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## Message from Committee Leadership

*Dear MSME & Startup Stakeholders,*

We are pleased to share details about the ICAI MSME Clinic, an initiative designed to provide valuable guidance, support, and professional assistance to MSMEs and Startups across the country. This weekly walk-in, pro-bono advisory service aims to address key challenges faced by MSMEs, including finance, accounting, technology support and marketing.

## About ICAI MSME Clinic

The ICAI MSME Clinic will be hosted every Friday by ICAI branches, where MSMEs and Startups can receive expert advice from two dedicated advisory desks:

- **Business Support Desk:** Led by Chartered Accountants specializing in MSME and Startup advisory, financial planning, compliance, and business strategy.
- **Institutional Support Desk:** Led by Bankers and Government Representatives, offering assistance with credit access, grievance redressal, and awareness of government schemes.

## Introduction to the State-Specific MSME Policy

We are also excited to present the State-Specific MSME Policy, an essential resource for MSMEs & Startups in the ICAI MSME Clinic initiative. As part of this initiative, the Committee has developed a Resource Handbook and State-Specific MSME Policies, aimed at enhancing the knowledge base of MSMEs and Startups.

These State-Specific Handbooks serve as practical and accessible tools for navigating the unique opportunities, policies, and regulatory frameworks specific to each state. By consolidating available schemes, incentives, and support across states, we aim to provide MSMEs & Startups with the guidance they need to grow at the grassroots level and develop the capacity.

## Vision of ICAI MSME Clinic

Through consistent, pro-bono engagement and sustainable operations, each branch becomes a local hub and incubation centre of MSME transformation, bridging professional excellence with grassroots economic development. ICAI aims to empower MSMEs & Startups annually, driving financial literacy, compliance discipline, and business growth.

## Acknowledgement

We would like to extend our sincere gratitude to **CA Nikhil Chhallani** for their tireless efforts and contributions in preparing the **State-Specific MSME Policy of Maharashtra**, which will play a crucial role in this initiative.

## MSME & Startup Commitment Growth

The MSME & Startup Committee, ICAI, is deeply committed to ensuring the success of the ICAI MSME Clinic and providing continuous support to MSMEs & Startups. Together, we look forward to contributing to the sustainable growth and empowerment of MSMEs & Startups, which are the backbone of the Indian economy.

**CA Gyan Chandra Misra**  
Chairman  
MSME & Startup Committee, ICAI

**CA. Sanjay Kumar Agarwal**  
Vice Chairman  
MSME & Startup Committee, ICAI

# Maharashtra Industries, Investment & Services Policy 2025

## 1. Executive Summary

The Maharashtra Industries, Investment & Services Policy 2025 (“MIISP 2025” / “the Policy”) marks the State’s latest umbrella framework for industrial growth, investment facilitation and service-sector expansion in Maharashtra.

For Micro, Small and Medium Enterprises (“MSMEs”), MIISP 2025 is significant for five broad reasons:



Parameter	Position under MIISP 2025
<b>Policy name</b>	Maharashtra Industries, Investment & Services Policy 2025
<b>Issue date</b>	31 December 2025
<b>Validity</b>	5 years, up to about 30 December 2030
<b>Core audience</b>	Manufacturing and service sector enterprises, including MSMEs
<b>Key MSME relevance</b>	SGST reimbursement, stamp duty exemption, interest subsidy, capital subsidy, power support, service-sector inclusion, digital facilitation
<b>Institutional support</b>	Invest Maharashtra, proposed MSME portal, MSME-focused commissionerate / facilitation mechanism.
<b>Geographic approach</b>	Zone / taluka classification with higher incentives for less-developed regions
<b>Major conditionalities</b>	Eligibility criteria, local employment, location, investment completion timelines, application and compliance requirements

From an MSME perspective, the policy is not merely an incentive schedule; it is a growth framework. It affects decisions around:

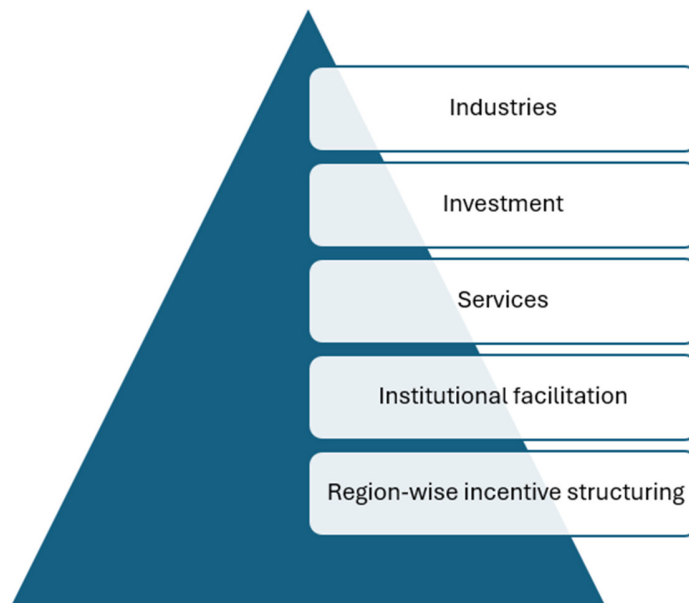


This note is intended to serve as an exhaustive yet practical reference for MSME stakeholders, advisors, accountants, consultants, and policy readers.

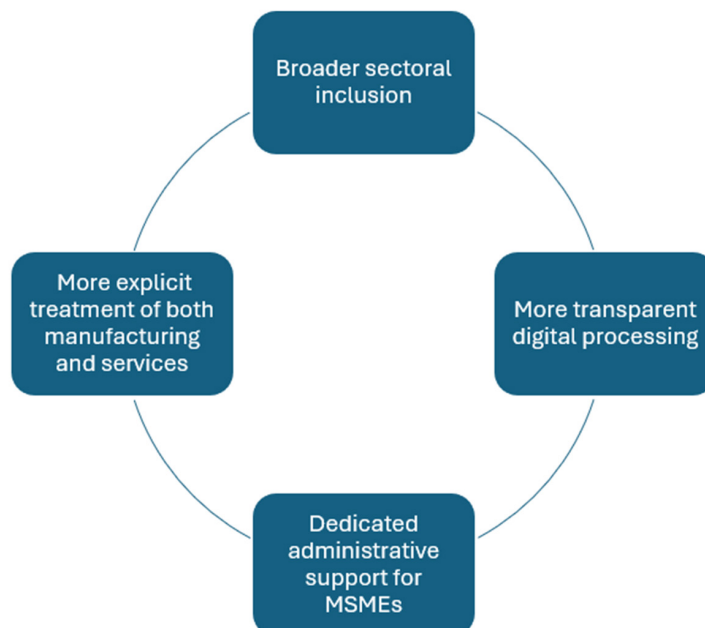
## 2. Background and Policy Context

Maharashtra has historically maintained a strong industrial policy ecosystem, supported by broad industrial schemes as well as sector-specific policies. The official MAITRI portal (<https://maitri.maharashtra.gov.in/policies/>) lists Maharashtra Industrial Policy 2019 and several more recent sector-focused policies including the Logistics Policy 2024, Thrust Sector Policy 2024, Export Promotion Policy 2023, IT & ITeS Policy 2023, Green Hydrogen Policy 2023, and other sectoral frameworks.

