

Maharashtra Industrial Policy 2019

1 Preamble

Maharashtra has been the leader in industrial development in India. With world class infrastructure together with rewarding industrial policies and ease of doing business initiatives, the State is home to several global brands. The State has witnessed unprecedented technological advancements in the industries, thus attracting several innovative enterprises and start-ups in various upcoming technology field including Industry 4.0 and IT/ITes. Maharashtra is an automobile manufacturing hub of the country. The State is also a leader in agro and food processing industries. With highest exports from the State it has truly become any investors most preferred destination. Major reforms are being implemented in India supporting its steady growth towards becoming third largest economy of the world. Maharashtra intends to be a major contributor in Nations economy, by strengthening its *numero uno* position and “Magnetic Maharashtra” brand with its progressive vision focused on accelerated industrial growth and sustainable development.

1.1 Introduction to Maharashtra

Maharashtra, the most industrialized state in the country is located in the western region of India. With Gross State Domestic Product (GSDP) of INR 24.97 lakh crore (US\$387 billion), Maharashtra is the largest economy in India and accounts for 15.01% of the country's GDP in 2017-18. The economy of Maharashtra is mainly driven by manufacturing, finance, international trade, mass media, technology, petroleum, fashion, apparel, gems and jewelry, IT & ITeS and tourism. The city of Mumbai houses the headquarters of most of the major corporate and financial institutions, of the country. India's main stock exchanges (BSE and NSE) and main commodity exchanges are located in the city along with the capital market. Maharashtra has well-established industrial and financial ecosystem and became a leading industrial and financial center of the country under the pragmatic leadership. It has attracted major industrial investments from domestic as well as renowned foreign investors. According to the Department of Industrial Policy and Promotion (DIPP), Government of India, cumulative FDI inflows in Maharashtra during April 2000 to December 2017 stood at US\$ 113.82 billion, amounting to one third of the total FDI inflow in the country.

Magnetic Maharashtra- Attractions Unlimited

Maharashtra is the most favoured destination for industries owing to its well-developed infrastructure, skilled workforce, strategic location with good transportation network, Progressive Sectorial Policies, best incentive policy and much more. Because of this, Maharashtra has been able to attract highest investments from within and outside India and it has emerged as a brand “MAGNETIC MAHARASHTRA- Attractions Unlimited”.

1.1.1 **Strategically Located:** Maharashtra is the third-largest state in India in terms of area and the second-largest in terms of population. It stretches over 307,690 sq.km with a total estimated population of 112.4 million (Census 2011). The Arabian Sea makes up the State's western coast and accounts for a 720 km long coastal line. As per Census 2011, the State is highly urbanized at 45.2%. It is also the wealthiest state in India, by all major economic parameters. The state capital, Mumbai, which is also financial capital of India is one of the largest metropolitan area in the world and India's largest and most populous city. In the age of free movement of goods, post implementation of GST in India, the State is best suited for manufacturing aimed at both national and international markets because of its geographical location as a major business hub connecting North and South India.

- 1.1.2 **Well-developed Infrastructure:** The State is well connected to major industrial and consumption centers through road, rail, air and port connectivity. With power generation capacity of over 43,000 MW, Maharashtra ensures 24x7 power supply to its industries. Through Maharashtra Industrial Development Corporation (MIDC), the state also ensures land (both developed and undeveloped) availability to the investors.
- a. **Road network:** National highways of around 22,000 km are passing through the state. Futuristic expressway projects such as Maharashtra Samruddhi Mahamarg - a super communication expressway and an industrial corridor connecting Nagpur and Mumbai, and Mumbai and Vadodara Expressway - 380 km long, six-lane, controlled-access expressway, connecting the cities of Vadodara, Gujarat and Mumbai, Maharashtra are under construction.
 - b. **Rail network:** Two major railway zones are enhancing the State's connectivity to the domestic market. Maharashtra has longest metro rail network of around 233 km under construction in the country with ongoing metro projects such as Mumbai metro, Nagpur metro and Pune metro.
 - c. **Airport and seaports:** Maharashtra has 7 domestic airports and 4 international airports and further the state government is developing 10 new airports of which Shirdi, Nashik, Nanded, Kolhapur and Jalgaon airports are currently functional and Ratnagiri, Gondia, Sindhudurg and Amaravati airports are yet to come up. The state is well connected to the world via sea through 2 major ports and 53 minor ports.
- 1.1.3 **Abundant Highly qualified and Skilled Labour Pool:** The state is home to 20 state universities, 21 deemed universities and several institutes of national importance like Indian Institutes of Technology (IIT), Indian Institutes of Management (IIM), National Institute of Fashion Technology (NIFT), National Institute of Pharmaceutical Education and Research (NIPER), Tata Institute of Social Sciences (TISS), National Institute of Construction Management and Research (NICMAR), Institute of Chemical Technology (ICT) etc. More than 6,000 institutes in the state enrolls over 1.6 million students per annum.
- 1.1.4 **Established Industrial Ecosystem:** Several renowned industrial units have come up as a result of the supporting Industrial policy environment. As per Economic Survey of Maharashtra the expected growth of manufacturing sector in 2017-18 is 7.6 per cent. The state has well developed industrial ecosystem for various industries including Automobile (Pune and Aurangabad region), ESDM (Pune region), Pharmaceuticals & Chemicals (Mumbai- Thane, Aurangabad and Pune region), Engineering (Ahmednagar-Nashik, Pune and Aurangabad region, FMCG (Pune region), Textile (Solapur and Nagpur-Amravati region), Food Processing (Solapur, Ahmednagar-Nashik, Nagpur-Amravati region), Logistics (Mumbai-Thane and Nagpur-Amravati region), Cement and Steel industry (Vidarbha-Marathwada region) and IT & ITES (Mumbai-Thane, Pune and Nagpur-Amravati region). During 2014 to 2018, 119 private IT parks with an investment of approximately INR 192.60 billion and employment of 5,50,000 have come up in the state.

Ease of Doing Business: Dedicated investor facilitation cell and online Single Window portal has been established under Maharashtra Industry, Trade & Investment Facilitation Cell (MAITRI). The Single Window Portal has provision for single application, payment, tracking and monitoring of majority of industry related approvals across various departments of the State Government. MAITRI cell also acts as a grievance redressal cell. It provides G2B services, one-stop-shop for existing and prospective investors. As per World Bank Doing Business report 2019 (assessment covering 190 economies), India was ranked 77, a massive jump of 23 positions against its rank of 100 in 2018 and 130 in 2017. In the ranking, evaluation of cities of Mumbai and Delhi is done (cities with population over 10 million). Mumbai has been the largest contributor in achieving quantum jump in the World Bank ranking. **As per 'Asian Competitiveness Institute of Lee Kuan Yew School of Public Policy of Singapore' index on ease of doing business in 2016, Maharashtra ranks first in the country.**

- 1.1.5 **Conducive Policy Environment and Proven Track Report :** Maharashtra has progressive sectional policies for industries aimed at improving business environment in the state. In light of these policies, the state is able to maintain its leadership position in industrial investment. Mega events were organized in the State such as Magnetic Maharashtra and Make in India along with State's participation in various national and international road shows. All these efforts resulted in receipt of industrial investment proposals over INR 8 lakh crore in the last five years.

2 Vision

'Maharashtra - a global investment, manufacturing and technology hub, promoting sustainable development'.

3 Mission

To make Maharashtra first US\$1 trillion economy in the country, by augmenting manufacturing ecosystem, complemented by ease of doing business initiatives, thereby evolving it into a preferred destination for global manufacturers and investors, resulting into largest employment creating state with balanced regional and inclusive growth, by 2025.

