructure): A Capital Investment Subsidy for Construction/ Renovation of Rural Godowns -

Subsidy @ 25% to farmers, 15% of project cost to companies.

Small Farmers' Agriculture-Business Consortium-Agriculture-Business Development - Financial assistance with a ceiling of Rs.5 lakh

Assistance to NCDC Programmes for Development of Cooperatives

Establishment of Agri-Clinics and Agri- Business Centres - 100% funding by Govt of India

MINISTRY : MINISTRY OF AGRICULTURE

DIVISION : NEW AGRICULTURAL MARKETING INFRASTRUCTURE(AMI) SUB- SCHEME OF INTEGRATED SCHEME FOR AGRICULTURAL MARKETING (ISAM)

- Applicable for new credit linked projects
- Where term loan has been sanctioned by eligible financial institutions from 22.10.2018 onwards
- The Ministry of Agriculture & Farmers' Welfare, Govt. of India, have approved the continuation of AMI sub-scheme of ISAM up to 30 September 2022

9.1.1 Capital cost of the project for the purpose of subsidy will be calculated on the project cost as appraised by financial institution or actual cost of eligible components as certified by a Chartered Accountant, whichever is lower subject to the subsidy ceiling per MT as well as overall ceiling given below:

Category	Rate of Subsidy (on capital cost)	Subsidy ceiling		
		50- 1000 MT in Rs./MT	More than 1000 MT and up to 10,000 (in Rs./MT)	Maximum ceiling (Rs. Lakhs)
A) North Eastern States, Sikkim, UTs of Andaman & Nicobar and Lakshadweep Islands, hilly* areas	33.33%	1333.20	1333.20	133.20
B) In other Areas				
1. For Registered FPOs, Panchayats, Women, Scheduled Caste (SC)/ Scheduled Tribe (ST) entrepreneurs or their cooperatives**/ Self-help groups	33.33%	1166.55	1000.00	100.00
2. For all Other categories of beneficiaries	25%	875/-	750/-	75.00

MINISTRY : MINISTRY OF FINANCE SCHEMES

Related scheme : Pradhan Mantri Mudra Yojana

Schemes

- ▶ Micro Units Development Refinance Agency (MUDRA)
- ▶ Refinance for lending to micro businesses and units.

Nature of assistance

Shishu : covering loans up to Rs. 50,000/-

Kishor : covering loans above Rs. 50,000/- and upto Rs. 5 lakh

Tarun : covering loans above Rs. 5 lakh and upto Rs. 10 lakh

Who can apply

- ▶ All Small Business

Capital Investment subsidy scheme for construction/expansion/ modernization of cold storage and storages for Horticulture Produce

Capacity and Pattern of Assistance: -

The assistance will be given as subsidy @ 35% of the capital cost of project in general areas and 50% in case of NE, Hilly States & Scheduled Areas for a storage capacity above 5000 MT up to 10000 MT.

In case of North East states, projects with a capacity of 1000 MT or above are also eligible for application and consideration.

Calculation of Capacity for subsidy:-

For calculation of capacity, 3.4 cubic meters (cum.) (120 cubic feet (cft.) of chamber volume shall be considered equivalent to 1 MT storage capacity.

Capital Investment subsidy scheme for construction/expansion/ modernization of cold storage and storages for Horticulture Produce

SN	Description	Cost Norms
1	Cold storage units Type 1 - basic mezzanine structure with large chamber (of > 250 MT) type with single temperature zone.	<ul style="list-style-type: none"> • @ Rs. 8000/ MT for capacity upto 5000 MT. • @ Rs. 7600/ MT for capacity between 5001 to 6500 MT. • @ Rs. 7200/MT for capacity between 6501 to 8000 MT. • @ Rs. 6800/MT for capacity between 8001 to 10000 MT.
2	Cold storage units Type 2 – Pre Engineering Building (PEB) Type for multiple temperature and product use , more than 6 chambers of <250 MT) and basic material handling equipment	<ul style="list-style-type: none"> • @ Rs.10000/ MT for capacity upto 5000 MT. • @ Rs. 9500/ MT for capacity between 5001 to 6500 MT. • @ Rs. 9000/MT for capacity between 6501 to 8000 MT. • @ Rs. 8500/MT for capacity between 8001 to 10000 MT.
3	Cold Storage Units Type 2 with add on technology for Controlled Atmosphere.	Additional Rs. 10,000/MT for add on components of controlled atmosphere technology as per component wise cost.