MIISP 2025 appears to be the State’s latest integrated policy architecture replacing or superseding the earlier industrial-policy cycle by combining:



This is especially important for MSMEs because the older policy environment often required businesses to navigate multiple schemes with limited integration. The new policy, as reported, appears to move toward a more unified approach with:



### 3. Why MIISP 2025 Matters for MSMEs

MSMEs are central to Maharashtra’s industrial and employment ecosystem.

Maharashtra had around 63.85 lakhs registered MSMEs on the Udyam portal as of December 2025 (62.12 lakhs micro, 1.55 lakhs small and 0.18 lakh medium with 252.84 lakh total employment therein, as per the ECONOMIC SURVEY OF MAHARASHTRA 2025-26), representing a material share of India’s MSME base. MSME registration on the Udyam Portal is mandatory to avail government benefits.

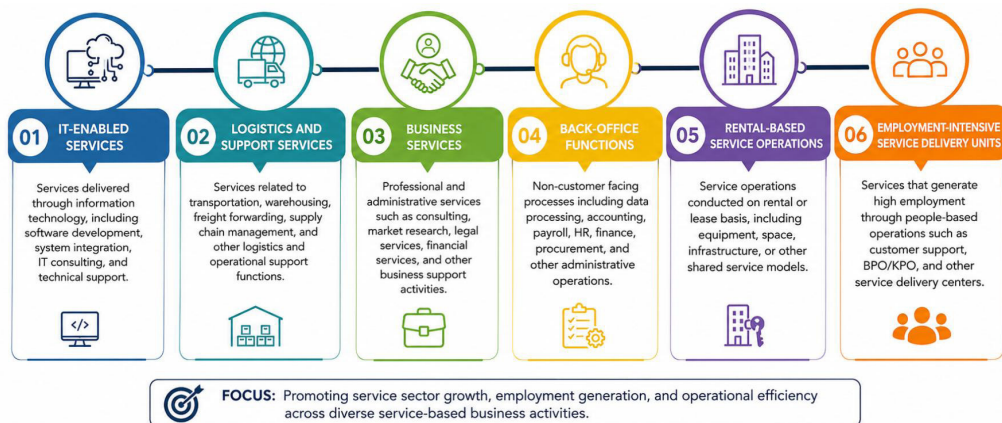
This policy matters for MSMEs for the following reasons:

#### 3.1 Transition support for growing enterprises

One important reported policy shift is the enhancement of the effective MSME eligibility threshold by increasing the investment limit for MSME treatment under the policy’s own framework, thereby allowing growing enterprises to continue accessing MSME-level incentives for a longer period in their business lifecycle.

#### 3.2 Recognition of service sector MSMEs

The policy reportedly includes specific support for service-sector projects, which is a meaningful development for:



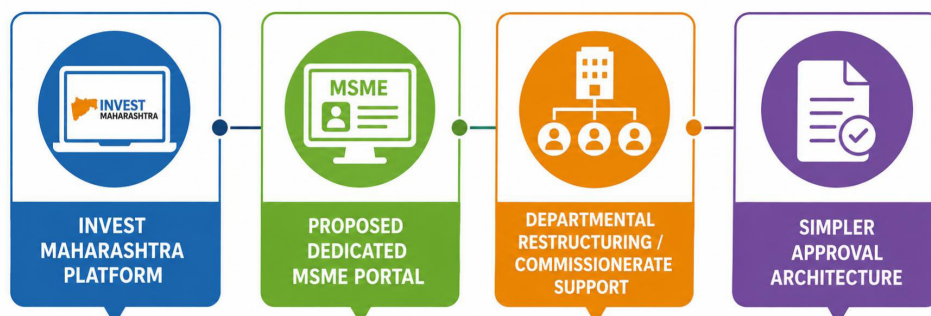
#### 3.3 Inclusion of developed areas

A key change is the extension of incentives to Zone A / developed areas, which has been highlighted as a major shift for districts such as Pune.

#### 3.4 Greater regional incentives for backward areas

The policy retains Maharashtra’s strategy of encouraging industrial dispersion by offering stronger incentives in developing, under-developed, no-industry and special-focus regions.

#### 3.5 Formal ease-of-doing-business measures

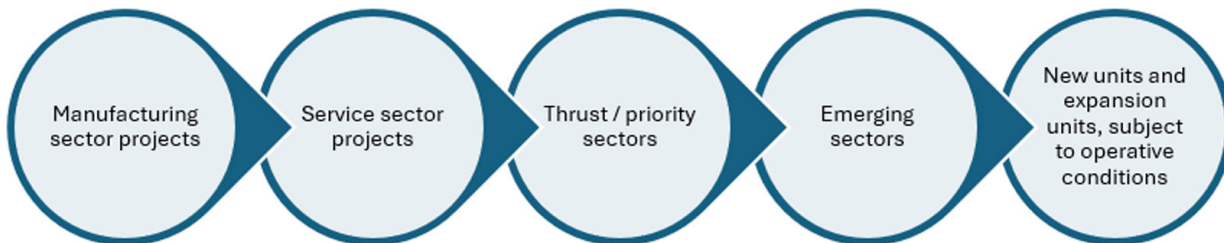


The policy introduces institutional facilitation such as:

#### 4. Policy Validity and Coverage

Reported summaries state that MIISP 2025 was issued on 31 December 2025 and is valid for a period of five years, up to 30 December 2030.

The policy reportedly covers:



For MSMEs, this means the policy should not be read narrowly as only a factory incentive scheme; it is potentially applicable across a range of operational models depending on classification and qualifying conditions.

