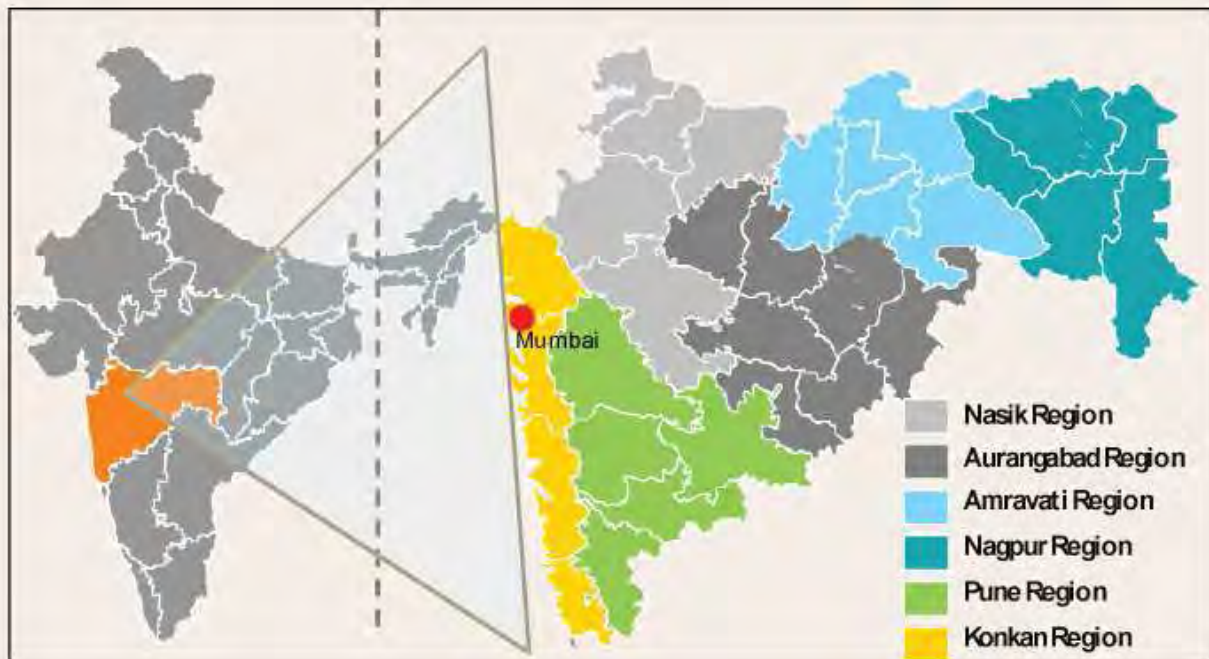




Industrial Policy of Maharashtra 2013

ABOUT MAHARASHTRA

Maharashtra is a state in the western part of peninsular India. The state is bordered by the Arabian Sea to the west, Gujarat and the Union Territory of Dadra and Nagar Haveli to the northwest, Madhya Pradesh to the northeast, Chhattisgarh to the east, Karnataka to the south, Andhra Pradesh to the southeast and Goa to the southwest.



- Maharashtra is the second largest state in India in terms of population and third largest in terms of geographical area, spread over 3.08 lakh sq. km.
- Mumbai, the capital city of the state, is India's largest city and the financial capital of the nation. Nagpur is the second capital of the state. Marathi is the official language.
- The state has a long coastline stretching nearly 720 kilometers along the Arabian Sea.
- The state has a population of 112.3 million which is 9.29% of the total population of India. The sex ratio of the state is 925 females to 1000 males.
- As per the provisional estimate of the year 2010-11, the state's urban population is 45.23 per cent as compared to national average of 31.16 per cent.
- As per the preliminary estimates for the year 2010-11, the state's GSDP at factor cost is at INR 10,68,327 crore which is 14.93 per cent of the national GDP.



INDUSTRIAL POLICY AT A GLANCE

The Industrial Policy, 2013 focuses on the following:

- 1. Increased focus on less developed regions of the state to bring them on par with mainstream industrial development**
- 2. Customized package of incentives for Ultra Mega and Mega Industrial Investment**
- 3. Holistic approach to MSME development**
- 4. Initiatives to encourage employment-intensive industries**
- 5. Path-breaking initiatives for investor facilitation and ease of doing business**
- 6. Optimal utilization of land for industrial development**
- 7. Strengthening of industrial infrastructure**
- 8. Assistance to unviable sick units for easy exit and to viable sick units for revival**
- 9. Incentives to bring about sustainable industrial development**

PREAMBLE

Background

With increasing globalization, the impetus is on setting up and running manufacturing facilities which are cost competitive. India with its factory endowments, availability of skilled labour and developing infrastructure, has constantly improved its attractiveness as a global manufacturing destination. In view of this development, Government of India has set an ambitious target of increasing India's manufacturing sector share to 28 per cent of GDP by 2022 from the existing share of 16 per cent (2009-10).

