

Maharashtra Industrial Policy & Package Scheme of Incentives 2019

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1.0 Preamble:

- Maharashtra has been the Leader on industrial front of India. It has always been the endeavour to develop sustaining industrial growth, facilitate speedier flow of investment.
- The State Government has recently declared the New Industrial Policy - 2019 to ensure sustained industrial growth through various innovative initiatives.
- PSI-2013, in the light of the Industrial Policy-2019 and introduce a new "PSI-2019", containing details of eligibility criteria, quantum of incentives.
- And monitoring mechanism for administering the incentives during the period from **1st April, 2019 to 31 March, 2024**.

2.0 Objectives:

- In the phase of second generation economic reforms, the objective of Maharashtra Industrial Policy 2019 is to further accelerate the flow of investment in industry.
- Infrastructure, promoting IT, high-tech,
- Knowledge based and biotech industries, augmenting exports.

3.0 Approach:

- The approach of the policy is to ensure sustainable industrial growth by introducing structural changes, in the wake of national consensus to discontinuing sales tax based incentives, for development of high-tech and other industries.

4.0 Strengths of Maharashtra:

4.1 Economic indicators:

- Maharashtra ranks first amongst major States in terms of State Domestic Product and accounts for 15% of the National Income.
- The largest share of public funds amongst any other States for development of industrial and social infrastructure -a hallmark of State policy.
- Contributes 22% of India's net value added in organized industrial sector.
- 40% of India's Internet users are in Maharashtra and the State accounts for around 30% of software export.

4.2 Infrastructure:

Physical:

- Power generation capacity highest in the country, at more than 14,000 MW.
- More than 215 industrial estates including 9 five star industrial estates and 63 growth centres developed by the MIDC,
- The country's largest and most diverse infrastructure for the IT industry emerged along the 'Knowledge Corridor' between Mumbai, Navi Mumbai and Pune as also elsewhere in the State, at Nagpur, Aurangabad and other places.
- Well spread out network of roads and railways with two international seaports and one international airport besides four domestic airports in operation.

5.0 Strategies:

- The State has entered into the phase of second generation economic reforms, with emphasis on structural changes.
- The Industrial Policy 2019 set out below has been formulated in this context, keeping in view the objectives of sustained growth and employment and an expansion in livelihood opportunities.
- The components of the new Package Scheme of Incentives contained in this Policy will be operative from **1st April, 2019 to 31 March, 2024** or till the new Package Scheme of Incentives comes into force.

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:**

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.

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

Promotion of Thrust Sectors -

With a view to steer industrial development towards high-tech emerging sectors and generate employment, the State Government has identified following thrust sectors. Thrust sectors shall mean and include :

- 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)
- Integrated Data Centre Parks (IDCP)
- Textile Machinery Manufacturing
- Bio technology and Medical and Diagnostic Devices
- Agro & Food Processing (Secondary and Tertiary Food Processing units)
- 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

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.

Eligibility Certificate

- Eligibility Certificate shall mean the certificate issued by the Implementing Agency to the Eligible Unit under the PSI which indicates the accepted FCI.
- The eligibility Certificate shall be issued by the implementing agency once the eligible unit commences production.
- An eligible unit which intends to avail benefits under PSI - 2019 for its proposed new or independent expansion unit shall obtain a separate registration as allowed in section 25(2) of Maharashtra Goods and Service Tax Act, 2017 (Notification No. 2/2019- State Tax) read with rule 11 of Maharashtra Goods and Service Tax Rules, 2017. (Notification No. 3/2019- State Tax).