#### 5. MSME Classification Under the Policy

One of the notable reported features of MIISP 2025 is that, for policy purposes, Maharashtra has introduced its own MSME classification based on investment in plant and machinery or equipment. The reported thresholds are:

Category	Investment in Plant & Machinery / Equipment
Micro enterprise	Up to Rs 25 million
Small enterprise	Above Rs 25 million up to Rs 250 million
Medium enterprise	Above Rs 250 million up to Rs 1,250 million

This is relevant because policy classification may not always operate identically to a general commercial understanding of business size. MSMEs should therefore evaluate:



#### Practical implication

A project with high land and building cost but lower plant and machinery cost may still fall within the policy’s MSME classification if the eligible plant/equipment investment remains within the MSME threshold.

- 01 Policy-specific classification should be validated against the final operative guidelines / government resolution
- 02 Businesses should reconcile policy classification with MSMED Act positioning, Udyam registration status, and scheme-specific definitions where applicable

## 6. Sectoral Coverage: Manufacturing and Services

### 6.1 Manufacturing sector

For manufacturing, eligibility is reportedly linked to project classification based on:

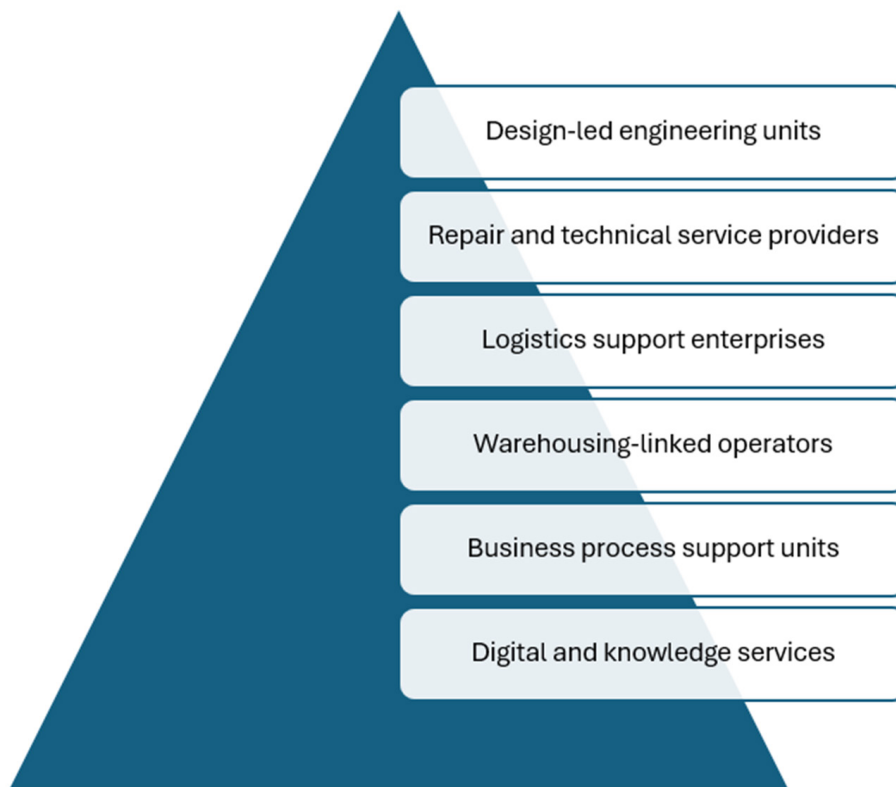


### 6.2 Service sector

For service-sector projects, policy summaries indicate categorization linked to minimum employment criteria, generally requiring maintenance of a specified payroll base, varying by zone. The policy also reportedly requires 80% local employment for qualifying units.

MSME significance

This dual treatment is important because many modern MSMEs do not fit traditional manufacturing-only profiles. Examples include:



MSME's must select correct sector classification because incentive design, eligibility criteria and benefit computation may differ accordingly.

## 7. Broad Eligibility Framework for MSMEs

Based on available policy summaries, the following broad eligibility themes emerge:

### 7.1 New unit vs expansion unit

The type of investment, namely whether the project is a new unit or expansion / diversification / modernization, is a critical determinant of incentive eligibility and quantum.

**7.2 Location matters**

Taluka / zone classification materially affects:



**7.3 Investment / employment threshold**

An entity generally becomes eligible by meeting specified investment and/or employment generation conditions under the policy.

**7.4 Local employment requirement**

Policy summaries indicate that 80% of direct employees should be local persons for units seeking incentives.

**7.5 Timely project completion**

Eligible investment must be completed within timelines specified in the operative guidelines.

**7.6 Effective steps and procedural milestones**

Past Maharashtra policy practice required completion of “effective steps” such as possession of land / premises and other project milestones. Businesses should expect similar documentary and timing discipline under MIISP 2025.

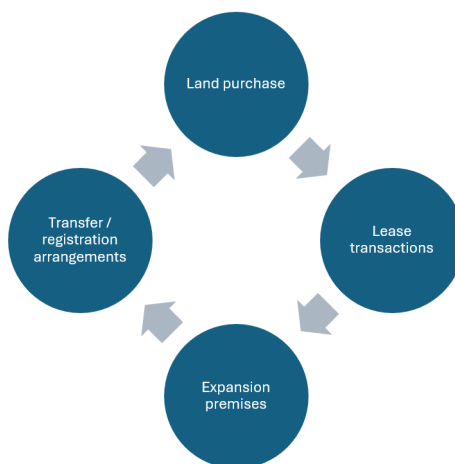
**8. Major Incentives for MSMEs Under MIISP 2025**

The policy’s attractiveness lies in the combination of direct and indirect fiscal support.

**8.1 Stamp Duty Exemption**

Reported summaries indicate stamp duty exemption in the range of 50% to 100% depending on area classification.

Stamp duty is a significant upfront cost in:



This incentive can materially improve initial project cash flow.

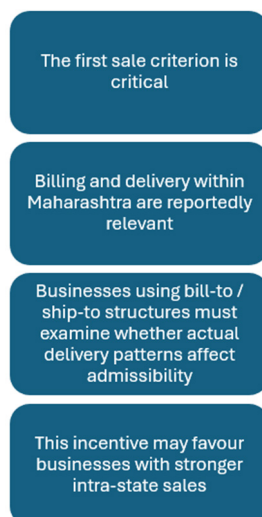
100% stamp duty exemption for new and expansion units in Group C, D, D+, below classification.

Group A & B units shall be eligible for 50% waiver on first lease / conveyance deed for the purpose of acquisition of land or for term loan purposes.

## 8.2 Gross SGST Reimbursement / Industrial Promotion Subsidy

This is reported to be one of the flagship incentives. Eligible MSME units may receive reimbursement of 100% of gross SGST payable by the unit on the first sale of eligible products billed and delivered within Maharashtra, subject to zone-wise ceilings and time limits.