Maharashtra: The preferred industrial investment destination

Maharashtra is one of the largest states in India, both in terms of area and population. The state continues its predominant position as an industrial and services centre, with Mumbai as the commercial and financial capital of the country. Maharashtra continues to be one of the foremost states in the country, in terms of investment and economic growth. During the period from 2005-06 to 2009-10, the state's Gross State Domestic Product (GSDP) grew at a Compound Annual Growth Rate of 16.8 per cent and accounted for 14.7 per cent of the country's Gross Domestic Product in 2009-10.

The state has been a preferred investment destination for both domestic and foreign companies because of the availability of skilled manpower, enabling infrastructure and socio-economic development. In 2009-10, the manufacturing sector accounted for around 21.4 per cent of GSDP (at current prices). Maharashtra has been a pioneer in many of the policy initiatives that support manufacturing sector and the State Government recognizes that manufacturing is a key driver of state's economic growth.

The state's current Industrial, Investment and Infrastructure Policy announced on 12th February, 2007, has been successful in attracting substantial industrial investment. Since 2005, total industrial investment in Maharashtra has witnessed a three-fold increase primarily attributed to the Mega Projects Policy, which has succeeded in attracting more than ₹ 2.8 lakh crore worth of investment in manufacturing sector.

The manufacturing sector during this policy period grew by 11.8 per cent, surpassing its policy growth target of 10 per cent. Traditional manufacturing sectors such as steel, auto & engineering, and chemicals have been the mainstay of industrial investment in the state. During the 2006 policy period, auto and engineering accounted for 27 per cent share of industrial investment, while chemicals and steel followed with 23 per cent and 15 per cent share respectively.



For Maharashtra to retain its leading position in industrial investment, the State Government will look to leverage its strengths in attracting mega investment. Differential incentives will be provided to industrially underdeveloped regions, to promote balanced regional development.

The state's focus will be on creating a hassle-free environment for investors during the entire investment cycle, be it before, during or after their investment. At the same time, the State Government also recognizes the challenges it faces in terms of making sufficient land available for industrial use, ensuring adequate power and water for industrial purposes, building critical infrastructure in terms of roads, ports, airports, railroads and bridging skill gaps etc. Steps will be taken to strengthen the supporting industrial infrastructure aimed at bringing other regions of the state functionally closer to growth centers such as Mumbai and Pune. Special impetus is intended to be given for cluster development, competitiveness-enhancing measures, and fiscal incentives for the holistic development of MSMEs.

The State Government is fully committed to faster, sustainable, inclusive and balanced regional growth, to accelerate creation of employment opportunities and improve overall competitiveness of local industry. The country's first National Manufacturing Policy was recently approved. One of the key instruments to catalyze the growth of manufacturing will be establishment of National Investment and Manufacturing Zones (NIMZs) which will be developed in the nature of green field industrial townships, benchmarked with the best manufacturing hubs in the world. As an equal partner in the implementation of this policy, Maharashtra would lead and leverage this policy by setting up NIMZs along the Delhi-Mumbai Industrial Corridor (DMIC) and in other parts of the state.

Vision

"Maharashtra - a globally competitive manufacturing destination that promotes faster sustainable investment and inclusive growth"

Mission

To place Maharashtra amongst the most preferred investment destinations in Asia, for global investors, through aggressive promotional strategies combined with developing a globally competitive and sustainable investment environment, thereby making Maharashtra as one of the most favoured economic magnets and centres of unlimited attractions.

Policy Objectives

The objectives of the Industrial Policy, 2013 are:

- To retain Maharashtra's leadership position in industrial investment within the country
- To further accelerate investment flow to industrially underdeveloped regions of the state
- To create more employment opportunities

Policy Targets

In line with the policy objectives, the Government has set the following targets under the Industrial Policy, 2013:

- To achieve manufacturing sector growth rate of 12-13 per cent per annum
- To achieve manufacturing sector share of 28 per cent of state GDP
- To create new jobs for 2 million persons
- To attract investment of ₹ 5 lakh crore (₹ 5 trillion)

Policy Validity

This Policy will be valid up to March 31st, 2018.

STRATEGIES

The state will adopt appropriate strategies to achieve the policy objectives and targets through a combination of both fiscal and non-fiscal interventions.