MINISTRY : MINISTRY OF AGRICULTURE

DIVISION : National Horticulture Board/ Development of Commercial Horticulture

Schemes

Horticulture in Open Field - subsidy @ 40% of project cost with Rs.30 lakh ceiling

Horticulture in Protected Cover - Credit linked back-ended subsidy @ 50% of cost limited to Rs.56 lakh per project

Horticulture for Post- Harvest Management Projects - Credit linked back-ended subsidy @ 35% of cost with a ceiling of Rs.72.50 lakh

Cold Storage Unit - Basic Mezzanine Structure - Credit linked back-ended subsidy @ 35% of project cost

Cold Storage Unit - PEB Structure - Credit linked back ended subsidy @ 35% of project cost

Cold Storage Unit using Technology for Controlled Atmosphere - Credit linked back-ended subsidy @ 35% of project cost

Cold Chain - Credit linked back-ended subsidy @ 35% of project cost with a maximum of Rs.500 lakh

Refrigerated Transport Vehicles - Credit linked back-ended subsidy @ 35% of the cost

Dairy Entrepreneurship Development -Back ended capital subsidy with ceiling: 25% Cold storage: Rs.30 lakh

MINISTRY : MINISTRY OF FINANCE SCHEMES / SIDBI Schemes

Related scheme : Growth Capital and Equity Assistance

Schemes

Providing capital to MSMEs to invest in marketing, brand building, creation of distribution network, know-how, R&D, etc.

Nature of assistance

Assistance in the form of mezzanine/ convertible instruments, subordinated debt and equity

Who can apply

MSMEs

How to apply

Online enquiry

MINISTRY : MINISTRY OF FINANCE SCHEMES / SIDBI Schemes

Related scheme : Refinance for Textile Industry under Technology Upgradation Fund (RTUF)

Schemes

Installation of machinery in a new unit, or replacing the existing machinery, or for expansion

Nature of assistance

Re-financing

Who can apply

Textile industries

How to apply

Apply to SFCs/SIDCs/banks

Maharashtra Industrial Policy & Package Scheme of Incentives 2019

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Former Chairman, Nagpur Branch of WIRC of ICAI.

1. APPLICABILITY OF PSI-2019

Period of Operation of PSI-2019

The PSI - 2019, as may be amended by the Government from time to time, shall remain in operation from the 1st April 2019 up to 31st March, 2024 or till the new Package Scheme of Incentives comes into force.

1. APPLICABILITY OF PSI-2019

Coverage under the PSI -2019

The following categories of Eligible Industrial Units in the Private Sector, Cooperative Sector, State Public Sector / Joint Sector shall be eligible to be considered for incentives under the PSI-2019

- i) Industries listed in the First Schedule of the Industries.
- ii) Manufacturing Enterprises as defined in the MSMED Act, 2006.
- iii) Information Technology Manufacturing Units registered with the Directorate of Industries or the MIDC or the Development Commissioner, Santa Cruz Electronic Export Processing Zone (SEEPZ) or Software Technology Parks of India (STPI) in the State.

1. APPLICABILITY OF PSI-2019

Coverage under the PSI -2019

- IV. Bio-technology Manufacturing Units as specified by the Government from time to time.
- V. 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

(Note: Only secondary and tertiary agro and food processing units shall be eligible for incentives. This condition will not be applicable to processing / manufacturing units set up by Farmer's Producer Companies and the units set up in government assisted Food Parks and carrying out primary processing activity also).

Note:

1. The units manufacturing the following products shall not be eligible for incentives under PSI – 2019 :
 - (a) Beer, liquor manufacturing industries
 - (b) Cigarette, bidi or any other tobacco containing products, manufacturing industries
 - (c) Gutka and pan masala manufacturing industries.
 - (d) Any other product(s) banned by Central / State Government.

2. Units manufacturing all types of textiles including cotton ginning and pressing, sizing, spinning, weaving, bleaching, dyeing, mercerizing etc. covered under the Textile Policy – 2018 -23 of Maharashtra State shall be eligible only for incentives other than those offered by the other State Government Agencies.