Important practical points



## 8.3 Zone-wise overall ceiling of incentives

Reported summaries indicate the following manufacturing-side ceiling framework for MSMEs:

Taluka / Area Classification	Overall Ceiling as % of FCI	Eligibility Period
A	30%	5 years
B	40%	7 years
C	50%	7 years
D	60%	10 years
D+	70%	10 years
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon and Dhule	80%	10 years
No industry districts / Naxalism affected areas / Aspirational districts	100%	10 years

Naxalism affected areas as per Government Resolution No NAX -1220 / P.C.253/V.Sha.1B Dated 27.6.2025 or as may be amended by the Government

\*\* Aspirational Districts - Dharashiv, Gadchiroli, Washim and Nandurbar.

This zone-based design reinforces Maharashtra’s regional-balancing approach.

## 8.4 Capital Subsidy for thrust-sector units

Reported summaries state that certain qualifying thrust-sector units are eligible for capital subsidy ranging from 50% to 100% of specified project capital, subject to a ceiling of 20% of FCI up to Rs 250 million.

This is especially relevant for MSMEs operating in identified strategic sectors or advanced manufacturing areas.

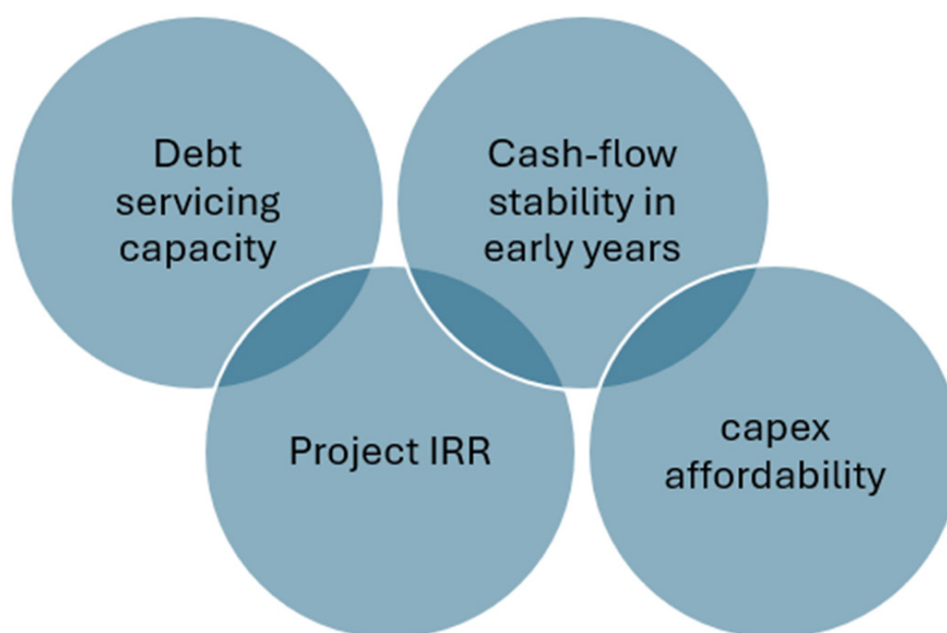
Refer Annexure for more details on Priority Sector and Thrust Sectors (within manufacturing).

### 8.5 Interest Subsidy

Reported summaries indicate interest subsidy up to 5% per annum, capped at Rs 10 million, subject to specified conditions.

Why this matters

For debt-funded MSME projects, interest subsidy improves:



### 8.6 Product Linked Incentive for qualifying EOUs

A reported product-linked incentive of 1% to 1.5% of incremental turnover for qualifying export-oriented units for five years is available, subject to prescribed caps.

The maximum incentive can be up to 10% of FCI in the incentive period. MSME units could receive

maximum ₹ 1 crore annually of applicable incentives.

This may support manufacturing MSMEs with export orientation, especially where turnover growth is a key operating metric.

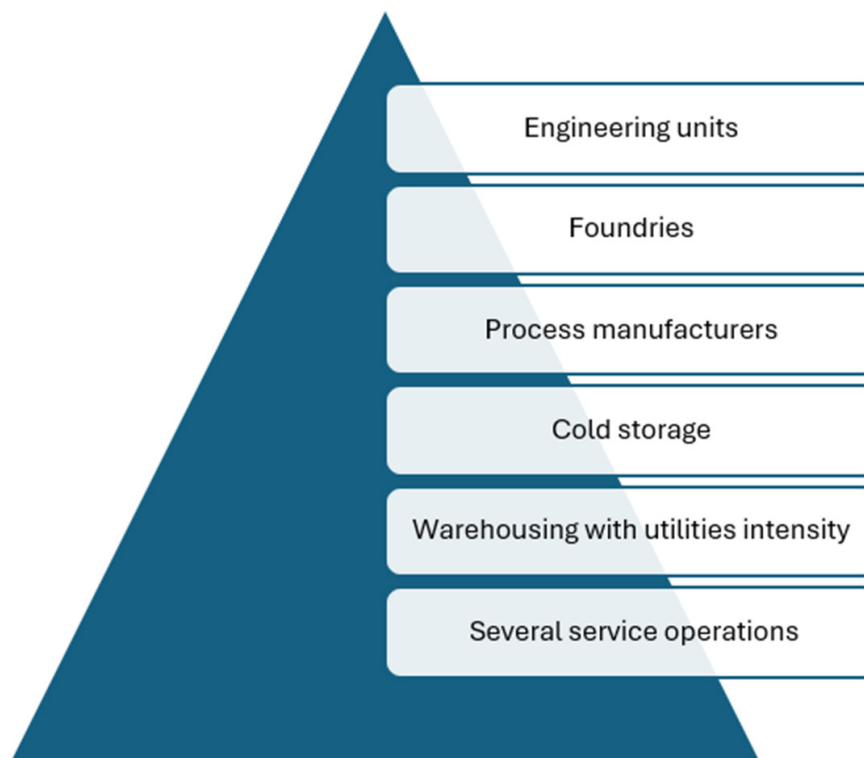
### 8.7 Electricity Duty Exemption and Power Tariff Reimbursement

Reported summaries indicate:

- 100% electricity-duty exemption (Eligible and new MSME units in Group C, D, D+)
  - (In Group A and B, this exemption will apply only to EOUs with 50% export turnover (DGFT certified), and units fully owned by women, SC/ST, or persons with disabilities, and employing 50% workforce from the said group for tenure equivalent to incentive period)
- power tariff subsidy of Rs 1 per unit for 3 years ( Eligible new units in Group D, D+ and below) capped at ₹1 crore.