4 Target

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

5 Policy Objectives and Strategies

5.1 To retain leadership position in industrial investment by providing conducive business environment.

5.1.1 Developing dedicated state-of-the-art infrastructure based on sector specific requirements.

5.1.2 **Creating land bank for industries through MIDC.**

5.1.3 Providing special fiscal incentive packages to projects of importance including emerging technologies.

- 5.1.4 Promoting investments through sector specific promotion/policies with focus on identified thrust sectors.
- 5.1.5 Creating government, industry and academia interface.
- 5.1.6 Incentivizing investments in R&D and startups.
- 5.1.7 Facilitating Ease of Doing Business initiatives and strengthening Maharashtra's Single Window System i.e. MAITRI - an online portal, to make it a single point for delivery of services.
- 5.1.8 Setting up of State level councils for promotion of investments and exports.
- 5.1.9 To promote processing of agricultural produce for enhancing farmer's income.

5.2 To sustain high levels of employment generation, primarily through MSME promotion -

- 5.2.1 Launching a new flagship scheme - Chief Minister Employment Generation Program (CMEGP) for SMEs thereby creating major employment opportunities
- 5.2.2 Formulating special fiscal incentives package for MSME and small projects.
- 5.2.3 Strengthening employment intensive MSME sector through cluster development.
- 5.2.4 Creating institutional support system for MSME units to improve technology absorption and dissemination, market analysis, training, among others.
- 5.2.5 Providing additional fiscal support to employment based Mega/Ultra mega projects thereby generating higher employment.
- 5.2.6 Promoting skilled workforce through closer coordination between industries, technical institutes and skill development department.

5.3 To promote regionally balanced, environmentally sustainable and inclusive industrial growth -

- 5.3.1 Special fiscal incentives to industrial units in under-developed regions.
- 5.3.2 Creation of Critical Infrastructure Fund for last mile connectivity.
- 5.3.3 Support infrastructure creation in private industrial parks.
- 5.3.4 Financial incentives for infrastructure in industrial areas for MSMEs, women and SC/ST entrepreneurs.
- 5.3.5 Supporting revival of sick and closed units.
- 5.3.6 Ensuring environmental sustainability by providing incentives for green industrialization.

6 Policy Period

This policy shall be valid for a period of five years from **1st April, 2019**.

7 Creating Well-developed Industrial Infrastructure -

Quality infrastructure is a key driver for industrial growth. It is also very important for attracting global manufacturers, investors and other corporates to the State. Although Maharashtra has one of the best industrial infrastructure in place, concerted efforts will be made to develop and strengthen state of the art infrastructure in various industrial estates spread across the State. MIDC will continue to be dedicated agency for developing necessary industrial infrastructure.

7.1 Augmenting Infrastructure and Ensuring Land Availability-

- 7.1.1 MIDC will be primarily responsible for augmentation of existing infrastructure wherever necessary in its existing industrial estates. MIDC would also be responsible for developing state of the art infrastructure in new industrial estates. It would also develop infrastructure in upcoming special industrial zones viz. 20 industrial nodes in Samruddhi Mahamarg, DMIC and various Central/State government industrial corridor projects.

- 7.1.2 New industrial estates (multi-sector and sector specific) shall be planned and developed, in line with industry requirements. For this, MIDC shall prepare a perspective plan in order to promote systematic and regionally balanced industrial development across the State in the next 5 to 10 years. The study shall cover initiatives to promote green industrialization in these areas.
- 7.1.3 Considering the upcoming futuristic Industry 4.0 and hi-tech projects such as air taxi, drone, driverless vehicles, etc. necessary industrial infrastructure shall be planned by MIDC.
- 7.1.4 Although large land bank is available in the State, considering the future industrial land requirement to facilitate INR 10 Lakh crore of investment, MIDC shall create land bank across the State based on demand assessment.
- 7.1.5 'Excluding Urban Local Bodies Area', MIDC shall be declared the Special Planning Authority (only for permission purposes and no infrastructure support shall be provided by MIDC in such areas) for industrial land above 10 acre for multiple industrial units with single developer for a contiguous land of more than 10 acre and for all the Industrial clusters approved under Government of India and State government schemes.
- 7.1.6 MIDC shall reserve minimum 500 acre Industrial area for development of warehousing and logistics facilities in the State.
- 7.1.7 On the lines of MIDC areas, additional floor space index (FSI) shall be permitted in all co-operative industrial estates to the extent of 0.5, over and above the basic FSI. The premium shall be charged at rates as decided by MIDC with approval of the State Government.
- 7.1.8 MIDC shall promote setting up of flatted galas for the micro and small enterprises under Special Purpose Vehicle (SPV) model.
- 7.1.9 For supporting industrial infrastructure and developing last mile connectivity, Critical Industrial Infrastructure Fund (CIIF) shall be created. Support shall be extended to Co-Operative Industrial estates through the CIIF.
- 7.1.10 The land earmarked for public health amenities in MIDC industrial estates shall be developed by concerned departments. Specially ESIC (Employees State Insurance Corporation) hospital facilities will be provided by concerned department as per need & demand from Industrial Associations.
- 7.1.11 For sectors with same additional FSI (IT & ITeS, Biotechnology, Garmenting, Gems and Jewellery and Logistics & Warehousing) under the related policies of the State Government, interchangeability of land use shall be allowed with the approval of State Government.
- 7.1.12 Land owned by State Government or State Government Organization if required by MIDC for planned development will be made available at no cost.

7.2 Leveraging Special Projects -

Department of Industries, Government of Maharashtra, shall promote setting up of industrial clusters along the special projects declared by Central/State Government such as Maharashtra Samruddhi Mahamarg, Delhi Mumbai Industrial Corridor (DMIC), Sagarmala, Bharatmala, etc. MIDC will be the nodal agency for development of industrial nodes along the special projects of Central/State Government.

7.2.1 **Maharashtra Samruddhi Mahamarg –**

Maharashtra Samruddhi Mahamarg is a super communication expressway of 700 km length connecting Nagpur and Mumbai, passing through 10 major and 14 other influence districts. Along the expressway 20 industrial areas are being planned which will transform the economy of the rural areas in influence region. MIDC will be the planning authority for industrial layouts in these nodes. The expressway will reduce the travel time drastically. Logistics and warehousing hubs are being planned along the way with Nagpur-Wardha as a major logistics corridor. It would also be developed as Electric Vehicle (EV) expressway by setting up charging stations along its length.

Samruddhi Mahamarg will link the State of Maharashtra to the Delhi-Mumbai Industrial Corridor and the Western Dedicated Freight Corridor. Parts of Maharashtra will have direct connectivity to these Corridors and JNPT, the country's largest container port. This, in turn, will enhance the EXIM trade of the State.

7.2.2 **Delhi Mumbai Industrial Corridor (DMIC)** - DMIC is Central government's infrastructure programme aiming to develop new industrial cities as 'smart cities' and covering next generation technologies across infrastructure sector having objective as a 'Global Manufacturing and Trading Hub'. Under this two projects are planned in Maharashtra:

a) **Shendra Bidkin Industrial area (SBIA)** – Total area of the project is about 84 sq. km. Proximity to the existing industrial areas of Aurangabad, existing airport and railways, giving strong support for export oriented business.

b) **Dighi Port Industrial Area (DPIA)** – Total area for development of the project is 253 sq.km. The node is a port, trade and industrial hub that will augment the part of Mumbai as India's western gateway to global trade, commerce and industry.

7.2.3 **Sagarmala and Coastal Economic Zones (CEZs)** - Sagarmala project is an ambitious project of Government of India for development of coastal areas and port led development including port-linked industrialization and coastal community development. Out of the total 14 Coastal Economic Zones (CEZs), 2 CEZs are planned in Maharashtra viz. North Konkan (JNPT linkage port) and South Konkan (Dighi and Jaigad port). The State will support various Coastal Economic Units (CEUs) which are sector specific dedicated industrial areas in CEZs.

