

Topic :
State Govt. SUBSIDIES-
Maharashtra & MP

By
CA Ankur Surana
+91 9819211795



SKD GROUP

OBJECTIVE AND PURPOSE OF MAHARASHTRA PACKAGE SCHEME OF INCENTIVES (PSI) SCHEME

PSI scheme started in year 1964 and got amended on year on year

OBJECTIVE :

- ❖ **Policy envisages grant of fiscal and non fiscal incentives to ensure higher and sustainable economic growth**

PURPOSE :

- **Dispersal of Industries to lesser developed areas of the state**
- **Employment generation**
- **Higher and inclusive industrial growth**
- **Further Improve the conducive industrial climate**

OVERVIEW OF MAHARASHTRA INDUSTRIAL POLICY

Procedural rules under the Package Scheme of Incentives were laid down vide G.R.,I.E. &L.D.No.IDL-7079/(2540)/Ind-8, dated 11/8/1980 which were later amended vide G.R.,I.E. & L.D.No.IDL-1088/(6564)/Ind-8,dated 20/7/1989 and G.R.,I.E. &L.D.No.IDL-1089/(7186)/Ind-8,dated 27/3/1991.

Budget Allocation for the Said PSI Scheme is around Rs. 3000 Crores

HIGHLIGHT OF SCHEMES (MH. STATE)

MH. STATE GOVT. SUBSIDY SCHEMES	BENEFITS	APPLICABILITY (NEW & EXPANSION)
Maharashtra State Electronics Policy - 2016	Up to 100% on FCI* – Revenue linked	All type of electronics & manufacturing industries (ESDM) units approved under M-SIPS(SPECS)
Package Scheme of incentives (PSI -2019)	Up to 100% on FCI – Revenue linked	All manufacturing Industries, food processing, Bio-technology, information technology
Special Subsidy Women Entrepreneur policy-2017	Over 100% on FCI – Capital + revenue linked	All manufacturing Industries, food processing, Bio-technology, information technology
Electric Vehicle Policy -2018	Up to 100% on FCI – Revenue linked	Manufacturing of Electric Vehicle, EV components, EV Battery, EV Battery components, charging station etc.

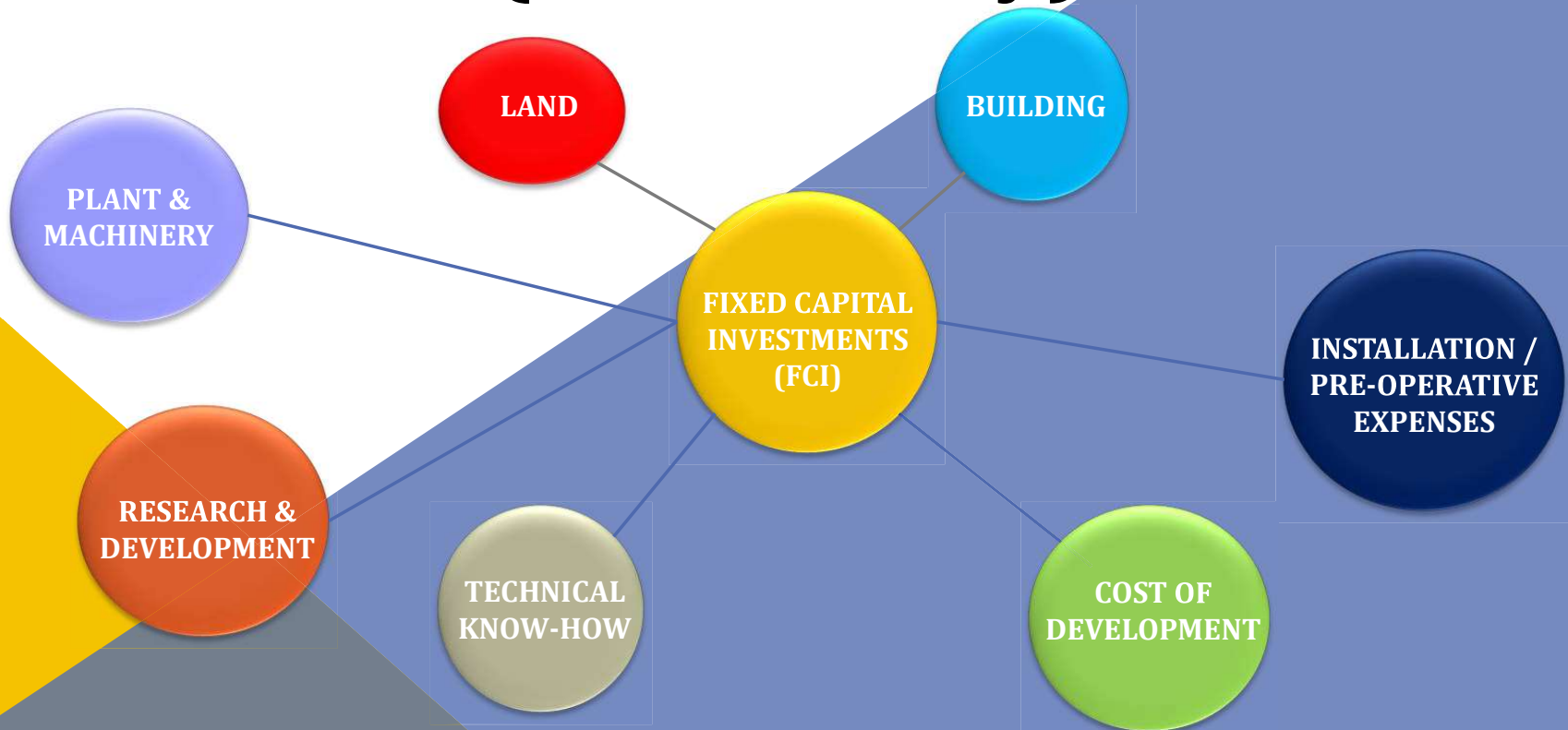
HIGHLIGHT OF SCHEMES (MP and Rajasthan)