District wise Classification of Areas for PSI-2019

- (i) **Group A** : Denotes industrially developed areas
- (ii) **Group B**: Denotes areas where some industrial development has taken place, but are less developed than the areas under Group A.
- (iii) **Group C**: Denotes areas, which are less developed than those covered under Group B.
- (iv) **Group D**: Denotes the lesser-developed areas of the State, not covered under Group A/ Group B/ Group C.
- (v) **Group D+**: Denotes the least developed areas, not covered under Group A/ Group B/ Group C/ Group D.
- (vi) **No Industry District**: Denotes District having no industries viz Hingoli and Gadchiroli.
- (vii) **Naxalism Affected Area**: Denotes area affected by naxalism,
- (viii) **Aspirational Districts**: defined by Government of India viz. Washim, Gadchiroli, Osmanabad and Nandurbar.

Classification of Areas for PSI-2019

Amravati Division

District	Group A	Group B	Group C	Group D	Group D+
Akola					Akola Barshitakli Akot Telhara Balapur Patur Murtijapur

Classification of Areas for PSI-2019

AURANGABAD DIVISION

District	Group A	Group B	Group C	Group D	Group D+
Aurangabad				Aurangabad	Khuldabad Kannad Soegaon Sillod Paithan Gangapur Vaijapur Phulambri
Latur					Latur Ahmedpur Udgir Nilanga Ausa Chakur Deoni Shirur- Anantpal Jalkot Renapur
Nanded					Nanded Bhokar Hadgaon Kinwat Biloli Deglur Mukhed Kandhar Loha Mudkhed Ardhapur Naigaon Dharmabad Himayatnagar Umari Mahur

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Classification of Areas for PSI-2019

NASIK DIVISION

District	Group A	Group B	Group C	Group D	Group D+
Dhule				Dhule	Sakri Shirpur Shindkheda
Jalgaon				Jalgaon Yawal Chalisgaon Amalner Dharangaon	Chopada Raver Edalabad Bhusawal Jamner Pachora Bhadgaon Parola Erandol Bodwad
Nasik		Nasik	Niphad Sinnar	Dindori Yeola Igatpuri	Velhe

Classification of Areas for PSI-2019

PUNE DIVISION

District	Group A	Group B	Group C	Group D	Group D+
Satara				Satara Khandala Koregaon Phaltan Khatav Karad Mahabaleshwar	Wai Man Patan Jaoli

Classification of Areas for PSI-2019

District	Group A	Group B	Group C	Group D	Group D+
Kolhapur				Karveer Panhala Hatkanangale Shirol	Kagal Gadhinglaj Chandgad Ajra Bhudargad Radhanagari Bavada Shahuwadi

Micro, Small & Medium Manufacturing Enterprises (MSMEs) and Small Industries

MSMEs shall be construed as per their definition in the Micro, Small and Medium Enterprises Development Act, 2006. (MSMED Act, 2006) published vide GoI's extraordinary gazette dated 30th September, 2006

Units outside the definition of MSMEs published vide GoI's extraordinary gazette dated 30th September, 2006, with total Gross Fixed Capital Investment (FCI) upto Rs. 50 crores.

Large Scale Industries :-

Industrial Units, having investment more than the Medium Manufacturing Enterprises as defined under the MSMED Act, 2006.

FCI of **Rs. 50 crores** but less than the Mega Projects.

Eligibility Criteria for LSI

Taluka / Area Classification	Minimum Qualifying FCI (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 - Osmanabad, Gadchiroli, Washim and Nandurbar

Special Large Scale Industries :-

- (a) **Special LSIs:** For MSME unit, the ceiling of gross fixed capital investment is Rs. 50 Crores. For unit having eligible FCI more than Rs. 50 Crores & up to the minimum investment stipulated for qualifying as LSI unit, will essentially be LSI but will have separate dispensation for incentives.
- (b) However, units falling under this category, located in "A" & "B" Zones will not be eligible for any incentives.

Mega Projects / Ultra Mega Projects:

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.

Eligibility Criteria for Mega and Ultra-Mega Units

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	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*

Existing Unit

- Unit set up & is in production prior to 1st April 2019
- Has been granted EC or availed any incentives under earlier schemes.
- Filed a valid application for grant of EC under PSI-2013 before 31st March 2019

New Unit

- Unit set for the first time in any taluka where there is no existing unit by the said entity provided :

It is not an existing unit

At least one of the effective steps completed on or after 1st April 2019 for setting the unit

It is not formed as a result of re-establishment mere change of ownership, change in constitution , reconstruction or revival of an existing unit

Expansion / Diversification

▪An investment shall be regarded as expansion project or a diversification project provided it satisfies :

- Add FCI \geq 25% of Gross FCI (minimum FCI of Rs. 5 Crs for non MSMEs & 25 Lacs for MSME's)
- Additional FCI should result in increase of existing installed capacity by at least 25%
- Such Expansion/Diversification should increase the employment in non supervisory category at least to the extent of 10%
- 80 percent of such additional employment should be from amongst local persons.