7.3 **Critical Industrial Infrastructure Fund -**

In industrial areas mainly outside MIDC, there are some critical infrastructure issues like last mile road connectivity, dedicated power feeder, water supply etc. which is causing hindrance in the production and evacuation of goods. There has been huge demand for funds from various stakeholders for such kind of basic infrastructural needs which are not addressed by any Department in their budget plan. Considering this requirement and visible impact,

Critical Industrial Infrastructure Fund (CIIF) which was created during the previous policy will be continued with an enhanced corpus of **INR 1,000 crore** over this policy period. This fund will be used to support last mile connectivity, and support creation and up-gradation of industrial infrastructure such as strengthening of power network, effluent treatment plant, roads, etc. This fund will also be utilized to debottleneck infrastructure constraints faced by export oriented units and for infrastructure needs of industrial clusters and various industrial parks. A committee shall be constituted and headed by Additional Chief Secretary/ Principal Secretary Industries for sanctioning and administering the fund. State Government through Plan Scheme will provide budgetary support for this scheme over the policy period.

7.4 Promotion of Private Industrial Infrastructure Development -

As the land in MIDC industrial estates is scarce, it has resulted in unplanned industrial development in many areas. To streamline this and to promote local entrepreneurship, the State aims to attract private investment in development of private industrial estates, with focus on MSMEs.

7.4.1 To encourage private sector participation in the development of industrial infrastructure, assistance shall be provided to the projects for establishing industrial parks related to thrust sectors identified in this policy.

7.4.2 The industrial estates developed by/for women and SC/ST entrepreneurs & MSMEs will be given preference and higher fiscal support through ongoing schemes. If need arises fund will be provided from Special Component Plan (SCP) & Tribal Sub Plan (TSP)

7.4.3 MIDC shall be the planning authority for these private industrial estates

8 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 be accorded priority in land allotment and incentives.

8.1 Electric Vehicles (Manufacturing, Infrastructure and Servicing) -

With depleting oil resources and rising pollution, Electric Vehicles (EVs) provide an alternative to a sustainable future. Government of India has launched an e-mobility programme such as National Electric Mobility Plan (NEMP) that aims to provide an impetus to the entire e-mobility ecosystem which includes electric vehicle manufacturers, charging infrastructure development companies, fleet operators, service providers, etc. With over 25 million vehicles on road and automobile being the major manufacturing industry in the State, Maharashtra Government aims to maximize the adoption and manufacturing of EVs in the State. Hence, the State Government has categorized Electric Vehicles manufacturing, infrastructure and servicing as a thrust sector. The State Government has also launched EV & Related Infrastructure Policy 2018, to promote the sector.

8.2 Aerospace and Defence Manufacturing -

India is world's largest importer of arms (contributed 12% to the global imports during 2013-17, as per SIPRI report, March 2018), and offers a readymade market for aerospace and defence manufacturers. India's defence expenditure has grown by 231% in last one decade and is expected to reach INR 7.74 lakh crore (US\$120 billion), in the next ten years. Considering the historical base of the several ordnance factories in Maharashtra, the State is well placed to take advantage of aerospace and defence investments in India and give impetus to Make in India initiative of the Central government. Accordingly, the State Government has included the industry segment as one of the thrust sectors. The State also has an Aerospace & Defence Manufacturing Policy 2018.

8.3 Industry 4.0 (Artificial Intelligence, 3D Printing, Internet of Things and Robotics, Nanotechnology, among others) -

With rapid development in the field of information technology and hardware, the world is fast witnessing the fourth industrial revolution. The combination of industry, Internet of Things (IoT), IOT based Kiosks, Embedded Technology. 3D Printing, Artificial Intelligence, Robotics, Nanotechnology and other such new technologies, has given rise to Industry 4.0. Developed countries like Germany, Japan, South Korea and United States etc. have already started implementing their plans based on Industry 4.0. In order to keep domestic industry globally competitive, the State Government shall promote investment towards emerging industry 4.0 technologies.

8.4 Promotion of Integrated Data Centre Parks (IDCP)

As per the stipulation of Government of India to store the data within the country, there is huge demand for data storage. Considering the location of Mumbai City, its power infrastructure and under-sea cables landing at Mumbai, it has the potential of becoming largest data storage hub in the World. Integrated Data Centre Parks wherein, a developer company builds infrastructure required for Tier - 4 data centres and various other companies can use this data storage space will be promoted & incentivised. Integrated Data Centre Parks developed by private developers and investment made by companies utilizing the data storage space therein will be eligible for fiscal incentives under Package Scheme of Incentives by way of refund of SGST etc., for maximum of 10 years. (excluding investment in land and building) In the policy period, only first 5 such Integrated Data Centre Parks of Tier-4 category with minimum investment of Rs.1500 Crores by the developer company, will be eligible for above benefits. The IT / ITES Policy- 2015 of the State would stand modified to this effect.

8.5 Textile Machinery Manufacturing -

Maharashtra has been a leader in textiles by virtue of cotton production. Textile manufacturing machineries are largely imported. The State will promote textile machinery manufacturing as thrust sector and will offer suitable incentives.

8.6 Biotechnology and Medical and Diagnostic Devices -

In order to leverage the state's advantage in hi-tech manufacturing, Maharashtra aims to be a leader in biotechnology and Medical & Diagnostics Devices manufacturing. Key initiatives that shall be extended to this sector include:

- a. MIDC to setup a dedicated Biotechnology Parks at suitable locations in the state (Nashik, Pune, Aurangabad and Nagpur, among others).
- b. Biotechnology Parks shall have dedicated infrastructure including Common Effluent Treatment Plant (CETP, including collection and treatment), and Testing & Certification Labs.
- c. Manufacturing Park for Medical and Diagnostics Devices will be setup.

8.7 Agro & Food Processing (Secondary and Tertiary Food Processing units)-

Agro & food processing sector has a huge potential for employment generation across the entire State, especially in MSMEs. The secondary and tertiary processing units has immense growth potential and value addition. Therefore, the State Government shall endeavor to set up mini food parks (MFPs) in all districts of the state. MFPs shall be set up on minimum 10 acres of land. For developing mini food park land pooling from adjoining farmers will be admissible. These parks shall have dedicated infrastructure required for specific commodity based units. Special incentives will be given for this thrust sector.

8.8 Information Technology (IT) & IT Enabled Services (ITeS) –

Home to over 1,200 software units and 30% share of the country's software exports, Maharashtra provides a well-established ecosystem for IT & ITeS companies. Pune and Mumbai are the major IT & ITeS centres in the State. To place Maharashtra amongst one of

the most preferred investment destination in IT sector, the State has declared it as a thrust sector also has a separate incentive policy.

8.9 Electronic Systems Design & Manufacturing (ESDM) and Semiconductor Fabrication (FAB)

Domestic demand for electronics hardware products is increasing every year in the country and most of it, is met through imports. This thrust sector thus has tremendous potential for growth and also huge employment opportunities. Maharashtra with established ecosystem for electronics hardware manufacturing is poised to take advantage of Government of India's efforts towards domesticating electronics hardware manufacturing. Recognizing its importance to the State, a special 'Maharashtra Electronics Policy-2016' has been announced.

8.10 Logistics & Warehousing -

Logistics and warehousing industry in India is growing at a CAGR of 10% and has the potential to be worth INR 13.21 lakh crore (US\$205 billion) by 2020. Maharashtra's strategic location and seamless connectivity with national and international geographies on account of its port and airport linkages, makes it an ideal location for logistics and warehousing activities. Logistics and warehousing hubs are being planned along the way with Nagpur-Wardha as a major logistics corridor. The State Government has announced a special policy named Logistics Parks Policy 2018.