Strategies to achieve manufacturing sector growth of 12-13 per cent per annum and share of 28 per cent of GSDP

- i. Continue to encourage mega investment
- ii. Make land available for industrial development
- iii. Improve industrial infrastructure throughout the state
- iv. Increase investment flow to industrially underdeveloped regions
- v. Improve investor facilitation and ease of doing business
- vi. Develop skilled manpower

Strategies to create 2 million jobs

- i. Renew focus on MSME
- ii. Offer additional incentives to employment-intensive Mega units
- iii. Leverage state and central skill development schemes
- iv. Assist unviable sick units with exit and viable sick units with rehabilitation
- v. Consider Agro Processing as a thrust sector

INFRASTRUCTURE: THE GROWTH ENGINE

For integrated industrial and economic development, it is vital to provide a conducive environment encompassing adequate physical, industrial and communication infrastructure. For Maharashtra to retain its position as the foremost investment destination, the State will undertake specific measures for improvement of infrastructure.

Leveraging DMIC and Secondary Growth Corridors

The Delhi-Mumbai Industrial Corridor (DMIC) is a mega infrastructure project, which is expected to cover an overall length of 1,483 km between Delhi and Mumbai. About 17 per cent of its Project Influence Area is in Maharashtra, covering approximately 20 per cent area and 26 per cent population of the state. A band of 150 km on either side of the freight corridor has been identified as the Influence Region for industrial development. The major districts covered under the corridor will be Mumbai Suburban, Mumbai, Thane, Nashik, Pune, Aurangabad, Ahmednagar, Dhule, Nandurbar and Raigad.



Under DMIC, the State Government will undertake the following development initiatives:

- a. Mega Industrial Park at Shendra - Bidkin, Dist. Aurangabad
- b. Exhibition cum Convention Centre at Additional Shendra, Dist. Aurangabad
- c. Dighi Industrial Area, Dist. Raigad
- d. Mega Industrial Park at Sinnar, Dist. Nashik
- e. Multi-Modal Logistics Park at Talegaon, Dist. Pune
- f. Mega Industrial Park at Dhule, Dist. Dhule
- g. Facilitate DMICDC to set up the following gas-based power projects
 - i. 1000 MW Gas based Power Plant at Vile Bhagad, Dist. Raigad
 - ii. 1000 MW Gas based Power Plant at Indapur, Dist. Pune

Secondary Growth Corridors

Leveraging the DMIC, State Government will strategically create the following secondary growth corridors along national and major state highways.

- A. Mumbai - Nashik - Aurangabad - Amravati - Nagpur
- B. Mumbai - Pune - Satara - Sangli - Solapur
- C. Mumbai - Ratnagiri - Sindhudurg

These secondary corridors will bring industrially underdeveloped areas of Vidarbha, Marathwada and Konkan functionally closer to growth centres like Mumbai and Pune. Additional emphasis will be on the development of Food and Agro Processing, Engineering and Electronics, and support industries such as Logistics and Warehousing.

Committee on Industrial Infrastructure Development for Maharashtra (CIID)

Multiple state-level nodal agencies namely, MIDC, MMRDA, MSRDC, PWD, Irrigation, MAHAGENCO, etc are involved in infrastructure planning and development. To synchronise their efforts in an integrated manner so as to plan and create necessary industrial infrastructure, the Committee on Industrial Infrastructure Development for Maharashtra (CIID) will be set up. The Committee will be headed by the Chief Secretary and will be the sanctioning authority for the trunk infrastructure projects. Funds will be administered by this Committee.

The State Government will set up a Critical Industrial Infrastructure Fund to provide the last-mile infrastructure for MIDC areas. An initial corpus of ₹ 500 crore will be created for this purpose. The State Level committee under Package Scheme of Incentive will review and monitor the project implementation.

Special Economic Zones (SEZs)

The state has the highest number of approved SEZs. 17 SEZs are already operationalised and 39 are under various stages of implementation as of November 2012. To ensure quicker conversion of proposed SEZs into operational ones, the Government has provided the following fiscal incentives; vide GR SEZ-2010/CR-534/IND-2 dated 15.10.2011:-

- Time-bound refund of VAT to the units as well as to the developers.
- Exemption from payment of royalty on excavation of minor minerals within the SEZ.
- Exemption from payment of N.A. Tax
- Stamp Duty Exemption for land acquisition.

The above fiscal incentives shall be continued under this policy. The Government will extend all required administrative support to the SEZs.