MP and RAJ. STATE GOVT. SUBSIDY SCHEMES	BENEFITS	APPLICABILITY (NEW & EXPANSION)
Madhya Pradesh MSME Scheme 2019	Capital Subsidy- 40% on Investment in Plant and Machinery and Building (Additional 3% for Export Oriented units)	All type of manufacturing industries for MSME units Eg : If the Investment in Plant & Machinery and building is 10 crores, then Capital subsidy offered will be 40% of 10 crores ie. Rs. 4 crores
Madhya Pradesh Industrial Promotion Policy 2014 (as amended in 2019)	Capital subsidy - Up to 40% to 60% on Investment in Plant and Machinery and Building	All manufacturing Industries which are Large /Mega units
Rajasthan Industrial Promotion Scheme (RIPS) 2019 (Under Process)	Over 100% on FCI – Capital + revenue linked	All types of MSME/large/Mega manufacturing and service Industries

HIGHLIGHT OF SCHEMES (CENTRAL)

CENTRALGOVT. SUBSIDY SCHEMES	BENEFITS	APPLICABILITY (NEW & EXPANSION)
SPECS (Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors)	25% of Plant and Machinery	As per the list of verticals as specified in the SPECS policy.

FCI - FIXED CAPITAL INVESTMENT (State Policy)



MAJOR FISCAL & NON FISCAL INCENTIVES(MH.)

HIGHLIGHT OF BASKET OF INCENTIVES ARE AS FOLLOWS:

Reimbursement of SGST PAYABLE

WAIVER OF STAMP DUTY on purchase of land/registered lease & Term loans for Industrial Purpose

INTEREST SUBSIDY - Refund of the interest paid of the term loan taken for setting up industrial Project

Exemption from ELECTRICITY DUTY - UP TO 10 YEARS

POWER TARIFF SUBSIDY - The subsidy will be to the tune of RS 0.50 TO RE 1/- PER UNIT

And many other additional incentives

ankur.surana@skdconsultants.com
& ankur@bizastra.com

ELIGIBILITY PERIOD/OPERATIVE PERIOD/INVESTMENT PERIOD (MAHARASHTRA)

ELIGIBILITY PERIOD

- Eligibility period 7 to 10 years depending on scale/zone of unit
- Period differs for new and Expansion units

OPERATIVE PERIOD

- Micro/Small units – 5 years
- Medium /Large Scale units – 7 years
- Mega units- 10 years

INVESTMENT PERIOD

- Micro/Small /medium – 3 years
- Large Scale units- 4 years
- Mega units – 5 years

