Package Scheme of Incentives (PSI-2019)

The **PSI-2019** by the Government of Maharashtra is aimed at promoting industrial development and generating employment throughout the state.

It provides fiscal and non-fiscal incentives to foster growth, especially in less industrialized regions.

1. Overview

- **Effective Period**: April 1, 2019 – March 31, 2024, now **extended to March 31, 2025**.
- **Goals**: Balanced regional growth, attracting investments, creating employment, and promoting sustainable industrialization.

2. Eligibility

2.1 Eligible Industries

1. Enterprises under the **Industries (Development and Regulation) Act, 1951**.
2. MSMEs as per the **MSMED Act, 2006**.
3. IT and Bio-tech manufacturing units registered with MIDC, SEEPZ, or STPI.
4. Agro-processing units, including dairy, fruit/vegetable processing, and grain mills.
5. Thrust sectors such as electric vehicles, green energy, Industry 4.0 technologies, aerospace and defence, and logistics.

2.2 Ineligible Industries

1. Manufacturing of beer and liquor.
2. Manufacturing of cigarettes, bidi, or any other tobacco-containing products.
3. Manufacturing of gutka and pan masala.
4. Any other product banned by the Central or State Government.
5. Manufacturing of all types of textiles (including cotton ginning, pressing, sizing, spinning, weaving, bleaching, dyeing, and mercerizing) covered under the Textile Policy – 2018 – 23 of Maharashtra State are generally eligible only for incentives not offered by other State Government Agencies.

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3. Area Classification

Regions are classified into categories based on industrial development:

Group A	Highly developed areas
Group B	Moderately developed areas
Group C	Developing areas
Group D	Underdeveloped areas
Group D+	Least-developed areas
No Industry Districts	Minimal industrial activity
Special Areas	Aspirational districts and Naxal-affected areas

Note : Please check the circular for the group-wise Region/City classification.

4. Incentives

4.1 Fiscal Incentives

1. **Industrial Promotion Subsidy (IPS)**:
    - **MSMEs**: Up to **100% SGST reimbursement** on the first sale within Maharashtra.
    - **LSIs**: Typically, up to **50% SGST reimbursement**.

2. **Interest Subsidy**: Subsidy on term loan interest (capped at **5%** or the effective interest rate).

3. **Electricity Duty Exemption**:
    - Up to **15 years** for units in Group C, D, D+, Naxal-affected, and Aspirational Districts.
    - IT and Bio-tech units in Group A/B: 7 years.

4. **Stamp Duty Exemption**:
    - Full exemption for Groups C/D/D+, No Industry Districts, and Aspirational Districts.
    - Partial waivers (up to 75%) for IT/Bio-tech units in other regions.

5. **Power Tariff Subsidy**:
    - ₹1/unit for Vidarbha, Marathwada, and remote areas.
    - ₹0.50/unit in other regions, except Group A.

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4.2 Additional MSME Incentives

1. 5% subsidy on capital equipment for **technology upgradation** (max ₹25 lakhs).
2. 75% subsidy on **quality certifications** (₹1 lakh cap).
3. 75% subsidy on **patent registrations** (up to ₹20 lakhs for international patents).
4. Support for energy/water conservation audits.

4.3 Incentive Limits

The **maximum incentive as a percentage of FCI** is as follows:

Area Classification	**Max Incentive (% of FCI)**	**Eligibility Period (Years)**
Group A	Not Eligible	Not Applicable
Group B	30%	7
Group C	40%	7
Group D	50%	10
Group D+	60%	10
Vidarbha/Marathwada/Dhule/Sindhudurg	80%	10
No Industry/Naxal-Affected Areas	**100%**	10

5. Eligible Fixed Assets

1. Land/area in effective possession with permission for industrial use.
2. Cost of development of the location of the unit.
3. Building
4. Plant and machinery (new)
5. Electrification and installation expenses.
6. Capitalized value of know-how and drawings (limited to 10% of capital cost).
7. Capital work-in-progress.
8. R&D units (with benefits limited to the lower of 25% of investment or ₹100 Crore).
9. Installation and pre-operating expenses to the extent capitalized.

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Note: The limits and incentives for Large-Scale Industries, Mega Industries, and Ultra Mega Industries vary. Please refer to the circular for details.

- **Key Links**

  Website: https://maitri.maharashtra.gov.in/

  Detailed Circular: https://maitri.mahaonline.gov.in/PDF/Package%20Scheme%20of%20Incentives%20-%202019.pdf

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