WELCOME

PACKAGE SCHEME OF INCENTIVE
2013

PROMOTION OF
INDUSTRIALIZATION
VISION

To make Kolhapur as one of the most preferred investment destination in Maharashtra leading to Textile, Engineering, Agro base, Auto component Industries

Objective

To augment & improve the supportive Infrastructure to facilitate Industrial growth.
To make Kolhapur as industrial hub for production of qualitative Textile, Foundry & Agro base.
PSI 2013

- Coverage – Eligible Industrial Units in Pvt., Co-op, Public and Joint sector

- *Industries in 1st Schedule of IDR Act 1951*
- *Manufacturing enterprises under MSMED 2006*
- *IT & BT manufacturing units*
- *Cold storages*
- *Mechanized Food/Agro processing industries*
  - Dairy, Fruit and Vegetable Processing
  - Grain Processing
  - Fish Processing
  - Packed foods
  - Non alcoholic beverages from fruits & vegetables
• **New Unit** :- A unit set up for the first time by an entity in any taluka where there is no Existing Unit set up by the same entity and satisfies following conditions
  
  • *It is not an Existing Unit*
  
  or
  
  • *At least one of the effective step is completed on or after 01.04.2013.*
  
  • *a) Effective possession of Land.*
  
  • *b) Constitution.*
  
  • *c) MPCB consent to Establishment*
  
  • *d) E M-1 (If Obtained) / IEM*
  
  or
  
  • *It is not formed as a result of re-establishment, mere change of ownership, constitution or revival of existing unit.*
• **Existing Unit:-** Unit satisfying following criterion
  
  • *A unit in production prior to 01.04.2013, or*

  • *A unit which has been granted EC or has availed any incentives (Ex St Duty) under earlier scheme, or*

  • *A unit which has filed a valid application under PSI 2007 on or before 31.03.2013*
• **Expansion / Diversification** :- Additional FCI on or after 01.04.2013 for manufacture of same or different products provided

  • *Additional Investment should be more than 25% of Gross FCI of immediate previous year (Min FCI Rs 25 lakhs for MSME and Rs 5 Crs for others) and,*

  • *Additional FCI should result in increase in capacity by at least 25% and,*

  • *Additional FCI should result in increase in employment by atleast 10% .*
## Implementing Agencies

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category of Industrial unit</th>
<th>Implementing Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Micro &amp; Small Manufacturing Enterprises</td>
<td>District Industries Centre</td>
</tr>
<tr>
<td>2</td>
<td>Medium Manufacturing Enterprises</td>
<td>Regional Jt. Director of Industries</td>
</tr>
<tr>
<td>3</td>
<td>Large Scale Industries/Mega Project/Ultra Mega Projects</td>
<td>Directorate of Industries, Government of Maharashtra.</td>
</tr>
</tbody>
</table>
**Defination**

**MSMEs** :- As per MSMED Act, 2006.

**Large Scale units** :- Investment more than medium mfg. enterprises as per MSMED Act, 2006, but less than the mega projects

**Mega Project / Ultra Mega Project**

<table>
<thead>
<tr>
<th>Type of unit</th>
<th>Taluka /Area Classification</th>
<th>Minimum Fixed Capital Investment (Rs. in Crs)</th>
<th>Minimum Direct Employment (Nos.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mega Project</td>
<td>A &amp; B</td>
<td>750</td>
<td>1500</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>500</td>
<td>1000</td>
</tr>
<tr>
<td></td>
<td>D &amp; D+</td>
<td>250</td>
<td>500</td>
</tr>
<tr>
<td>Ultra Mega Project</td>
<td>Entire State</td>
<td>1500</td>
<td>3000</td>
</tr>
</tbody>
</table>
## Financial Incentives for MSMEs/LSI

<table>
<thead>
<tr>
<th>Area / Zone</th>
<th>Ceiling as % of FCI</th>
<th>No. of Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MSME</td>
<td>LSI</td>
</tr>
<tr>
<td>A</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>B</td>
<td>20</td>
<td>--</td>
</tr>
<tr>
<td>C</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>D</td>
<td>70</td>
<td>40</td>
</tr>
<tr>
<td>D+</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>Area</td>
<td>IPS</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Group B Taluka</td>
<td>SGST on local sales minus ITC or Zero whichever is more + CST payable + 20% of ITC</td>
<td></td>
</tr>
<tr>
<td>Group C Taluka</td>
<td>SGST on local sales minus ITC or Zero whichever is more + CST payable + 30% of ITC</td>
<td></td>
</tr>
<tr>
<td>Group D Taluka</td>
<td>SGST on local sales minus ITC or Zero whichever is more + CST payable + 40% of ITC</td>
<td></td>
</tr>
<tr>
<td>Group D+ Taluka</td>
<td>SGST on local sales minus ITC or Zero whichever is more + CST payable + 50% of ITC</td>
<td></td>
</tr>
<tr>
<td>SGST</td>
<td>As per Govt. Resolution dtdd.14/02/2018 IPS of 100% of Gross SGST for MSMEs</td>
<td></td>
</tr>
</tbody>
</table>
## Industrial Promotion subsidy (LSI)