IMPLEMENTING AGENCIES

**Small
Manufacturing
Units**

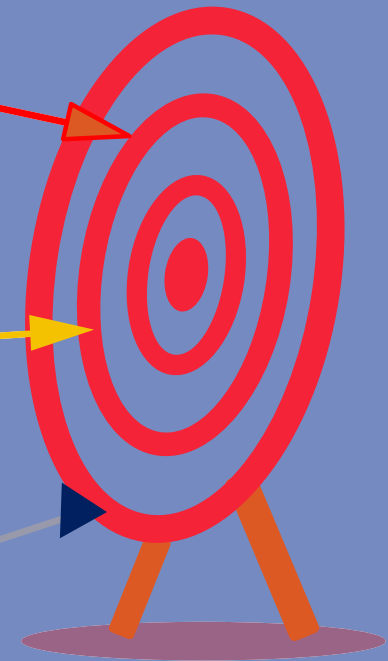
- **District Industries Centre (DIC)**

**Medium
Manufacturing
Units**


- **Regional Joint Director of Industries (JDI)**

**Large / Mega /
Ultra Mega
units**

- **Directorate of Industries (DI)/Mantralaya**



PACKAGE SCHEME OF INCENTIVES (PSI 2019)




Validity Period	1st April ,2019 to 31st March ,2024 (PSI 2019)
Applicable sector	<ul style="list-style-type: none">❖ Industries listed in First schedule of Industries Act,1951❖ Manufacturing enterprises as defined in MSMED Act,2006❖ IT/BT manufacturing units❖ Food/Agro processing industries
Classification	On the basis of Industrial Development in to zones (A,B,C,D,D+,Vidharbha/Marathwada Regions/ Aspirational Districts
Benefits/Subsidies offered	Upto 100% of Fixed Capital Investment(FCI)
Highlights of the policy	<ol style="list-style-type: none">1. Promotion of Thrust Sectors2. Additional benefit of 20% to Food/Agro processing, Green Energy/Bio fuel manufacturing units & 2 years of additional Eligibility period3. Mega/Ultra Mega units are conferred the benefits on the basis of 'Customized Package'

SPECIAL GR - FOOD AND AGRO INDUSTRIES POLICY

(PACKAGE SCHEME OF INCENTIVES)

Validity Period	1st April 2019 to 31st March ,2024
Applicable sector	❖ Large Scale/mega units for Food/Agro processing industries
Classification	On the basis of Industrial Development in to zones (A,B,C,D,D+,Vidharbha/Marathwada Regions/ Aspirational Districts
Benefits/Subsidies offered	Up to 100% of Fixed Capital Investment(FCI)
Highlights of the policy	<ol style="list-style-type: none">1. Subsidy benefit of 100% on GROSS SGST2. Applicable for units in A and B zones as well3. Applicable to all large Scale units/mega units4. No distinction for Special Large Scale Industries(Special LSI)5. All areas and zones to get benefit for period of 10 years

STATE ELECTRONIC POLICY 2016



Validity Period	<p>The policy is valid from 1st April 2016 to 31st March 2021</p> <p>(Further extended for 2 years ie. Valid till 31st March 2023)</p>
Applicable to ESDM products	<ol style="list-style-type: none">1. All areas of the state2. Units approved under M- SIPS(Modified Special Incentive package Scheme), now SPECS (Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors)3. Units not covered under M- SIPS (now SPECS) will be eligible for incentives under Electronic policy<ul style="list-style-type: none">* MSIPS is now replaced by Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) (w.e.f. April 2020)
Benefits to the ESDM sector	100% of Fixed Capital Investment(FCI)
Highlights of the policy	<p>No operative period succeeding the eligibility period for ESDM units</p> <p>Exemption from payment of property tax for 10 years</p>

AN ILLUSTRATION ON PSI SCHEME

In the case of new unit in D zone of Medium Scale, benefits will be available for a period of 10 years. Let us assume the FCI as Rs. 40 Crores

Calculations of benefits will be as under

- The total benefit applicable to the unit will be 50% of 40 Crores i.e. Rs. 20 Crores over a period of 10 years
- The yearly cap would be $20/10 = 2$ Crores, which means that the unit can avail the below mentioned benefits (1-5) up to the yearly cap mentioned:

1. Industrial Promotion Subsidy (IPS - GST refund):

For MSME units the IPS is 100% of **GROSS SGST** payable (i.e. sales within Maharashtra)

2. Interest Subsidy :

Interest subsidy on the term loan taken for acquisition of Fixed asset required for the project ,**will be available @5% p.a**

3. Waiver of Stamp Duty :

100% Stamp duty paid for acquiring land or term loan purposes will be exempted from payment of Stamp Duty