Investment Period

It is period for unit to acquire the fixed assets at site and put them to use for commercial production. For claiming the eligibility under the PSI-2019, any New / Expansion / Diversification, Eligible Unit shall commence the commercial production and also acquire the fixed assets at site, put them to use, having paid for the same, and paid for it within the permissible investment period.

For MSME -- 3 years

For Special LSI -- 4 years

For LSI as define in Table 1 -- 4 years

For MEGA/ Ultra MEGA –5 Years from the date of Application or as may be approved by High Power Committee

FINANCIAL INCENTIVES FOR MSMEs.

New MSME Units and Small Industries will be eligible for a basket of incentives.

The total quantum of incentives will be linked upto the percentage actual eligible Fixed Capital Investment as per the Taluka category mentioned in table below

The incentives will be granted to the units on first-cum-first serve basis.

FINANCIAL INCENTIVES FOR MSMEs.

Basket of Incentives for MSMEs :

Taluka / Area Classification	Maximum Permissible Fixed Capital Investment (INR crore)	Maximum Ceiling of basket of incentives 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*

Industrial Promotion Subsidy (IPS)

The eligible New / Expansion Micro, Small and Medium Manufacturing Enterprises, which are set up in different parts of the State.

It will be eligible for IPS, as per there District Categorization.

Eligible MSME shall be offered IPS on 100 % Gross SGST payable by the unit on the first sale of eligible products billed and delivered within Maharashtra.

Interest Subsidy

All eligible new MSME will be eligible for interest subsidy in respect of interest actually paid to the Banks and Public Financial Institutions (**excluding unsecured loans, private loans / borrowings, loans from NBFCs etc.**) for claim period, on the amount of term loans taken for acquisition of new Fixed Assets required for the project accepted by the implementing agency.

The amount of interest subsidy will be calculated @ effective rate of interest, after deducting the interest subsidy receivable from any agency of the State Government or under any Govt. of India Scheme and the penal / compound interest or 5% per annum, whichever is less.

The quantum of interest subsidy payable to the eligible unit every year will not exceed the bills paid for electricity consumed during the relevant year.

Exemption from Electricity Duty

All Eligible New Units in Group C, D, and D+ areas, No-Industry District(s), Aspirational Districts and Naxalism affected Area will be exempted from payment of Electricity Duty during applicable eligibility period.

In Group A and B areas, only eligible 100% Export Oriented Units (EOUs), Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for a period of 7 Years.

Necessary Notification under the provisions of the Electricity Duty Act 1958 will be issued separately by the Energy Department.

Waiver of Stamp Duty

New Units as well as Units undertaking Expansion / Diversification will be exempted from payment of Stamp duty during the Investment period in Group C, D, D+ Talukas, No Industry Districts, Aspirational Districts and Naxalism affected areas for acquiring land (including assignment of lease rights and sale certificate) and for **term loan purposes**.

However, in Group A and B areas, stamp duty exemption would be available as given below:

BT Manufacturing and IT Manufacturing Units in Public IT / BT Parks: 100%

BT Manufacturing and IT Manufacturing Units in Private IT / BT Parks: 75%

Power Tariff Subsidy

Eligible **New MSME** and Small Industries will be eligible for power tariff subsidy.

The subsidy will be to the tune of Rs 1/- per unit for the Units located in Vidarbha, Marathwada, North Maharashtra and the Districts of Raigad, Ratnagiri and Sindhudurg in Kokan Region, No Industry Districts, Naxalism Affected Areas and Aspirational Districts for a **period of 3 years**

Rs 0.50 per unit for the Units in other areas of the State for a **period of 3 years** from the date of commencement of commercial production, for the energy consumed and paid.

The Units in Group "A" areas will however not be eligible for this incentive.

Additional Incentives for Strengthening MSMEs.