8.11 Green Energy/ Bio Fuel Production -

Maharashtra has over 25 million vehicles on road and this figure is all set to increase in near future. With rising concerns regarding the carbon emissions and increasing oil imports, there is urgent need to support Green Energy/ Bio Fuel Production. Switching to renewable energy sources like bio fuels (including ethanol), biomass from all crops etc. will not only make the State clean but decrease State's reliance on oil imports. Further this might increase crop realization for the State's farmers. To this end state, will permit cultivation of non-edible oilseeds suitable for bio-fuel production in tribal & degraded forest areas and allow its harvesting etc. Hence, Green energy/ Biofuels Production is defined as a Thrust Sector. The State shall provide additional incentives for the sector.

8.12 Sports and Gym Equipment Manufacturing -

With improving economic climate, rising disposable incomes and changed perception towards fitness is fueling the demand for sports and gym related goods and services in India. It has opened up new business opportunities for manufacturing of sports and gym equipment's. The labour intensive industry provides employment to more than 500,000 people in India. The state shall promote investments in the sports and gym equipment manufacturing.

8.13 Nuclear Power plant equipment manufacturing -

India aims to manufacture nuclear power plant equipment and fuel assemblies locally under its Make in India program. This would also provide equipment's for the second phase of Kudankulam Nuclear Power Plant. Maharashtra shall provide support for manufacturing highly niche segment of nuclear power machinery.

8.14 Mineral / Forest based Industries :-

In order to promote employment generation in the state & also to encourage the value addition / use of forest produce in Industries, particularly in forest rich & mineral rich areas, forest based industries, mineral based industries & agro-industries / plantations will be promoted. This will be applicable only to those minerals which are under the purview of the state government.

Since these Industries will be located in tribal areas, funds from Tribal Sub Plan (TSP) will be utilised for creating infrastructure. Additionally even if the entrepreneur / Industries are non-tribal the eligibility conditions for availing incentives will be provision of 90% employment to tribal persons during the incentive period. The percentage of employment after availing incentives period for tribal persons will be 60%.

8.15 The up coming Industries from niche segment / sunrise sector in the future which will contribute to the industrialization of the state will be accorded the status of thrust sector. The Committee constituted under the chairmanship of Secretary (Industries), will decide about inclusion of those sectors.

9 Promotion of Micro, Small and Medium Enterprises (MSMEs) and Small Industries :-

MSMEs are the backbone of State's economy. With more than 3 million MSMEs, Maharashtra has largest number of MSME in the country, which contributes more than 80 per cent of the total employment. MSMEs are best placed to utilize local resources and create local entrepreneurship and employment. About 40% of the exports originate from MSMEs. Considering the vital role of this sector, the State Government intends to strengthen and promote the MSME sector for achieving inclusive industrial growth and promoting employment generation. The investment limit for incentive purpose for small industrial units will be increased upto INR 50 crore in Fixed Capital Investment (FCI) so that more such units can come under the ambit of small industries. In order to enhance the benefits of this policy to MSME units, the state will dovetail various MSME schemes into one scheme.

Following interventions are proposed for MSME promotion:

9.1 District-wise identification of potential MSMEs -

The State shall conduct a study of all districts of Maharashtra aimed at identifying potential for MSME manufacturing activities, and formulating and executing strategies based on Geographical Indications (GI).

A Geographical Indications (GI) is primarily an agricultural, natural or a manufactured product. (handicrafts & industrial goods) originating from a definite geographical territory. eg. Nagpur Oranges, Warali Paintings, Vengurla Cashews, Solapur Chaddar etc. GI's are not only part of our rich culture & collective intellectual heritage, but they also supplement the incomes of our rural farmers, Weavers, Artisans & Craftsmen across the country. The Promotion of GI's is in line with the Government of India's "Make in India" Campaign & therefore it is our responsibility to preserve & protect them.

Maharashtra Small Scale Industrial Development Corporation (MSSIDC) shall be entrusted with this task.

9.2 Launching of new flagship scheme - Chief Minister Employment Generation Programme (CMEGP) –

9.2.1 Government of Maharashtra will launch a new employment-generation programme (Chief Minister Employment Generation Program / CMEGP) targeting unemployed youth. The scheme is aimed at motivating local youth towards self-employment by extending easy and accessible bank finance. The scheme shall cover manufacturing as well as service sector units. The Industries Department of Government of Maharashtra shall be the nodal agency for implementing the scheme. Under the scheme eligible persons aged between 18 and 45 years will be trained and promoted for self-employment for which equity to be converted into back end subsidy, which will be provided by State Government against bank loans. The project cost will be up to a maximum of INR 50 lakh under manufacturing sector and INR 10 lakh under business/ service sector. State Government will provide budgetary support through scheme expenditure & if necessary in proportion of beneficiaries from Special Component Plan (SCP) & Tribal Sub Plan (TSP) & Women & Child Development Department.

The scheme shall be implemented through Directorate of Industries and Khadi & Village Industries Board (KVIB). The salient features of the programme are:

- a. Promotion of self-employment – Minimum 1,00,000 micro enterprises during the policy period.
- b. Creation of employment opportunities – Minimum 10 lakh during the policy period.
- c. Entrepreneurship Development Programme for youth – 2,00,000 youths during the policy period.
- d. Financial support by way of grant in aid – 15% to 35% of the approved project cost.
- e. The scheme covers manufacturing and business/ service sector.
- f. Boost to rural and semi urban economy.

9.3 Institutional Support to MSMEs

MSME units need support for adoption and dissemination of technology, exploring markets, management techniques, etc. For this, the State Government shall assist in strengthening the existing related institutions within Maharashtra.

- a. State will endeavor to support 'Centers of Excellence (CoE)/ research facilities to develop/ assimilate technologies that are of significance to the industry.
- b. CoE/ research facility shall have Plug & Play Incubation Facilities and provision for mentoring and training.
- c. State will also support institutional tie-ups for sector specific skill development and for use of new/ upgraded technology or products.
- d. Workshops shall be conducted in the institutes for SME entrepreneurs to create awareness and for adoption of new technologies.
- e. State will promote tie-up with global MSMEs.

9.4 Cluster Promotion -

Maharashtra is the leading state in the country for Industrial Cluster development. Cluster based approach is increasingly being recognized as sustainable, cost-effective and an inclusive strategy to ensure competitive and improved MSME units.

- a. The State Government shall offer fiscal assistance for approved Common Facility Centers (CFCs) across the state except A and B zones.
- b. The limit for fiscal assistance for cluster promotion will be increased to INR 10 core from existing INR 5 crore.

- c. The State Government shall offer fiscal assistance to the Special Purpose Vehicles (SPVs) specifically setup for the purpose. A state level Steering Committee shall evaluate and approve proposals under the scheme.
- d. In new MIDC industrial estates, 20% area shall be reserved for MSMEs. Out of this, 20% area shall be reserved for SC/ST entrepreneurs and 5% for women entrepreneurs and industrial units of Women's Savings Groups. For rehabilitation of Ex-Servicemen & to promote self-employment among Ex-Servicemen 2% plots will be reserved for Ex-servicemen.
- e. Common Facility Centre (CFC) established under the cluster development programme of Central/ State Government will be treated as industrial activity.

9.5 Facilitating Public Funding for MSMEs -

There are many MSMEs which have potential to expand on a larger scale. However, due to fund limitations they are unable to scale up. In view of their capacity augmentation, SME exchanges were setup in the country in 2012. The exchange has been instrumental in garnering public funds in the State. The CAGR of SMEs was around 40% in last fiscal year.

MSME units can now access public funding through listing on stock exchanges. The State Government intends to support MSME units by providing financial assistance to first 250 SMEs based in Maharashtra which will be listed on the SME exchange, Mumbai during the policy period.