4. Electricity duty exemption:

Electricity duty **exemption benefits for 10 years.**

5. Power tariff subsidy:

Re. 1 per unit for 5 years in Vidharbha /Marathwada /aspirational zones and Re. 0.50 for 5 years in other zones




SPECIAL SUBSIDY SCHEME FOR WOMEN ENTREPRENEUR 2017



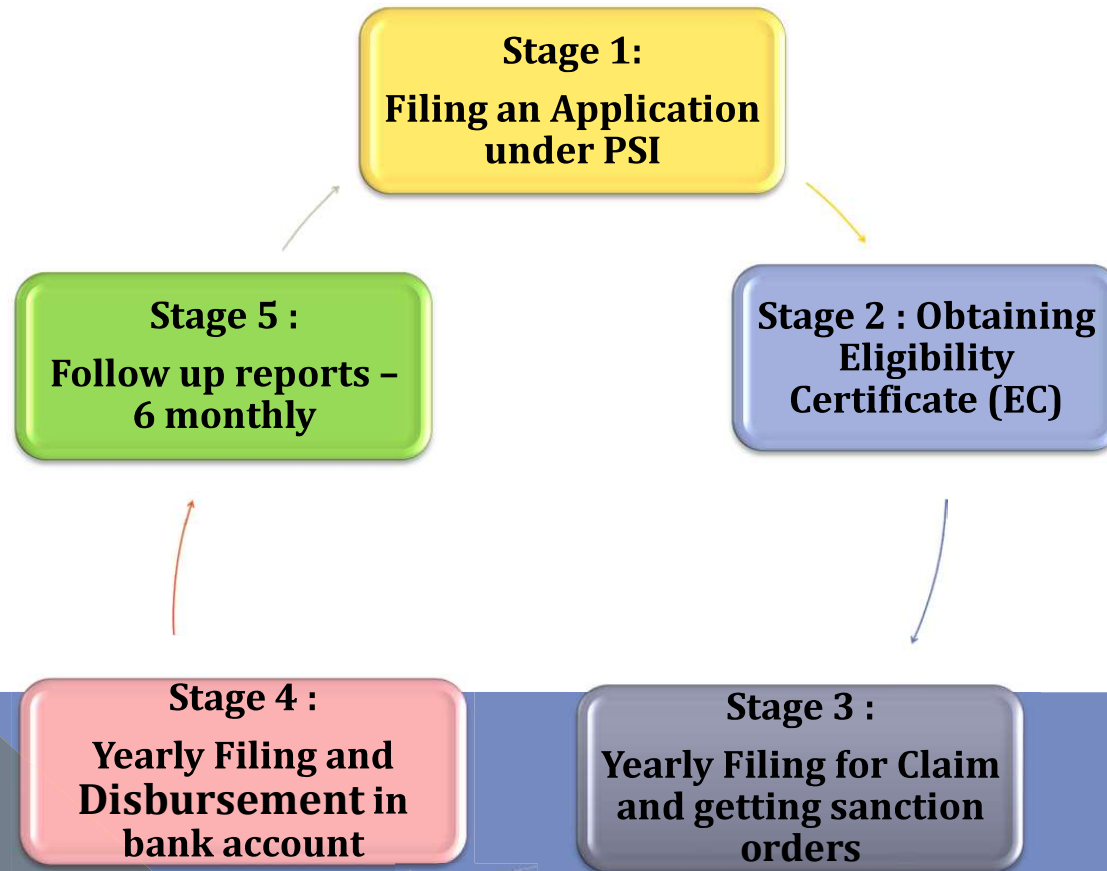
Validity Period	14th December 2017 till 13th December 2022							
Applicable sector	Register under MSMED Act, 2006 Eligible Units as per Package Scheme of Incentives							
Conditions	All Directors/Shareholders/ Partners(in case of partnership firm) should be Women Entrepreneur Applicants should appoint at least 50% women employees							
Benefits/Subsidies offered	<p><u>Benefits will be a Scale higher</u>: For e.g. In case of MSME</p> <table border="1"> <tr> <td>A & B Zone</td> <td>Benefits will be of C zone - 40 %</td> </tr> <tr> <td>C & D Zone</td> <td>Benefits will be of D+ zone - 60 %</td> </tr> <tr> <td>D+ & Non-Industrial District</td> <td>Benefits will be Naxalism Affected Area – 100 %</td> </tr> </table> <p>Additional Benefits:</p> <ol style="list-style-type: none"> Capital Subsidy Power Tariff Subsidy Interest Subsidy @ 5% 		A & B Zone	Benefits will be of C zone - 40 %	C & D Zone	Benefits will be of D+ zone - 60 %	D+ & Non-Industrial District	Benefits will be Naxalism Affected Area – 100 %
A & B Zone	Benefits will be of C zone - 40 %							
C & D Zone	Benefits will be of D+ zone - 60 %							
D+ & Non-Industrial District	Benefits will be Naxalism Affected Area – 100 %							
Highlights of the policy	<ol style="list-style-type: none"> Policy offers benefits linked to Revenue & Capital Subsidy both Power tariff subsidy for 5 years at a double rate as compared to PSI (Rs. 2 per unit in Vidharbha/Marathwada/North Maharashtra areas & Re. 1 in other areas) 							