Expansion projects of MSMEs and Small Industries will be eligible for following incentives (outside the basket of Incentives)

- 5% subsidy only on additional capital equipment acquired for Technology Up-gradation, subject to a maximum of Rs. 25 lakh.
- 75 % subsidy on the expenses incurred on quality certification limited to Rs. 1 Lakh.
- 25% subsidy on additional capital equipment acquired for cleaner production measures, limited to Rs. 5 Lakhs.
- 75 % subsidy on the expenses incurred on patent registration limited to Rs.10 Lakh for the National patents and Rs. 20 lakh for the International patents.
- 75% of cost of water audit limited to Rs. 1.00 lakh.
- 75% of cost of energy audit limited to Rs. 2.00 lakh.
- 50% of the cost of Capital Equipment under the measures to conserve/recycle water, limited to Rs. 5 lakh.
- 50% of the cost of additional Capital Equipment for improving energy Efficiency, limited to Rs. 5 lakh.

Incentives for LSI and Spl. LSI Units / Projects

Taluka / Area Classification	Minimum Qualifying Fixed Capital Investment (INR crore)	Minimum Direct Employment (number of people)	Maximum Ceiling of basket as % of FCI	Incentive period in years
A & B (Only LSI)	750	1000	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

* 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

Incentives for LSI and Spl. LSI Units / Projects

Expansion / Diversification Units:

Existing / New Large Scale Industries (LSIs) and Special LSIs (including Manufacturing IT/BT) Units, qualifying as Expansion / Diversification Units, will also be eligible to get the incentives for Expansion / Diversification, equivalent to 80% of the incentives admissible for New Units.

The eligibility period for availing of the incentives will however be reduced by one year than that admissible to a New Unit in case of Expansion / Diversification Units.

Incentives for LSI and Spl. LSI Units / Projects

Industrial Promotion Subsidy for Large Scale Industries and Special LSIs :

The eligible New / Expansion / Diversification Large Scale Industries, which are set up at single location, will be eligible for IPS.

Eligible LSI units shall be offered IPS on 50 % of Gross SGST payable by the unit on the first sale of eligible product(s) billed and delivered within Maharashtra.

Eligible Special LSI units shall be offered IPS @ 40 % of NET SGST paid by the unit on the first sale of eligible product(s) billed and delivered within Maharashtra.

However, units falling under this category located in "A" & "B" Zones will not be eligible for Incentives.

Incentives for LSI and Spl. LSI Units / Projects

Exemption from Electricity Duty

All Eligible New Units in Group C, D, and D+ areas and No-Industry District(s), Aspirational Districts and Naxalism affected Area will be exempted from payment of Electricity Duty.

In Group A and B areas, only eligible 100% EOUs, Information Technology Manufacturing Units and Bio-Technology Manufacturing units will also be exempted from payment of Electricity Duty for a period of 7 Years.

Incentives for LSI and Spl. LSI Units / Projects

Waiver of Stamp Duty

New Units as well as Units undertaking Expansion / Diversification will be exempted from payment of Stamp duty during the Investment period in Group C, D, D+ Talukas.

However, in Group A and B areas, stamp duty exemption would be available as given below:

BT Manufacturing and IT Manufacturing Units in Public IT / BT Parks: 100%

BT Manufacturing and IT Manufacturing Units in Private IT / BT Parks: 75%

Large Projects and mega and ultra-mega projects : 50% for first lease / conveyance deed only

Incentives For Mega Projects / Ultra-Mega Projects

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

However, the Cabinet Sub Committee for mega projects, under the chairmanship of the Chief Minister of Maharashtra will have the powers to sanction customized package of incentives and even offer special / extra incentives for prestigious Mega Projects I Ultra Mega Projects, on a case to case basis with recommendation of High Power Committee.

Incentives For Mega Projects / Ultra-Mega Projects

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).

Minimum Direct Employment prescribed above should be created within a period of two years from the date of commercial production.

Incentives For Mega Projects / Ultra-Mega Projects

The investment in Captive Power Plant including solar power plant shall be considered for determining the qualifying criteria for eligibility as Mega Project / Ultra Mega Project. But, shall not be incentivized (However Investment in captive power plant will be limited to 20% of total project cost).

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.