MSME significance

Power cost is a major operating cost for:



### 8.8 Additional incentives

Reported summaries mention availability of:

- Employment-linked incentives

Units will be eligible for EPF reimbursement for a period of 5 years, subject to a maximum subsidy of ₹5 crore per unit, applicable across Group D, D+ and below.

Eligibility and subsidy rates will be determined by the Employment Factor, defined as the number of direct jobs created per ₹1 crore of investment:

Employment Factor above 20 jobs per ₹1 crore investment: Group D, D+ and below: 50% reimbursement of the employer's EPF contribution for 5 years.

- Technology upgradation assistance

50% subsidy only on additional capital equipment acquired for Technology Up-gradation, subject to a maximum of INR 25 lakh, the benefit of which will be distributed across 5 years.

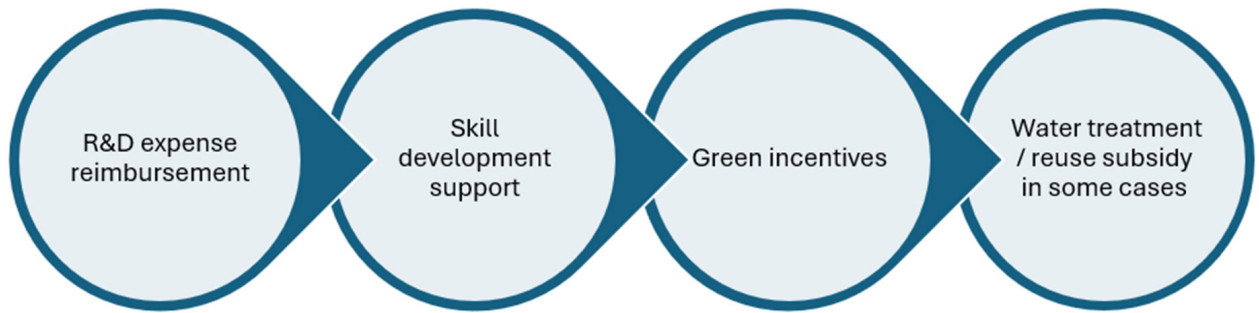
- Incentive for Energy Efficiency

50% of the cost of additional capital equipment for improving energy efficiency, subject to maximum of ₹ 5 lakhs.

- Reimbursement of Listing Expenses

Reimbursement of 50% of SME Stock Exchange listing expenses, subject to a maximum of ₹ 5 lakhs or actual CA-certified listing expenses, whichever is less.

Below are the other incentive available



## 9. Service-Sector Incentives Relevant for MSMEs

One of the most important developments under MIISP 2025 is the explicit recognition of service-sector projects.

Reported incentives for qualifying service-sector units include:

### 9.1 Rental Assistance

Up to 50% of rental cost over a five-year period, subject to district/unit caps for a limited number of units as follows:

Up to 50% or ₹1 Crore, whichever is lower, to eligible units. Applicable only to the first 20 units for each district within 5 years in Group D, D+ and below areas

Up to 50% or ₹10 Crore, whichever is lower, to eligible units. Applicable only to the first 20 units for each district within 5 years in Group C

Up to 50% or ₹20 Crore, whichever is lower, to eligible units. Applicable only to the first 20 units for each district within 5 years in Group A & B

### 9.2 Electricity Duty Exemption

New and Eligible service sector units in Group C, D, D+, and below areas shall be exempt from electricity duty for 5 years. Group A & B units shall be eligible for electricity duty exemption for 3 years.

### 9.3 Employment-Linked Subsidy

Reimbursement of 50% of employer’s EPF contribution for a period of five years, subject to ceilings and prescribed salary / employment criteria as follow:

The State Government will reimburse 50% of the employer’s EPF contribution for jobs paying over ₹50,000/month for 5 years in Group D, D+ and below, with a cap of ₹10 crore per unit for the first 500 eligible units

The State Government will reimburse 50% of the employer’s EPF contribution for 5 years—on salaries above ₹75,000/month in Group C, and above ₹1 lakh/month in Groups A & B—with a cap of ₹10 crore per unit for the first 500 eligible units

Why this is transformative

This broadens policy relevance to:

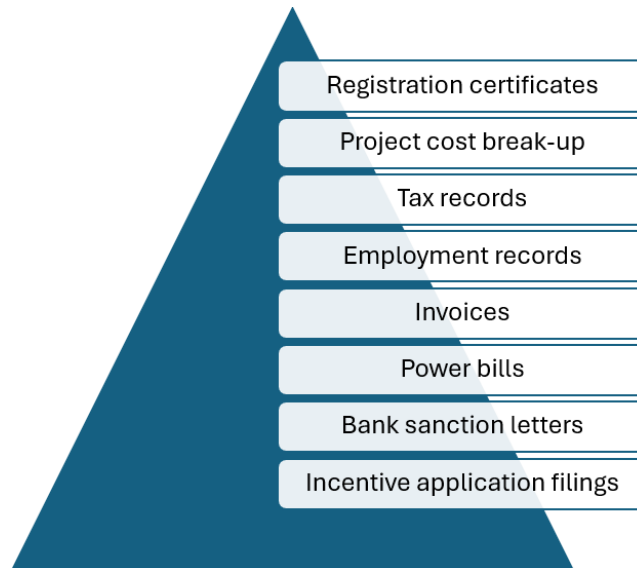


**10. Ease of Doing Business and Institutional Support**

For small businesses, process clarity is often as important as the amount of incentive. These reforms can potentially improve:



MSMEs must maintain a digital policy file containing:



**11. Strategic Planning Points for MSME**

**11.1 Project location strategy**

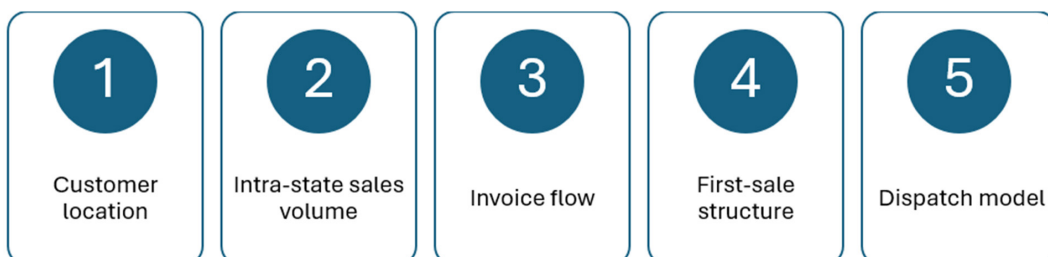
Because incentive ceilings vary significantly by geography and location, planning can materially alter project viability.