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ELECTRIC VEHICLE POLICY 2018

Validity Period	1st April ,2018 to 31st March ,2023	
Eligible units/ sectors	<ol style="list-style-type: none"> 1. Electric Vehicles (EV) 2. EV Components 3. EV Battery 4. EV Battery Components 5. EV Charging Station's Equipment 	
Classification	Same as PSI (i.e. on the basis of Industrial Development A, B, C, D, D+ and No Industry area and Aspirational districts)	
Benefits/Subsidies offered	<p>MSME & large units will get benefit of ONE scale Higher</p> <p>Mega Criteria: A& B zones- 250 crores OR 500 Employees , C,D,D+, Others – 100 crores OR 250 Employees</p> <p>Ultra Mega Criteria: 1500 crores OR 3000 Employees (Across the state)</p>	
Highlights of the policy	Commercial public EV charging stations for 2 wheelers, 3 wheelers, cars and buses will be eligible for 25% capital subsidy on equipment/machinery (limited up to Rs. 10 lacs per station) for first 250 commercial public EV charging stations	

STAGES OF SANCTION OF SUBSIDY BENEFITS



OVERVIEW/OBJECTIVE OF MADHYA PRADESH INDUSTRIAL POLICIES

The key objectives are:

- I. To improve investor facilitation and enhance ease of doing business
- II. To create an enabling environment for robust industrial growth
- III. To achieve inclusive industrial infrastructure development in the state
- IV. To promote environmentally sustainable industrial growth and balanced regional development
- V. To enhance employment opportunities in all sectors
- VI. To encourage growth in Madhya Pradesh's thrust sectors.