<table>
<thead>
<tr>
<th>Area</th>
<th>IPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group C Taluka</td>
<td>60% of SGST on 1&lt;sup&gt;st&lt;/sup&gt; sale in Maharashtra minus ITC or Zero whichever is more</td>
</tr>
<tr>
<td>Group D Taluka</td>
<td>70% of SGST on 1&lt;sup&gt;st&lt;/sup&gt; sale in Maharashtra minus ITC or Zero whichever is more</td>
</tr>
<tr>
<td>Group D+ Taluka</td>
<td>80% of SGST on 1&lt;sup&gt;st&lt;/sup&gt; sale in Maharashtra minus ITC or Zero whichever is more</td>
</tr>
<tr>
<td>No Industries District &amp; Vidarbha, Marathwada</td>
<td>90% of SGST on 1&lt;sup&gt;st&lt;/sup&gt; sale in Maharashtra minus ITC or Zero whichever is more</td>
</tr>
<tr>
<td>Naxalism Affected Area</td>
<td>100% of SGST on 1&lt;sup&gt;st&lt;/sup&gt; sale in Maharashtra minus ITC or Zero whichever is more</td>
</tr>
</tbody>
</table>
• **Interest S/S :-**
  
  All New MSMEs Manufacturing enterprises in area other than A Group are eligible for Interest subsidy. The Interest subsidy will be payable on term Loan @ 5% effective rate of interest (after deducting penal/compound interest, interest receivable under any other scheme)

  Interest S/S should not exceed power bill paid during that year.

• **Power Tariff Subsidy :-**
  
  All New MSMEs Manufacturing enterprises in area other than A Group are eligible for power tariff subsidy @0.50 per unit for a period of 3 years.
Incentives for strengthening MSMEs and LSIs

A) New & Expansion MSME in all categories of areas will be eligible for following incentives

- i) 5% subsidy on capital equipment for Tech upgradation, max Rs 25 lakhs
- ii)) 75% subsidy on expenses on quality certification, max Rs 1 lakhs
- iii) 25% s/s on capital equipment for cleaner production, max Rs 5 lakhs
- iv) 75% subsidy on expenses on patent registration. max Rs 10 lakhs for national & Rs 20 lakhs for international
B) Incentive for Credit rating of MSMEs in all areas

75% of cost carrying our rating by Small Industries Developments Bank of India / Govt. accredited credit rating agency max Rs 40,000/-

C) Incentives for MSME and LSI New & Expansion

- i) 75% of cost of water audit, max Rs 1 lacs
- ii) 75% of cost of energy audit, max Rs 2 lacs
- iii) 50% cost of capital equipment for recycle/ conserve water, max 5 lacs
- iv) 50% of cost of capital equipment for improving energy efficiency, max Rs 5 lacs
Non fiscal Incentives

- **Electricity Duty Exemption** :- *New MSME and LSI for eligible period.* (From C - Zone onwards)

- **Stamp Duty Exemption** :- *For New as well as for expansion during investment period (Land & for Loan purposes)* (Article 6- Hypothecation, 25 – Conveyance, 33- Further charge on mortgaged property, 36- lease and 40- Mortgage) Notification of R&F Dept dated 14th May 2013.. (From C – Zone onwards)
Annual Cap on Incentives during Eligibility Period

- Incentives will be disbursed equitably during entire eligibility period of the unit with a provision for carry forward.
  - Total admissibility Rs 1000 for 10 years, unit will be disbursed max Rs 100 every year
  - Suppose annual claim during 1st year comes to Rs 150, Rs 100 will be disbursed and Rs 50 will be carried forward in next year
  - If during 2nd year annual claims comes at Rs 75, total will be 75 + 50 = 125, Rs 100 will be disbursed and Rs 25 will be carried forward to 3rd year
When to Apply for EC

- Only after completion of effective steps but not later than 30.09.2018 or the new policy comes into force.
- Unit shall acquire and pay for the assets and commence commercial production within investment period.
- Delay in production and application will be proportionate curtailment of incentives and eligibility period.
- Investment period will be from date of application or the date suggested by the unit (within the scheme period)
  - for MSME – 3 years
  - For LSI – 4 years
  - For Mega/ultra Mega- 5 Years
How to apply for PSI 2013?

1. Online application on [www.di.maharashtra.gov.in](http://www.di.maharashtra.gov.in) (New unit and Expansion unit)

2. Land Documents
   a) in MIDC Area – Possession with reg. Lease Deed/ Deed of Assignment
   b) Non-MIDC Areas – Reg. Doc. with N.A (Industry) acknowledgement receipt of application made under Section – 44 A.

3. Constitution (Prop./Partnership/Co-op. Soc./Memorandum and Article of Association)

4. Project Report/Profile.

5. Authorization for signing of application, execution of agreements etc.
### Eligibility of Units

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Proprietorship</td>
<td>100% equity of SC/ST entrepreneur</td>
</tr>
<tr>
<td>Partnership</td>
<td>100% equity of SC/ST entrepreneur</td>
</tr>
<tr>
<td>Co-operative Sector unit</td>
<td>Registered under co-op. Act &amp; having 100% equity of SC/ST entrepreneur</td>
</tr>
<tr>
<td>Private / Public Limited</td>
<td>100% equity of SC/ST Shareholders</td>
</tr>
</tbody>
</table>

**Note:** Entrepreneur have to submit Caste certificate along with Caste Validity certificate of Components Authority.
Salient features of Policy

- Scheme is applicable to all Eligible Industrial units cover under Para 1.2 of PSI 2013
- The Scheme is applicable to IT/ITES units
- Eligible unit is Group A and B will Eligible for Group C benefits
- Eligible unit is Group C and D will Eligible for Group D+ benefits
- This Scheme is applicable to new as well expansion.
Additional Incentives

All New MSMEs units are eligible for following additional incentives

1. **Land incentives (Only for New Land)**
   - a) 30% Cost of land in MIDC Max 10.00 Lakhs
   - b) 20% Cost in Outside MIDC Max. 5.00 Lakhs

2. **Power Tariff Subsidy**: @Rs. 1 per units for period of 5 year

3. **Special Capital Incentives**

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Group</th>
<th>Incentive % of FCI</th>
<th>Max SCI In Lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A&amp; B</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>C</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>D</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>D+</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>
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