Eligibility Period

For IPS, Interest Subsidy & other incentives period of eligibility shall be computed from the effective date of eligibility and depend on nature of location of eligible unit

Operative Period :

“Operative Period” shall mean and include the minimum period of Operation of Unit as laid down under the Government Resolution, Industries, Energy and Labour Department, No PSI-2108/CR 35 /IND-8, dated the 21st May, 2008 or as may be amended from time to time

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

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
 - **Consent to establish from MPCB for MSME Units.**
 - A copy of Industrial Entrepreneur's Memorandum(IEM) in case of LSI / Mega / Ultramega unit or LOI as the case may be. (For units others than MSME)

Fixed Assets

It shall mean & include :

- Land / Area in effective possession
- Building including administration bldg, resi. Quarters & all facilities regd for mfg. process
- Plant & Machinery including tools & equipments necessary for sustaining the working of the eligible unit
- Cost of development of the location of the eligible unit
- Installation charges & pre-operator exps.
- Royalties paid on account of Technology transfer & Technical know-how including cost of drawings and know-how fees. (Up to max 10% of Capital Cost)
- Deposits with MSEB/MIDC or any other Govt. Agency

Fixed Assets

- **Research and Development- R & D units including stand-alone facilities of eligible industrial units shall be considered as part of FCI for the purpose of availing fiscal incentives up to 25% of FCI (max Rs. 100 cr)**
- Investment in captive power plant including solar captive power plant will not be considered as a part of admissible FCI for the purpose of incentives.
- **Cold storages which are a part of integrated manufacturing process.**

Gross Fixed Capital Investment (FCI)

Gross FCI shall in the case of new fixed assets mean & include the capitalized value of new fixed assets acquired and also put into use at site & duly paid for during the eligible investment period.

Provided that :

- Only new fixed assets based on project appraisal done by the lender which are acquired by an enterprises within the relevant period. (The cost of land purchased prior to submission of valid application shall be considered for Fixed Capital Investment).
- Value for which imported second hand F.A are acquired shall have residual life of minimum 10 years
- Investment in intangible assets – only upto 10% of total project cost.
- Fixed Assets acquired cannot be disposed off / sold / shifted / written off without prior permission.
- Gross FCI = Gross FCI at the beginning of the year
(+) Additions during the year
(-) Original value of any F.A disposed off

Implementing Agencies For Implementation Of PSI-2019

The Implementing Agencies for the purpose of the PSI-2019 shall be as follows:

Sr. No.	Category of Industrial Units	Area	Implementing Agency
1	a) Micro & Small Manufacturing Enterprises as defined in MSMED Act - 2006 published vide GoI's extraordinary gazette dated 30th Sept, 2006	Mumbai and Mumbai Suburban Districts	The Joint Director of Industries (Mumbai Metropolitan Region) [JDI (MMR)]
	b) Integrated Cold Storages and processing units mentioned in Para No.1.2 (v) & (vi) wherein investment in equipments is at par with Micro and Small Manufacturing Enterprises,	All other Districts	Concerned District Industries Centre (DICs)
2	a) Medium Manufacturing Enterprises as defined in MSMED Act - 2006 published vide GoI's extraordinary gazette dated 30th September, 2006 and Units with eligible project FCI upto Rs. 50 crores.	Mumbai and Mumbai Suburban Districts	The Joint Director of Industries (Mumbai Metropolitan Region) [JDI (MMR)]
	b) Integrated Cold Storages and processing units mentioned in Para No.1.2 (v) & (vi) wherein investment in equipments is at par with the Medium Manufacturing Enterprises as defined in the MSMED Act, 2006 and Units with eligible project FCI upto Rs. 50 crores.	Regions	The Regional Joint Directors of respective Regions
		Nanded Sub-Region	Superintending Industries Officer, Nanded Sub-Region
3	a) Special (LSI) / Large Scale Industries (LSI) / Mega Projects / Ultra Mega Projects b) Integrated Cold Storages and processing units mentioned in Para No.1.2 (v) & (vi) wherein investment in equipments is more than Rs. 50 Cr.	Entire State	Directorate of Industries, Government of Maharashtra. CA JULFESH SHAH

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*

Expansion / Diversification Units:

- Existing / New Micro, Small and Medium Manufacturing Enterprises and Small Industries (including Manufacturing IT/BT) Units, qualifying as Expansion / Diversification Units.
- It 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.

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 MSMME 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
- 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.

- A. Expansion projects of MSMEs and Small Industries will be eligible for following 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.

Additional Incentives for Strengthening MSMEs.