9.6 Advisory Cell on Insolvency and Bankruptcy Resolution for MSMEs -

To provide speedy resolution of insolvency and bankruptcy, the Government of Maharashtra shall maintain region-wise cells to guide the concerned units seeking resolution under the Insolvency & Bankruptcy Code 2016 mechanism. For this, MSSIDC will be strengthened and empowered suitably.

9.7 Fiscal Incentives to MSMEs -

Maharashtra state offers most attractive fiscal incentive in the country.

9.7.1 For the purpose of this policy, MSME shall include units as per the definition of Government of India- Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, as well as the small industries with FCI of upto INR 50 crore.

9.7.2 A basket of incentives, their aggregate amount not exceeding a specified ceiling will be offered to eligible MSME units:

Table 1 – Eligibility Criteria to MSME -

Taluka / Area Classification	Maximum Admissible Fixed Capital Investment (INR crore)	Ceiling 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		100%	10

Districts**			
<p><i>*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.</i></p> <p><i>** Aspirational Districts are Osmanabad, Gadchiroli, Washim and Nandurbar</i></p>			

- 9.7.3 Eligible MSME units in Agro & Food Processing (secondary and tertiary processing units and Farmer Producer Companies for manufacturing/processing activity only), Green energy/ bio-fuel and Industry 4.0 shall be given additional support.
- 9.7.4 The power tariff subsidy, for eligible new units located (other than A areas) in Vidarbha, Marathwada, North Maharashtra, and Districts of Raigad, Ratnagiri and Sindhudurg in Konkan will be to the extent of INR 1/- per unit consumed and in other areas (except A areas), to the tune of INR 0.5/- per unit consumed for 3 years from the date of commencement of commercial production.
- 9.7.5 In areas other than A area, Interest subsidy @ 5 per cent p.a., maximum upto the value of electricity consumed and bills paid for that year, will be admissible.
- 9.7.6 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. However, in A and B areas Stamp Duty exemption will be offered only to IT and BT manufacturing units in IT and BT Parks. Eligible Units under PSI 2013 Scheme will also be eligible for stamp duty exemption for their Investment Period.
- 9.7.7 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. However, 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.
- 9.7.8 All the central government and State government schemes relevant to MSMEs shall be dovetailed in this policy.
- 9.7.9 Marketing Assistance scheme shall be formed for MSMEs to support marketing activities. To improve the competitiveness of MSMEs in marketing, both at the national and international level, fiscal assistance shall be provided for SC/ST/women entrepreneurs and for participation in national and international fairs.
- 9.7.10 For strengthening of MSMEs, standalone incentives (not linked with PSI) shall be admissible to the MSMEs so as to promote quality competitiveness, Zero Defect Zero Effect (ZED scheme), Research & Development, technology up-gradation, water & energy conservation, cleaner production measures and credit rating.
- 9.7.11 Eligible Micro, Small & Medium enterprises & Small Industries as defined above shall be offered Investment Promotion Subsidy (IPS) on Gross SGST paid by the unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra.

10 Attracting Large, Mega and Ultra-Mega Investments -

Maharashtra has the largest number of Large and Mega projects in the country. These Large, Mega and Ultra-Mega projects have a proven track record of providing multi-faceted benefits to the State in terms of revenue and employment generation. To leverage the benefits further, concerted efforts are made in the policy to ensure regionally balanced and inclusive growth of the industry.

10.1 Large Scale Industries -

10.1.1 Large scale industries (LSI) are defined as industrial units satisfying the minimum threshold limits of Fixed Capital Investment or Direct Employment prescribed in the following table. LSIs shall be offered incentives that are graded in a way so as to assist dispersal of investment to industrially under-developed areas. A basket of incentives, their aggregate amount not exceeding the specified ceiling will be offered to eligible LSI units.

Table 2 – Eligibility Criteria to LSI

Taluka / Area Classification	Minimum Admissible Fixed Capital Investment (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
<p><i>*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.</i></p> <p><i>** Aspirational Districts - Osmanabad, Gadchiroli, Washim and Nandurbar</i></p>		

NOTE : For MSME units the ceiling of fixed capital investment is Rs. 50 Crores. For units having investment more than Rs. 50 Crores & upto the minimum investment stipulated for large scale units in table 2 above, the industrial promotion subsidy shall be 40% of the SGST paid for the first sale of goods sold in Maharashtra and billed & delivered to the same entity. This incentive will not be applicable for units located in "A" zone.

- LSI units in thrust sectors shall get additional incentives.
- Eligible LSI units shall be offered Investment Promotion Subsidy (IPS) on Gross SGST paid by the unit on the first sale of eligible products billed and delivered to the same entity within Maharashtra. The incentives will be given to the LSI units on first-cum-first serve basis.
- In addition to incentives listed above, eligible large units 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.

However, 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 2013 Scheme will also be eligible for stamp duty exemption for their Investment Period.

- d. 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 a tenure equal to the eligibility period. However 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.
- e. The units applying for incentives in the first year of policy period will be given full basket of eligible incentives for respective category and location of the unit. If the unit applies in subsequent years of the policy period, the basket of incentives will be reduced by 5% for each year of delay in application. This provision will not be applicable to industries in thrust sectors.
- f. Eligible LSI units in Agro & Food Processing (secondary and tertiary processing units and Farmer Producer Companies for manufacturing/ processing activity only), Green energy/ biofuel and Industry 4.0 shall be given additional support.
- g. Aggregate fiscal incentives provided by various departments or agencies of the State Government shall not exceed the IPS cap (as percentage of FCI) defined by the State Government.
- h. Incentives to the LSI shall be given to promote quality competitiveness, Research & Development, technology up-gradation, water & energy conservation, cleaner production measures and credit rating.

10.2 Mega and Ultra Mega Projects -

10.2.1 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:

Table 3 – Eligibility Criteria, related to Incentives Disbursement for Mega and Ultra-mega Units

Type of Unit	Taluka/ Area Classification	Minimum Admissible 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*

Provided that :

- a. 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.
- b. Minimum Direct Employment prescribed in the table above should be created within a period of three years from the date of commercial production.
- c. The investment in Captive Power Plant shall not be considered for determining the qualifying criteria for eligibility as Mega Project/Ultra Mega Project.
- d. 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.
- e. The present policy of MIDC regarding allotting plots on priority basis to mega and ultra-mega projects shall be continued.

10.2.2 High Power Committee (HPC), under Chief Secretary, constituted vide GR.IDL-1005/(CR119)/IND-8 dated 2.6.2005 will approve the customized Package of Incentives to Mega and Ultra Mega projects on case-to-case basis. Cabinet Sub Committee under Chairmanship of the Chief Minister constituted for Industry vide GR IDL- 1097/(13478)/IND-8 dated 18.1.1998 and reconstituted vide GR.IDL-1004/(CR318)/IND-8 dated 24.12.2004 will approve customized incentives on case-to-case basis.

10.2.3 State government shall be an equity partner of upto 9% through Maharashtra Vikrikar Rokhe Pradhikaran Limited (MVRPL) in Large, Mega and Ultra Mega projects in the State and projects with FCI of more than INR 500 crore. The equity will be in lieu of incentives received by these projects under Industrial Policy 2019-2024. The equity participation shall be in the form of shares only. The shares and dividend shall be issued in the name of MVRP. In order to avoid hostile takeover, if State government decides to sell its equity, the first right of refusal will be with the promoter of the company at prevailing market rates only.

10.2.4 For mega and ultra-mega projects availing incentives from the State government under Package Scheme of Incentives will have to provide employment to local persons as stipulated by the State Government. Failing to do so will result into reduction of offered incentives.