**11.2 Capex structuring**

Since plant and machinery / equipment investment matters for classification and benefits, capex should be structured with proper asset segregation.

**11.3 Sales model strategy**

Businesses expecting to claim SGST-linked incentives should assess:



**11.4 Employment model**

If 80% local employment is a condition, HR and recruitment strategy should be aligned early.

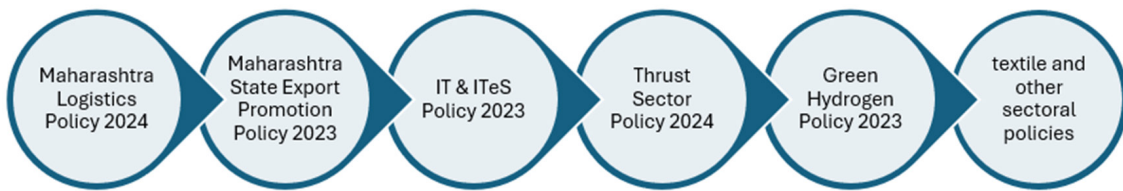
**11.5 Expansion timing**

Enterprises nearing a growth threshold should evaluate whether expansion can be timed and structured to preserve eligibility under the policy framework.

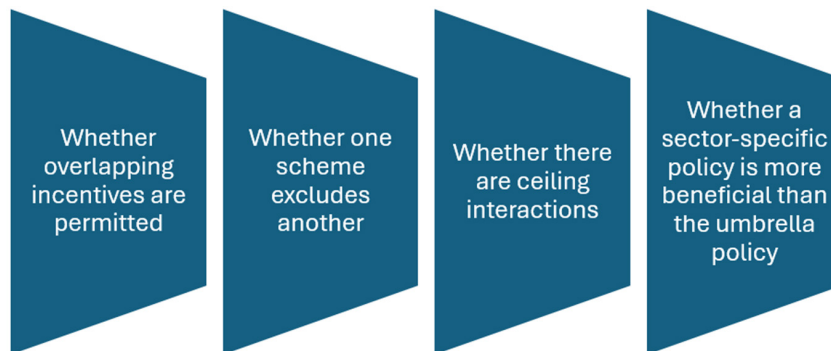
**12. Interplay with Other Maharashtra Policies**

The official MAITRI portal lists multiple sector-specific policies that may operate alongside or in addition to the broader industrial-policy framework.

Depending on the MSME’s business model, additional relevance may arise from:



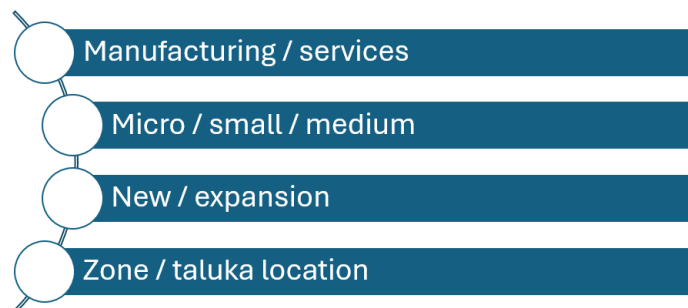
A careful benefit-mapping exercise should be undertaken to determine:



**13. Suggested Structure for MSME Application Readiness**

For MSMEs intending to benefit under the policy, the following internal preparation framework is recommended:

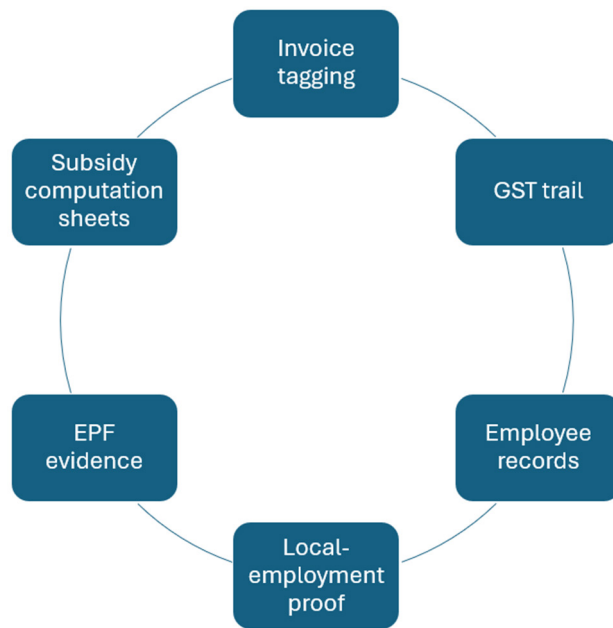
**13.1. Classify the project correctly**



**13.2. Prepare policy file**



**13.3. Build claim-support system**



**13.4. Map timelines**



**13.5. Undertake benefit modelling**



**14. Key Risks and Caution Areas**

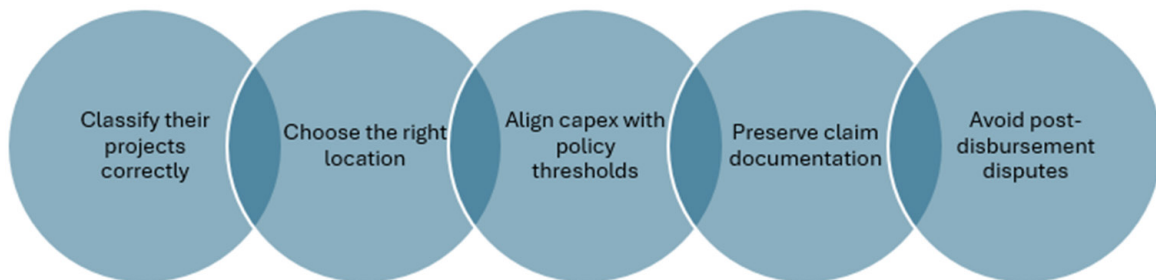


### 15. Key Takeaways for ICAI Members and Professional Advisors

For chartered accountants, tax advisors and consultants advising MSMEs, MIISP 2025 should be approached as a multidisciplinary advisory opportunity involving:

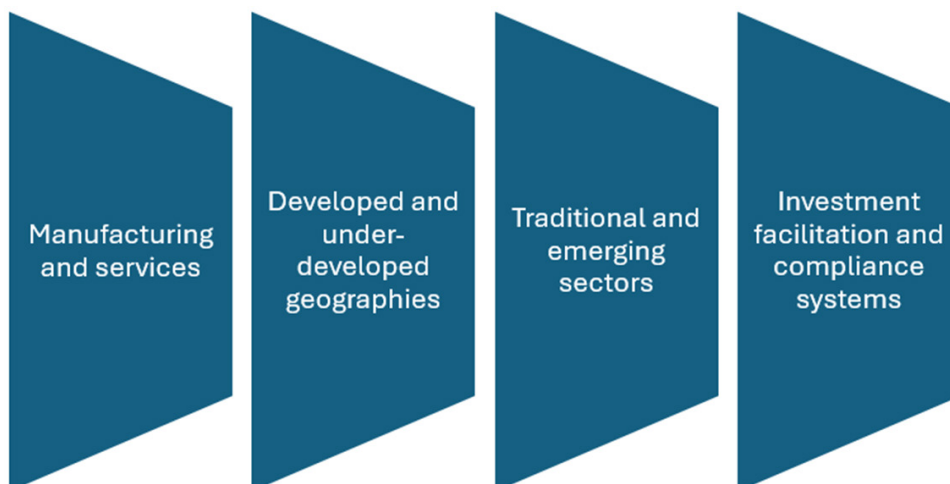


Professionals can add significant value by helping MSMEs:



### 16. Conclusion

MIISP 2025 appears to represent a significant evolution in Maharashtra’s industrial support architecture. For MSMEs, its importance lies not only in the financial incentives offered, but also in the broadening of policy access across:



The policy has the potential to improve investment viability, especially where businesses proactively align:



Annexure Pack

Maharashtra Industries, Investment & Services Policy 2025

Annexure I - Policy Snapshot Matrix for MSMEs

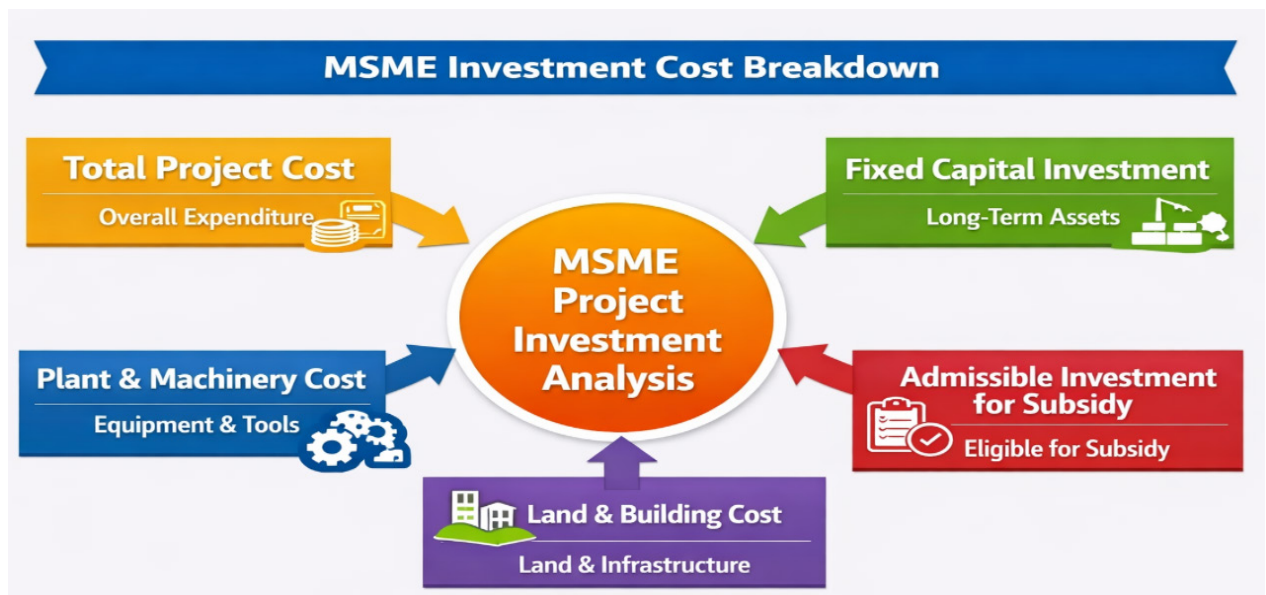
1.1 At-a-glance summary



Annexure II — MSME Classification and Project Categorisation

2.1 Interpretational guidance

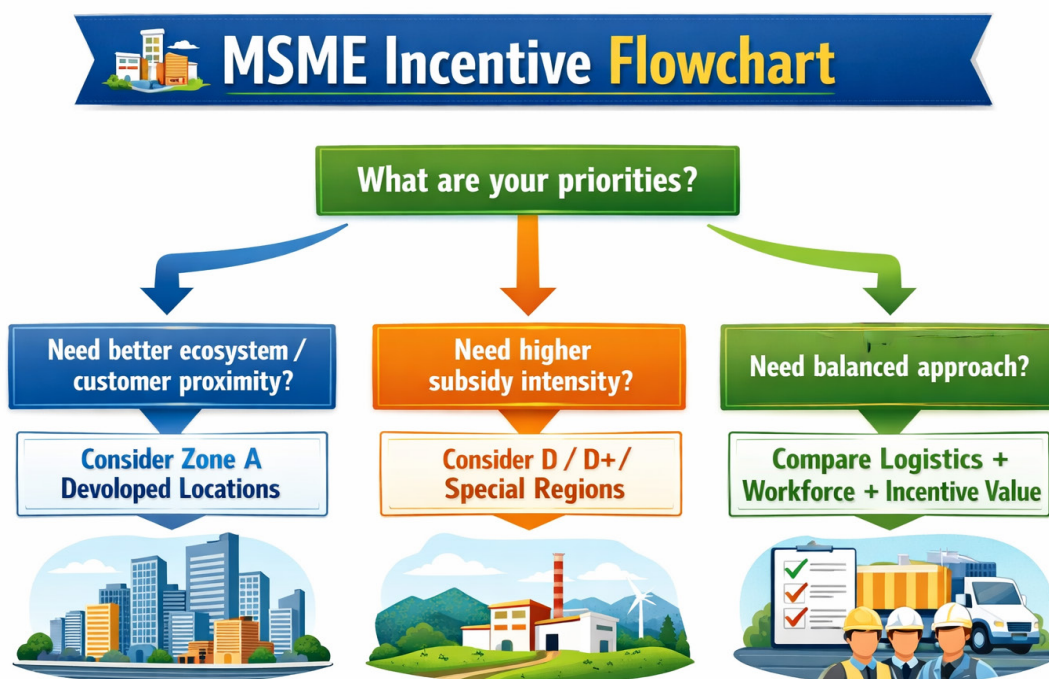
For policy analysis, MSMEs should distinguish between:



Practical note

A project may have a large total outlay but still qualify as a medium enterprise under the policy if the plant and machinery / equipment investment remains within the stated policy threshold.