- B. Incentives for Credit Rating of MSMEs, 75% of the cost of carrying out Credit Rating by Small Industries Development Bank of India/ Government accredited Credit Rating Agency, limited to Rs. 40,000.

- C. During the policy period, first 250 SMEs in all areas of the State, based in Maharashtra, fulfilling the criteria for listing, which will be enlisted on the SME Stock Exchange, Mumbai will be given refund of listing expenses equal to Rs. 6 lakhs or actual C.A. certified listing expenses, whichever is lower.

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.

Yearly Cap For The Incentives

- The amount of incentives to be disbursed to the MSMEs, LSI, Special LSI and Mega / Ultra Mega Units every year will be limited to the total quantum of incentives divided by the number of years.
- As per the applicable Eligibility period with the provision of carrying forward the surplus differential between the actual sanctioned amount for a given year and the yearly disbursement limit.
- **Deficit differential will not be carried forward.**

PROCEDURE FOR APPLICATION UNDER PSI - 2019

Application for Eligibility

- (1) An application for eligibility under the PSI - 2019 Scheme shall be submitted to the Implementing Agency by an Eligible Unit only after it has taken all the Effective Steps but not later than the 31st March, 2024. It shall be supported by documentary evidence with regard to completion of the Effective Steps.
- (2) For claiming 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. The permissible Investment Period for
 - MSMME – 3 years
 - LSI and Special LSI units – 4 years.
 - Mega Projects /Ultra Mega Projects, - 5 years

PROCEDURE FOR APPLICATION UNDER PSI - 2019

Application for Eligibility

- (3) If a Unit has completed all Effective steps but not started the production before the 1st April, 2019 and has not filed a valid application with the Implementing Agency under PSI 2013, such unit can submit the application under PSI - 2019, However, the incentives applicable to such Eligible Unit shall be as per PSI-2013 or PSI - 2019, whichever is lower. **For such units incentives will be sanctioned by considering the investment after 1st April, 2019.**
- (4) In respect of a Mega Project, wherein a customized package has been approved by the High Power committee or the Infrastructure Committee / Cabinet Sub Committee under PSI – 2013.
- (5) A valid application for eligibility shall be submitted to the Implementing Agency on or before the date of commencement of commercial production

Procedure For Claiming Benefits Under Expansion / Diversification

- The eligible unit claiming, benefits under Expansion / Diversification shall be required to maintain separate record of production for such expansion.
- In case, however, maintaining separate record is not possible, the benefits for such eligible units shall be available in the ratio of additional FCI to the total gross FCI.
- There will be limit of two number of expansions/diversifications in the Scheme period.

Claim for Incentives

- No right or claim for any incentives under the PSI -2019 shall be deemed to have been conferred by the PSI - 2019 merely because the applicant Unit has fulfilled the conditions of the PS1-2019.
- The incentives under the PSI - 2019 (except Stamp Duty Exemption and incentives in Para 4.8 and Para 5.7) cannot be claimed unless an EC has been issued under the PSI - 2019 by the Implementing Agency and the Eligible Unit has complied with the stipulations/conditions of the EC.
- The Implementing Agency shall issue EC to the Eligible Unit normally within 30 days of the Unit complying with the stipulations of the PSI - 2019 and submitting documentary evidence thereof.

Monitoring And Review

Monitoring and Review of the Fixed Capital Investment and Production activities of the Eligible Unit-

- The Eligible Unit shall submit a report duly signed by its authorized representative covering information and details regarding production and sales, indicating the period of stoppage of, production and/or closure of the Unit, if any, with reasons therefore, addition to the FCI, disposal of Fixed Assets, and changes in the constitution of the Eligible Unit.
- The Eligible Unit shall also 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.
- The Implementing Agency shall be entitled to call for any information and details for a shorter period even prior to the close of the' year.

आप सब की दोस्ती सात सुरु का साज़ है,
और आप जैसे दोस्तो पर हमे नाज़ है,
चाहे कुछ भी हो जाये ज़िन्दगी में,
दोस्ती कल भी वैसी रहेंगी जैसी आज है!!