WOMEN ENTRPRENUER



1

• MORE HONEST

2

• APPRECIATE CREATIVITY

3

• VALUE RELATIONS

4

• LESS EGO IN BUSINESS

5

• EMOTIONALLY INTELLIGENT

6

• CALCULATED RISK TAKER

7

• MORE AMBITIOUS



Maharashtra Woman Industrial
Special Policy-2017

Introduction of Policy

- Comes into force as per the Notification No. 15/8 Dated 14th Dec,2017
- Policy aims to promote Woman Entrepreneurship in Maharashtra State
- To change the Economical & Social status of Woman Entrepreneurs
- Units run by Woman Entrepreneurs in Maharashtra :
Present Scenario - 9% of total Units
Target by Govt. - 20% of total Units
- With the above mentioned background the Special Woman Policy comes into force



Definition of Women Entrepreneurship

Sr. No.	Particulars	Conditions
1	Sole Proprietors	Proprietor's Equity – 100%
2	Partnership Firms	Partners' Equity – 100%
3	Co-operative Sector	Women Members – 100%
4	Private or Public Ltd. Co.	Share Capital – 100% owned by Woman Shareholders
5	Self Helped Saving Groups	Registered Units & fulfills conditions of (3) and (4) above

Special Note : The Categories as mentioned above from (1) to (5) employs minimum 50% of Women Employees will be eligible under this Scheme

Micro, Small and Medium Units under MSMED Act 2006 having Udyog Aadhar & Completed Effective steps mentioned in PSI-13 will be considered for the benefits of the Special Woman Scheme

Sr. No.	Type of Unit	Investment in Plant & Machinery
1	Micro	Upto 25 Lakhs
2	Small	25 Lakhs to 5 Crs
3	Medium	5 to 10 Crs



Effective Steps



Shall mean and include :

- Effective possession of land/shed/gala by an eligible unit.
- Registration in case of Firm/Company/Trust/Society/Co.Op Society
- Enterprises memorandum(EM)/Letter of intent(LOI)/LOI from GOI/permission from State Govt. for setting up/ Shifting of the unit

Modalities of Special Woman Entrepreneurs Policy

Special Incentive Scheme : All conditions pertaining to PSI-13 will be applicable

Benefits in addition to Basket of Incentives 2013:

- a. Units falling under Category A & B Areas will be given incentives as per Category C Areas
- b. Units falling under Category C & D Areas will be given incentives as per Category D+ Areas
- c. Units falling under D+ & no Industry district will get benefit as per Category Naxalism Affected Areas*

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

Capital Subsidy (New + Expansion)

- Eligible Micro, Small & Medium Units as per area classification can avail Capital Subsidy ranging from 15% to 35% of Fixed Capital Investment (FCI)
- Capital Subsidy will be ranging from Rs. 20 Lakhs to 100 Lakhs & will be disbursed in 5 yrs. in equal installments starting from the yr. from where the commercial production starts

Sr. No.	Taluka / Area (as per PSI-2013)	Capital Subsidy (% of FCI)	Maximum Limit in Lakhs
1	A & B	15%	20
2	C	15%	20
3	D	20%	25
4	D+	25%	50
5	No Industry districts & Naxalism Affected Areas	35%	100

Other Incentives under the Special Policy

➤ Power Tariff Subsidy (New + Expansion)

- @ Rs.2/unit – Units located at Vidarbha, Marathwada, North Maharashtra, Konkan, Ratnagiri and Sindhudurg Districts for the period of 5 Yrs
- @ Rs.1/unit – Units located in other Districts of Maharashtra for the period of 5 Yrs

➤ Interest Subsidy (New + Expansion)

- Interest paid on Term Loan availed from Banks and PFIs is Eligible
- The interest subsidy is restricted to effective rate of interest charged and paid or 5% per annum whichever is less.
- Maximum Cap on Interest Subsidy – Twice the amount of Electricity Bill paid during the year

Labour Welfare Sahay (New + Expansion)

- Women Employee Provident Fund/ State Labour Welfare Scheme – Employer's Contribution will be refunded back 50% (for a period of 5 Yrs)

Scheme for Growth of Marketing & Distribution (New + Expansion)

- **Promotion of Trade Name and Trade Mark:**

Quantum of Subsidy – 50% of the Expenditure incurred restricted to max. Rs.100 Lakhs
(Mentioned in the policy but not found in GR issued on 17.05.2018)

- **Incentive for Participating in Exhibitions:**

Sr. No.	Participation In	Quantum of Subsidy
1	State Level Exhibition	Rs.50,000/- or 75% of the Stall Rent which ever is less
2	International Exhibition	Upto maximum of Rs. 3 Lakhs
3	Special Woman Entrepreneurs Exhibition	50% of the Expenses incurred restricted to max Rs.10 Lakhs

जीवन के रास्ते हमेशा गुलज़ार रहे,
चेहरे पे आपके सदैव मुस्कान रहे,
देते हैं यही दुआ दिल से हमेशा आपको,
आपकी ज़िंदगी मे सदा खुशियों
की बहार रहे!!