Exhibition-cum-convention centres by various State or Local Authorities

Exhibition-cum-convention centres are being developed by various State Government authorities and local authorities such as PCNTDA, MIDC, and Municipal Corporations. Some examples are the International Exhibition and Convention Centre at Moshi, on Pune-Nashik Road, Exhibition-cum-Convention Centre at Shendra Industrial Area (near Aurangabad city) and the Commercial Complex near Ambazari Garden (Nagpur). The State Government will provide the necessary support for the above-mentioned projects

Helipads

In order to accelerate the air transport infrastructure, helipads will be constructed at major MIDC areas.



LAND FOR INDUSTRIAL USE

One of the key challenges faced by the State Government is to ensure availability of land for industrial use. In this regard, the state will adopt suitable measures like utilizing land of de-notified Special Economic Zones (SEZs), promoting development of new cooperative industrial estates and augmenting the initiatives of MIDC.

Maharashtra Industrial Development Corporation (MIDC)

MIDC will continue to play a key role in providing land and related industrial infrastructure for setting up of manufacturing facilities within the State. To adequately meet the growing demand for land, MIDC will use innovative models for land acquisition.

Increased FSI to Industrial Areas

The growth in business operations of existing units within MIDC areas is constrained by lack of adequate space. In order to address this, additional Floor Space Index (FSI) shall be permitted in MIDC areas and new co-operative industrial estates to the extent of 0.5, over and above the basic FSI, by charging premium at rates decided by the MIDC with approval of the Govt.

Leverage land under de-notified or withdrawn SEZs

The policy proposes to allow use of lands in de-notified and withdrawn SEZs for development of Integrated Industrial Areas, described in greater detail in Schedule-A to this policy.

Flatted Structures

With rapid increase in the cost of land, entrepreneurs of small enterprises are finding it difficult to obtain land for their ventures. Therefore, to provide space for MSMEs, flatted structures will be constructed in MIDC areas. Such space shall be provided to Micro, Small & Medium Manufacturing Enterprises for their industrial use.

Reservation of MIDC plots

In New MIDC Industrial Estates, 10% area will be reserved for Micro and Small Industries. Out of this, 5% area will be allotted on priority basis to woman entrepreneurs, SC and ST entrepreneurs and Industrial Units of Women's Savings Groups.

The present Policy of MIDC regarding allotting plots on priority basis to Mega Projects will be continued further.

MIDC will make the efforts to acquire additional land where 75% of plots have been allotted in the existing Industrial area.

INVESTOR FACILITATION AND INVESTMENT PROMOTION

Investor Promotion and Facilitation Cell

Over the years, the role of the State Government has changed from that of a service provider to that of a facilitator. To attract industrial investment, State Government has made several efforts to undertake investment promotion and facilitation. Udyog Setus have been set up in several districts of the State to facilitate clearances through a single window on behalf of several Government agencies to industrial entrepreneurs. Development of an integrated electronic single window portal, Maha eBiz, is already underway.

Despite these various initiatives, it has been felt that it is essential to constitute a dedicated cell with focus on investor facilitation and support. The State Government proposes to set up an Integrated Cell, under Principal Secretary (Industries) to carry out inter-alia the following activities:

- Investment promotion, comprehensive generation and dissemination of relevant information, arranging and participating promotional events.
- Escort services through hand-holding support, management of web-based portal, coordination with different government agencies.
- Investment Promotion Cell
- Project consultancy services
- Investor after-care cell
- Foreign investors (FDI) Cell
- Economy and data cell etc.

The Government will provide required corpus to launch the Cell.

Maha eBiz Portal-To Serve ONLINE, NOT IN LINE

In line with MIDC's vision of holistic and inclusive growth by turning 'digital,' the Corporation has developed an Investor portal. The objective of this portal is to provide investors a one-stop portal for information, services and consents electronically. The Maha eBiz portal provides information for 205+ services, including 45 fully automated services of MIDC, MPCB and Directorate of Industries and 160 non-automated services across various state and central departments, which will be integrated soon. The services have been categorized into various sectors and industries. They have also been categorized distinctly under different central and state departments for the benefit of its existing customers and plot holders along with prospective investors. Currently, entrepreneurs can obtain approvals for the 45 fully automated services through this portal.

To further augment single window clearance, the State Government will inter-alia incorporate new features such as:

1. SMS facility
2. Payment Gateway
3. Barcode tracking services
4. Back-end processing platform through ERP
5. Linking with Labour department and MSEB
6. Fire services in Non-MIDC areas

The service of this portal will be expanded as a Single Window Portal for augmenting industrial investment by facilitating all required clearances, approvals, returns filing etc. of Industries Department as well as all industry interfacing departments/agencies of different levels of government.