MADHYA PRADESH POLICIES

MP MSME POLICY 2019

Capital subsidy @40% on plant and machinery and Building

Additional benefit to export oriented units

Special emphasis to pharma sector, Powerloom no bifurcation in to zones

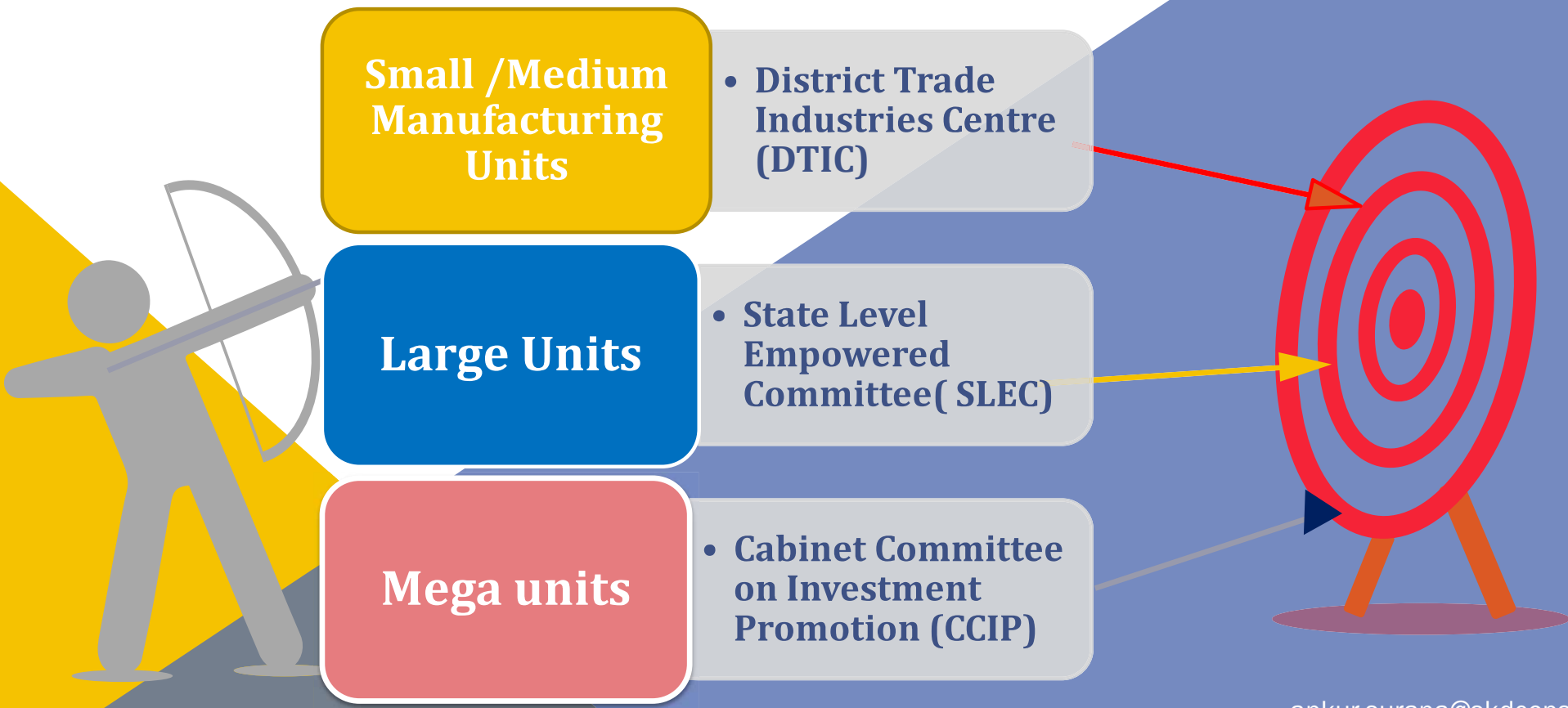
INDUSTRIAL PROMOTION POLICY 2014 (AMENDED 2019)

Up to 40% to 60% capital subsidy on plant and machinery and Building

Applicable to Large Scale units and Mega units

Special assistance to Food Processing, Textile and Garment manufacturing industries

IMPLEMENTING AGENCIES (MP)



Consultancy and advisory role

ADVISORY/CONSULTANT

- Analysis of the proposed and actual investments & tax structure for planning incentive
- Guiding for maximizing the benefits/ incentives as per guidelines of the Scheme.
- Planning of NEW/EXPANSION Investments
- Handling other issues like early closure of unit, Transfer, merger & Acquisition
- NOC from department for exiting the scheme & other transfer cases

EXECUTION/ PROCESSING

- Making valid Application & documentation as per the guidelines scheme.
- Identifying, solving the queries those could be raised by government authorities.
- Getting the “Eligibility certificate(sanction)” .
- Getting actual refund/disbursement claims from authorities.
- Submission of six monthly compliance reports in the prescribed format.

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DOMAINS WE SPECIALIZE IN:

CENTRAL & STATE GOVT. SUBSIDY SCHEME FOR ESDM SECTOR

SPECS - Scheme for
Promotion of
Manufacturing of
Electronic Components and
Semiconductors

Maharashtra Govt. **State
Electronic Policy (SEP)**
2016

STATE GOVT. INDUSTRIAL SUBSIDY'S SCHEMES APPROVAL & RELATED SERVICES

Madhya Pradesh

Maharashtra

Rajasthan

FINANCE PORTFOLIO & LICENSES

Private Equity/ Venture
Capital/ Project finance /
Bank loans

Industrial licenses like
Udyam registration,
Industrial Entrepreneurs
Memorandum (IEM),
Import Export Code (IEC),
NSIC, Pollution certificate
(MPCB)

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DOMAINS WE SPECIALIZE IN (CONT):

CENTRAL GOVT. INITIATED START UP ADVISORY SERVICES/CSR ADVISORY SERVICES

**Start up Advisory &
Nurturing on PAN India
basis**

CSR Advisory Services

PROJECT REPORTS & CMA PROJECTIONS

**Preparation of Project
Report for various
sectors**

**CMA(Credit
Monitoring
Arrangement)
Projections**

PURCHASE/SALE/LEASE OF INDUSTRIAL PROPERTY

**Portal of Industrial
Property
(Purchase/Sell)**

**Purchase & sale of
Plant & Machinery**

ankur.surana@skdconsultants.com
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THANK YOU



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