10.2.5 Government may consider providing customized package of incentives on case-to-case basis as deemed necessary for projects of special importance (may or may not be mega/ultra-mega projects). The High Power Committee (HPC) under the chairmanship of Chief Secretary shall recommend the customized package of incentives for any such project to the Cabinet sub committee for approval.

- ❖ **Apart from Industries Departments Package Scheme of Incentives Micro, Small, Medium, Large, Mega and Ultra-Mega Units are given incentives/ concessions by other administrative departments of State Government (e.g. Spinning Mills). The financial refunds / incentives to an industrial units from all sources put together shall be admissible within the limit of 100% of Fixed Capital Investment.**

11 Green Industrialization Assistance -

Maharashtra is a frontrunner state in sustainable development initiatives and promotes green industrialization, so as to minimize adverse environmental impact.

- a. Eligible units shall be provided a Green Industrialization Assistance for undertaking measures to conserve water, energy and environment. Projects covered under the scheme include waste management systems (including ETP, STP etc.), pollution control systems/ devices, health and safety systems/ devices, water conservation/ harvesting systems/ devices and captive renewable power generation. Budgetary support from States Maharashtra Pollution Control Board (MPCB) & Government of Indias schemes will be considered. A committee under chairmanship of Development Commissioner (Industries) will approve this incentives.
- b. Solar captive power plant will be considered as a part of admissible FCI for the purpose of incentives. A captive solar power plant will be defined as one wherein at least 80% of power generated is utilized by the unit annually.

12 Promoting Research and Development (R&D) -

R&D is crucial in enhancing the productivity and economic growth of a region. A robust R&D infrastructure directly contributes to sustained growth and creates employment opportunity for scientific community.

India has high potential for intellectual property. To avoid brain drain and utilize existing talents it is necessary to provide special impetus to industrial research. It is also necessary to protect intellectual property rights of a researcher. Following initiatives will be undertaken to promote R&D:

- a. 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.
- b. Provision of special fund shall be made to support industrial R&D activities.
- c. Promotion of industry and academia linkage through universities, centre of excellence, technical institutes, etc. Contributions from respective departments like Higher & Technical Education, Universities etc. will be considered.
- d. Companies/ units/ private individuals shall be eligible for fiscal assistance towards obtaining patents related to manufacturing activities.
- e. Considering the nature of various new technologies involved, fiscal assistance shall also be given to R&D units carrying out joint ventures.

13 Promoting Ecosystem for Startups -

As a policy, it has been the endeavor of State Government to promote innovative start-ups by providing necessary infrastructure, and creating facilitating environment involving young entrepreneurs to enable sharing of their ideas and help them by handholding, mentoring and providing them financial assistance.

Steps would be taken to promote startups right from the college level and coordination between Government, industry and academia. Startups in thrust sectors & emerging technologies such as artificial intelligence, robotics, internet of things, nanotechnology etc. will be provided with mentors from industry/business houses. The State will setup and promote incubators to handhold Startups in general and also for SC/ST category and women entrepreneurs. Collaborations with world class incubators/universities in setting up of incubators, will be encouraged through need based fiscal and administrative interventions.

14 Revival and Unlocking Assets Tied Up in Closed Units -

Considering the immense flow of investment intentions in the State (due to initiatives like Make in India and Magnetic Maharashtra) in the last few years and the policy target of Rs. 10 Lakh Crore investment in the next five years, the State requires land to realize investments. Land in Maharashtra is a scarce resource especially in developed regions. To address this issue, the State Government will incentivize industries to invest in under-developed areas. Further, the State intends to unlock land locked up in closed/unviable units.

Accumulated Government dues and penalties thereon, dues of financial institutions, labour dues and issues, and reluctance of companies to dispose-off their lands are the major hindrances in unlocking industrial lands tied up with unviable/ closed units. The State Government intend to address these issues through the following policy measures:

14.1 Amnesty scheme

- a. The State Government shall bring an amnesty scheme for government dues and penalties under which unviable and closed units shall be allowed to settle all the State Government dues (including those of agencies of the State Government) by paying entire principal amount in one installment and complete waiver of interest and/or penalty thereon. The amnesty scheme shall be operationalised for a limited period. Further, an online portal shall be operationalised wherein all State Government dues of units shall be displayed.
- b. The settlement of dues of financial institutions (including those of Maharashtra State Finance Corporation), are subject to RBI guidelines. However, the State Government shall coordinate with financial institutions towards early resolution of such dues.
- c. Maharashtra State Finance Corporation (MSFC) shall announce an attractive One Time Settlement (OTS) Scheme.

14.2 Unlocking assets tied up in closed units -

- a. To achieve this objective, units that are closed for a continuous period of more than 5 years and have a minimum of 20,000 sq. m. contiguous land in MIDC areas shall be allowed to develop such land for setting up industrial cluster.
- b. Special initiatives shall be taken up to promote the development of such industrial land. Also Land use pattern in the ratio of 60:40 ie. 60% Industrial & 40% Support Services will be permitted in MIDC area.
- c. In order to under take the development activities in such lands non-fiscal concessions will be offered to developer to make their model Sustainable A four members Committee under the chairmanship of Secretary (Industries) will decide the modalities for Floor Space Index (FSI) to be offered, premium to be levied and other issues. The other members of the committee will be Secretary (UD-1), Secretary (Finance/Expenditure), Development Commissioner (Industries), Chief Executive Officer, Maharashtra Industrial Development Corporation (MIDC).
- d. To promote early implementation of redevelopment projects, FSI incentives shall be extended for a limited period of time. The redevelopment projects must be fully completed within a period of 7 years.

15 Walk to work concept -

- a. In order to promote walk to work concept and decongest the cities, satellite offices shall be developed in the State. The companies will be encouraged to develop accommodation facilities for employees within 5 km radius of the work area.
- b. MIDC shall be the planning authority for such areas and other government agencies will participate for development. In order to under take the development activities in such lands non-fiscal concessions will be offered to developer to make their model Sustainable A four members Committee under the chairmanship of Secretary (Industries) will decide the modalities for Floor Space Index (FSI) to be offered, premium to be levied and other issues. The other members of the committee will be Secretary (UD-1), Secretary (Finance/Expenditure), Development Commissioner (Industries), Chief Executive Officer, Maharashtra Industrial Development Corporation (MIDC).
- c. In the residential area, commercial activities would be allowed such as cinema theatres, public auditorium and multiplexes, hospitals, nursing homes, schools and colleges, training institutes and hostels related to them. Only non-polluting industry will be allowed such as service sector.
- d. If the developer does not comply with this requirement then an additional congestion tax may be levied.

16 Facilitating Ease of Doing Business in the State -

Ease of Doing Business is an indicator of clear, speedy and hassle-free regulations for businesses. In order to create a facilitating business environment below mentioned interventions are targeted:

16.1 Strengthening Maharashtra Industry, Trade & Investment Facilitation Cell (MAITRI) -

MAITRI is an initiative of State Government to facilitate Ease of Doing Business. Since its inception it has been very effective in facilitating clearances/permissions/Licenses to numerous enterprises. MAITRI has made paradigm shift in role of government from being regulator to that of a facilitator. MAITRI will be awarded autonomous status for effective implementation of initiatives taken by Government for promotion of industries, trade & commerce considering the new opportunities in business, trade & commerce. Role of MAITRI will also be extended towards attracting global investments. As an autonomous body MAITRI will represent Maharashtra on national and global platform. MAITRI will work jointly with National & International Industries Associations/Forums by organizing and participating in various Summits, Fairs, Exhibitions, Road shows etc. It would be a platform for promotion of brand Magnetic Maharashtra.