Build Brand Maharashtra - 'Magnetic Maharashtra: Attraction Unlimited'

Maharashtra is a hotspot of major economic activity within India and the world. The State Government's goal is to build Brand Maharashtra as a most favoured economic magnet and attractive investment destination known for its quality production, renowned technology, state of the art industrial infrastructure and safety. Moreover, the State Government is committed to providing investors world class infrastructure, with ease of doing business, skilled manpower and most importantly a belief that a "Magnetic Maharashtra" can provide "Attractions Unlimited."

Brand Maharashtra will assure the world that a product from this state is of highest quality standards, created through an environment friendly process and at a very competitive price. This Industrial Policy will promote branding of Maharashtra through its industrial development strategies, ensuring that all types of industries from micro to mega scale are developed in a holistic manner, employment is generated on a large scale, skill gaps in manpower are bridged and more importantly, balanced regional growth of the state is achieved.

SIMPLIFICATION OF ADMINISTRATIVE PROCEDURES

Multiple Taxation Interface

MIDC industrial areas are located in areas which may fall under the jurisdiction of local authorities such as Municipal Corporations, Municipal Councils and Gram Panchayats. The multiplicity of these authorities and their charges make the approval process complex and costly for the investors. To address this issue, the Government of Maharashtra will review and provide a single interface by making suitable amendments to relevant statutes.

Labour NOC

The process of obtaining No Objection Certificate (NOC) from Labour department for transfer of land in MIDC areas, Labour Cess and other Labour related issues will be further simplified.

Computerization

The State Government has already started computerization of the entire Package Scheme of Incentives. An integrated software is currently being developed and will be deployed shortly. This computerisation will provide for online filing of applications, digital processing, status verification, electronic delivery of Eligibility Certificate, sanction of IPS & other claims, filling up of follow up reports, etc.

Business Process Re-engineering

In addition to this, the State Government will undertake a review of procedures relating to the provision of all services, clearances, and licenses to industries.

SKILL DEVELOPMENT

One of the major constraints faced by the manufacturing sector is availability of skilled manpower. To address this, the National Council on Skill Development was constituted under the Chairmanship of Hon'ble Prime Minister to prepare the National Skill Development Policy. The National Council has set a target of generating additional 50 crore (500 million) skilled manpower at an all-India level. In turn, the Government of Maharashtra has fixed a target of generating 45 million skilled manpower by 2022. Under this National Council, the State Government has formed the State Management Committee of Skill Development Initiative for Maharashtra and Sectoral Skill Committees under the Department of Higher and Technical Education (H&TE). In order to implement these initiatives effectively, a coordinated effort is required between these committees and the respective industries to identify the demand - supply gap

and the requirements of specific skill sets. The State Government will set up a Skill Development and Enhancement Cell (SDEC) under Principal Secretary (Industries), which will act as a coordinating body between Department of H&TE and Industry Associations.

Maharashtra Centre for Entrepreneurship Development (MCED) will be strengthened to play a bigger role in the training needs of industry. Linkages with Industrial Training Institutes (ITIs) and other vocational training institutions will be encouraged for skill gap assessment. Furthermore, industry associations will be encouraged to take up hands-on training in the industrial units for need-based skills. The Industries Department, in consultation with Higher & Technical Education Department, will undertake concrete steps for the same.

PROMOTION OF MEGA AND LARGE INVESTMENT

Mega Projects

Recognising the multiple benefits that mega projects provide, it is proposed to offer a customised Package of Incentives to help/attract such investment. The State Government will make a concerted effort to ensure that there is balanced regional dispersal of industry across the state.

Manufacturing projects with Fixed Capital Investment (FCI) or employing direct regular persons according to the threshold limits stated in Table I, will be classified as Ultra Mega/Mega projects.

Type of unit	Taluka / Area Classification	Admissible Fixed Capital Investment (₹ in Crores) equal to or exceeding	Direct Employment (number of persons) equal to or exceeding
Mega Industrial Unit	A & B	750	1,500
	C	500	1,000
	D & D+	250	500
	Naxalism Affected Area and No Industry Districts	100	250
Ultra Mega Industrial Unit	Entire State	1,500	3,000

- a. Additional incentives will be provided to projects employing minimum twice the threshold number required to qualify as Mega Project at that location.
- b. High Power Committee, under Chief Secretary, constituted vide GR.IDL-1005/(CR119)/IND-8 dated 2.6.2005 will approve the customised Package of Incentives to Mega projects/ 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/(CR 318)/IND-8 dated 24.12.2004 will approve higher incentives/ concessions and relaxing of conditions, on a case-to-case basis.