- a. All State related services, consents and permissions required to set up and operate an industry in Maharashtra shall be provided through MAITRI. All information on State's resources, industrial infrastructure, procedure for setting up units, grievance redressal, and rules / regulations / orders etc. will be available on MAITRI portal.
- b. To ensure delivery of services and accord approvals within specified timelines, MAITRI shall be empowered through legislative enactments. MAITRI will be made more autonomous for functioning to ensure timely approvals and services to investors. Initial corpus shall be contributed by related department / boards/ corporations / authorities eg. MIDC, MPCB, MHADA, CIDCO etc.

- c. MAITRI will coordinate with Industrial Associations for Ease of Doing Business initiatives.
- d. To be more effective, MAITRI facilitation and handholding setup shall be operationalized at Regional Levels & cost will be borne by concerned department for complaints related to which will be received at MAITRI level.
- e. Development Commissioner Industries will identify issues & authorities for such legislative enactment.
- f. The Special Assistance Cell will be set up in MAITRI for the promotion/guidance of the Schedule castes, scheduled Tribes & Women Entrepreneurs. Required administrative expenses for this cell will be done jointly by the Social Justice Department & Tribal Development Department.

16.2 Regulatory Simplification -

- a. Procedural simplification in obtaining environmental clearance will be carried out.
- b. Procedures for building plan approvals for industries shall be rationalized across the State.
- c. Excluding Urban Local Body Area for industrial are as exceeding 10 acres, MIDC shall be declared the Special Planning Authority.
- d. Only in MIDC industrial areas, MIDC shall act as the interface for local authority taxation purposes.
- e. MAITRI will be empowered with appellate powers under Right to Services Act. For effective functioning, powers will be delegated by separate enactments to MAITRI Cell.

17 Initiatives for Promotion of Trade and Commerce -

17.1 Administrative wing to support Trade and Commerce -

Considering the importance of trade and commerce in creation of employment and contribution to State's economy, a separate wing/desk shall be created under the Industries Department for promotion of Trade and Commerce and a separate section will be created in the Directorate of Industries for implementation support. Additional posts of independent Desks at Industries Department & Directorate will be created for Trade & Commerce.

17.2 Establishment of Global Investment Promotion Council -

To attract global industrial investment, State Government has made several initiatives for investment promotion and facilitation. The State has already established single window investor facilitation cell - MAITRI to facilitate clearances through single window on behalf of several Government agencies to industrial entrepreneurs.

To tap the potential of interests shown by global investors, the State government shall set up Global Investment Promotion Council (GIPC) of Maharashtra. The council shall create strong network of enterprising people across the globe to attract investment in multiple sectors in the State. Further, the Council shall establish bilateral ties with countries across United States, Europe, Asia, Middle East and Africa etc. The council will be headed by the Chief Minister.

The Global Investment Promotion Council will undertake various activities to attract global investment in the State:

1. Identify and select opportunities for engagement in target sectors globally.
2. Establish bilateral ties with industrially prosperous countries to boost global investment in the State.

3. Organize and participate in domestic and international promotional events to focus on getting the global investment in the State.
4. Arrange G2G and G2B meetings for Global investors.
5. Participate in trade fairs and organize roadshows outside India.
6. Global lead monitoring, follow up and hand-holding support for global investor's.
7. Facilitate development of brand Magnetic Maharashtra as investment destination by way of promotional advertisements.
8. Track foreign investment in the country through office of Consulate General and coordination with different government agencies.
9. Set up a web-based portal for online tracking of investor interest.
10. The office of the Global Investment Promotion council will be based in MAITRI.

18 Export Promotion Initiatives -

Maharashtra is ranked first in India with a total export of Rs. 4.49 lac crores in financial year 2017-18 and has been on an upwards trajectory over the last decade. Major exports from Maharashtra include gems & jewelry, machinery and equipment, pharmaceutical products, IT, iron and steel, vehicles and parts/accessories, cotton and other agro-produce. A study was undertaken to identify the export strategy and prominent sectors were identified for further boosting its exports in the area of apparel and textiles, engineering goods, agro-produce and processed foods, IT/ITES, auto and auto components and pharmaceuticals and chemicals.

18.1 Setting up of Export Promotion Council -

Any country's economic performance is measured by its share in global trade i.e. export. On the line of Government of India's initiatives in setting up sectoral Export Promotion Councils, Government of Maharashtra envisions to set-up Maharashtra Export Promotion Council. The Council shall promote export oriented business in the State, act as a platform to that would assist in creating awareness, and making units more competitive. The council will be headed by Minister (Industries). The key activities of the council will include following:

1. Interaction with global and domestic stakeholders, government agencies and international communities.
2. Preparation of roadmap for export promotion.
3. Address grievances of export units and provide relevant export information.
4. **Export Data Intelligence:** It will act as a think tank for market intelligence, business intelligence etc. related to demand of products, brands and services across the globe.
5. It will act as a facilitation body for various initiatives regarding marketing assistance to boost the export from the State.
 - a) **Brand Development:** Facilitate development of brand for export products by way of promotional advertisements of popular brands from the State at both domestic and global level.
 - b) **Export Awareness:** Export potential and procedure awareness will be disseminated through training programs, workshops, seminars etc.
 - c) **Organize Exhibitions:** Provide assistance to exporters / institutions / associations / EPCs for organizing export promotion exhibitions, seminars, conferences etc. (domestic and international).

- d) **Participate in Exhibitions:** To encourage the participation in domestic and international exhibitions the State will provide assistance in the form of participation cost.
- e) **Export Product Development:** To encourage export support to new products and new markets, samples to foreign buyers will be promoted for MSMEs.
- f) **Export Excellence Awards:** Awards will be given to exporters for excellence in sector specific export performance.

18.2 Export Infrastructure Support -

1. **Exhibition-cum-Convention Centers:** Exhibition-cum-Convention Center will be set up in different regions of the State to support regional export potential.
2. **Last mile connectivity:** Last mile connectivity in the form of physical infrastructure needed will be taken on priority basis, especially for agro related exports.
3. **Testing and Quality Certification Laboratories:** State will identify and assist in setting up Testing and Quality Certification Laboratories near relevant clusters. Dedicated Testing and Quality Certification Laboratories will be set up at export clusters of Nagpur, Nashik, Pune, Jalgaon, Aurangabad, Solapur, Kolhapur, Sangli and Ratnagiri. Wherever feasible land will be provided by MIDC. Assistance of up to 50% of capital cost of project cost (excluding land) with a cap of INR 5 crores will be given in the form of grant in aid for first 12 laboratories in the State over the policy period.
4. State Government through Plan Scheme will provide budgetary support.

18.3 Venture Capital Fund –

The State will provide fund to SIDBI for venture capital to assist in viability-gap-funding for the Export Oriented Units (EOUs).

19 Special Initiatives -

Various special initiatives are proposed to boost investment and employment in the State while keeping in view regionally balanced and inclusive growth.

19.1 Special Incentives for Industries in the underdeveloped districts of Maharashtra -

The policy envisions to bridge the gap of regional disparity in industrial development by giving additional incentives to

1. Vidarbha, Marathwada, Ratnagiri, Sindhudurg and Dhule,
2. No Industry Districts,
3. 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).
4. Aspirational Districts (Osmanabad, Gadchiroli, Washim and Nandurbar).

Additional fiscal incentives and period for availing these incentives, will be offered under PSI 2019 to MSMEs, Large and Mega projects in these districts to attract investments and generate employment.

For employment based large and mega projects, threshold limit for creation of employment will be less than other areas.

19.2 Special Incentives for Industries in Agro & Food Processing, Green energy/ bio-fuel and Industry 4.0 -

Eligible Industrial units in Agro & Food Processing (secondary and tertiary processing units and Farmer Producer Companies for manufacturing/processing activity only), Green energy/ biofuel and Industry 4.0 shall be granted 20% additional fiscal assistance and two year additional eligibility period shall be applicable.

19.3 Special Incentives for SC/ST and Women Entrepreneurs -

The industrial estates developed by/for women and SC/ST entrepreneurs will be given priority and higher fiscal support.

In new MIDC industrial estates, 20% area shall be allotted to MSMEs on first priority basis. On first priority basis 20% area shall be allotted to SC/ST & Nav Budha entrepreneurs and 5% to women entrepreneurs and industrial units of Women's Savings Groups & 5% to persons with Disabilities. The maximum ceiling for allocation on priority basis will be 25%. Accordingly modifications will be made in the Land allocation Rules of MIDC.

Higher fiscal support will be given to entrepreneurs setting up incubators for SC/ST and women.

Fiscal support will be given for SC/ST and women entrepreneurs for participation in international trade fairs.

Fiscal support will be given for SC/ST & women entrepreneurs for participation in international trade fairs. To encourage Scheduled Caste/ Tribes entrepreneurs and for establishment of their industries easily Venture Capital facility has been made available under Dr. Babasaheb Ambedkar Special Package Scheme of incentives for SC/ST entrepreneurs. The benefits of the Venture Capital facility will be given to the existing industries as well as newly established industries.

20 State Level Udyog Awards -

Maharashtra is the most industrialized state of India and it contributes 15% of country's GDP. Various industries have immensely contributed to industrial development of the State thereby generating massive employment. In order to recognize their yeoman contribution, the State proposes to felicitate such industries/ business houses every year, by conferring them with State level Udyog awards. New scheme for these awards will be formulated.

Presently, Udyog Diwas celebrations were organised in various districts of the State. The District Award Scheme will be suitably re-casted to encourage the MSMEs.

21 Strengthening of District Industry Centres -

District Industry Centres (DICs) will be strengthened to provide comprehensive information on various policies and schemes as well as to support MSMEs in marketing, trade and commerce, entrepreneurship development and revival of sick MSME units at district level. The DICs will be strengthened by improving infrastructure, promoting digitization and undertaking capacity building measures. The existing schemes under DICs will be suitably amended as per the requirement.

22 Apex Institute for Promotion of Entrepreneurship -

22.1 Apex Institute for Promotion of Entrepreneurship –

State of the Art, Apex Entrepreneurship Development Institute of Maharashtra shall be established on the land of Maharashtra State Small Industrial Development Corporation

(MSSIDC) at Kalamboli, dist Raigad by the Government near Mumbai. The main features are as follows:

1. The institute will be State's Apex institute to promote entrepreneurship and will conduct exclusive entrepreneurship and management programmes, sector specific skilling programmes, hands-on training, mentoring to promote new generation entrepreneurs and start-ups.
2. The institute will have residential facility for atleast 200 participants.
3. The institute will enter into national as well as international collaborations and will be equipped with the state of the art facilities like Data Centre, E-Library, Incubation centre, exhibition and display centres etc.
4. It will be represented by the organisations namely MSSIDC, MIDC, KVIB & the State Departments like Technical & Higher Education Department, Social Justice & Tribal department etc.
5. The existing set up of Maharashtra Centre for Entrepreneurship Development (MCED) will be utilised for the institute.
6. The Institute will be autonomous body under supervision of ACS/PS (Industries) and the Executive Council will be under the chairmanship of Development Commissioner (Industries).

22.2 Setting up of State of the Art Exhibition-cum-Convention Centre -

Exhibition-cum-convention centres are being developed by State/Local Authorities such as MIDC and Municipal Corporations. MIDC shall develop state of the art Exhibition cum Convention Center at the appropriate location in the State. The State Government will provide the required support for the development of state of the art Exhibition-cum-convention centre.

23 Corporate Social Responsibility (CSR) Activities in the State –

As part of the goodwill gesture to the society, the industrial units which avail incentives from the State Government under PSI shall spend minimum 50% of their Corporate Social Responsibility Fund in the State.

24 Sector Specific Policies -

- a. During recent years, Maharashtra has launched/ amended sector-specific policies, which shall be dovetailed with New Industrial Policy.
- b. Notwithstanding any of the above, State Government has made special provisions in various sector specific policies for the State. These policies are:
 - i. Policy for Industrial Parks comprising of flatted galas for Readymade Garment manufacturing, Gems & Jewellery, Micro Electronics and Engineering units 2018.
 - ii. Fin tech Policy 2018.
 - iii. Maharashtra COIR Policy-2018.
 - iv. Electrical Vehicle and Related Infrastructure Policy 2018.
 - v. Logistics Parks Policy 2018.
 - vi. Textile Policy 2018.
 - vii. Cloud Computing Policy 2018.
 - viii. Aerospace & Defence Manufacturing Policy 2018.
 - ix. IT/ITeS Policy 2015.
 - x. Electronics Policy 2016.

- xi. Retail Trade Policy 2016.
 - xii. Incentive for Development of Integrated Industrial Area 2018.
 - xiii. Bharat Ratna Dr. Baba Saheb Ambedkar Special Package of Scheme Incentive for SC/ST Entrepreneurs 2016.
 - xiv. Women Entrepreneur Policy
 - xv. Telecom Infrastructure Policy -2018
- c. The prevailing sector-specific policies bear reference to old industrial policies of Maharashtra and their General Rules/ Package Scheme of Incentives (PSI). Post notification of this policy (Industrial Policy of Maharashtra 2019), such references shall be interpreted as bearing reference to Industrial Policy of Maharashtra 2019 and its General Rules/ Package Scheme of Incentives (PSI), respectively, unless specified otherwise.
- d. The Stamp duty exemption for eligible units under various policies (like IIA Policy, Electronics etc) will continued.

25 Monitoring and Review of the Policy -

In order to ensure effective review and implementation of Industrial Policy of Maharashtra 2019 (providing necessary clarifications/interpretation of the policy; monitor implementation progress), a committee headed by Principal Secretary (Industries), Government of Maharashtra, shall continue to function, as per the Industrial Policy of Maharashtra 2013. Additionally, a Policy Monitoring (PMU) shall be set up to implement and monitor the progress of implementation, of new industrial policy. The PMU shall also assist the Monitoring and Review committee headed by Principal Secretary (Industries), Government of Maharashtra, on related issues.

26. Committee for Changes in Policy ;-

If any doubt / problem / disparity arises in Maharashtra Industrial Policy 2019, then the powers take decision in respect of such doubt / problem / disparity and make necessary changes in the industrial policy will be with the Cabinet Sub-Committee under the chairmanship of Hon'ble Chief Minister constituted vide G.R. No. IDL-1004/C.R. 318/ Ind-8, dated 24/11/2004..

27. Cabinet Sub- Committee on deciding Industry related matters: -

Due to changes in tax structure of the Central Government and the unfavourable market conditions the special economic zones (SEZs) established in the joint venture stuck in problems. The concept of Integrated Industrial Areas (IIA) was incorporated in the Maharashtra industrial policy - 2013 to make an easy exit route for such areas. The Government is aware that the investor has invested largely in such special economic zone which are in transitional phase and these investment were locked for a long time. Therefore, the government has decided to give more encouragement / incentives for such conversions. The share of 'Service' sector is significant in achieving the target of taking the state's economy upto 'One Trillion U.S. dollars' by the year 2025. Considering this fact 'Services' sector use 'without incentives' will be permissible in the Integrated Industrial Area which have been declared after of the Special Economic Zones in joint ventures of the State Government are de-notified. Only the services/projects which are approved under policies of other administrative departments of state can be taken up in these Industrial areas. In respect of other services/projects, decision will be taken by the Cabinet Sub-Committee under the

chairmanship of Hon'ble Chief Minister constituted vide G.R. No. IDL-1004/C.R. 318/ Ind-8, dated 24/11/2004.