Annexure III — Zone-wise Incentive Structure for MSMEs



Annexure IV — Detailed Incentive Catalogue for MSMEs

4.1 Manufacturing-side incentive basket

Reported public summaries indicate the following major incentives for MSMEs.

Incentive Type	Reported Benefit	MSME Relevance	Key Caution
Stamp duty exemption	50% to 100% depending on area classification	Reduces upfront transaction cost	Depends on location and eligible transaction type
Gross SGST reimbursement	100% of gross SGST payable by unit on first sale of eligible product billed and delivered within Maharashtra	Major recurring fiscal support	First-sale and in-state delivery condition is critical
Capital subsidy	Available for specified sectors / thrust units	Supports capex-heavy projects	Need to verify sector eligibility
Interest subsidy	Up to 5% p.a., subject to cap	Helps debt-funded MSMEs	Linked to financing and conditions apply
PLI for qualifying EOUs	1% to 1.5% of incremental turnover for 5 years	Relevant for export-oriented manufacturing MSMEs	Turnover and EOU conditions apply
Electricity duty exemption	100% exemption	Reduces operating cost	Utility and eligibility conditions apply
Power tariff reimbursement	Rs. 1 per unit for 3 years, subject to cap	Useful for energy-intensive units	Subject to ceiling

## 4.2 Service-side incentive basket

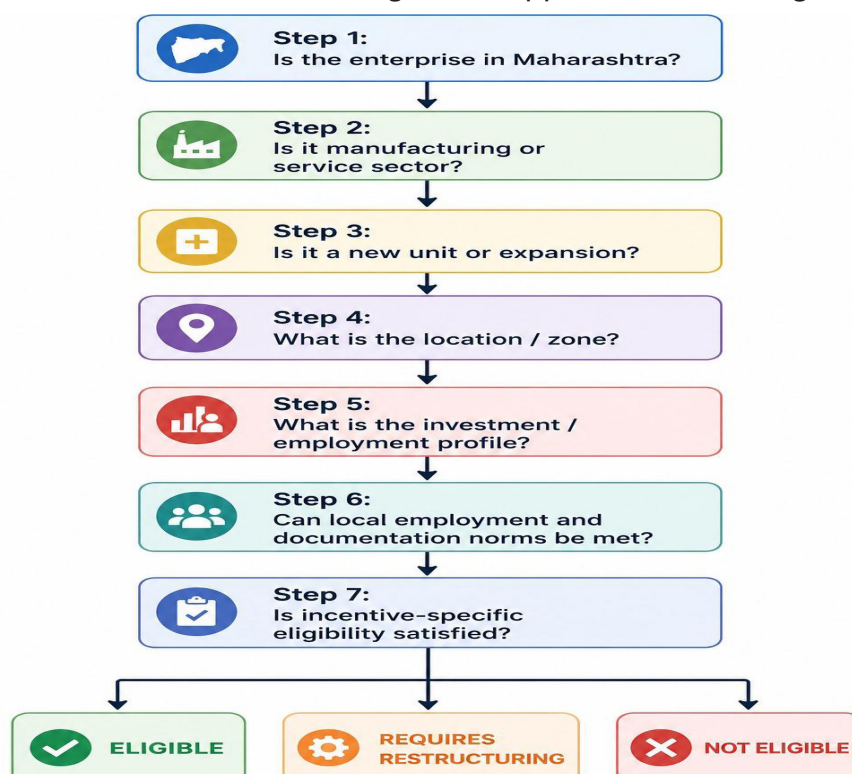
Reported public summaries indicate specific support for eligible service-sector units.

Incentive Type	Reported Benefit	MSME Relevance	Key Caution
Stamp duty exemption	50% to 100% depending on area classification	Reduces upfront transaction cost	Depends on location and eligible transaction type
Gross SGST reimbursement	100% of gross SGST payable by unit on first sale of eligible product billed and delivered within Maharashtra	Major recurring fiscal support	First-sale and in-state delivery condition is critical
Capital subsidy	Available for specified sectors / thrust units	Supports capex-heavy projects	Need to verify sector eligibility
Interest subsidy	Up to 5% p.a., subject to cap	Helps debt-funded MSMEs	Linked to financing and conditions apply
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Electricity duty exemption	100% exemption	Reduces operating cost	Utility and eligibility conditions apply
Power tariff reimbursement	Rs. 1 per unit for 3 years, subject to cap	Useful for energy-intensive units	Subject to ceiling

## Annexure V — Eligibility Conditions Matrix

### 5.1 Indicative eligibility matrix

Based on public summaries, the following factors appear material to eligibility.



Parameter	Why it matters	Indicative MSME action
Nature of unit	New / expansion can affect benefits	Classify project correctly
Sector	Manufacturing vs services affects incentive type	Define principal activity
Location	Zone impacts ceiling and duration	Map exact taluka / district
Investment	Thresholds determine project class	Prepare asset-wise investment schedule
Employment	Direct employment may affect qualification	Plan recruitment and payroll evidence
Local employment	80% local employment is reportedly important	Build location-based hiring plan
Timing	Investment period and filing dates matter	Create compliance calendar
Sales pattern	SGST incentive depends on first sale within Maharashtra	Review invoicing and logistics structure

## Annexure VI — Suggested Documentation Checklist for MSMEs

### 6.1 Core entity documents

Document	Required for	Remarks
PAN	Entity identification	Mandatory
GST registration certificate	SGST-linked incentives and tax identity	Mandatory for GST-linked benefits
Udyam registration	MSME recognition	Strongly recommended
Certificate of incorporation / partnership deed / LLP deed / proprietorship proof	Legal constitution	Mandatory
MoA / AoA / board resolution / authority letter	Authorization	For company / LLP applications
Bank account proof	Disbursement	Cancelled cheque / bank certificate

### 6.2 Project documents

Document	Purpose
DPR / project report	Project description, viability and cost summary
Project cost break-up	Land, building, plant & machinery, utilities
Means of finance	Debt, equity, subsidy expectation
CA certificate on project cost	Professional validation
Sanction letters from lender	Proof of financing

**6.3 Land and premises documents**

Document	Purpose
Sale deed / lease deed / allotment letter	Legal possession
Industrial NA / zoning proof	Land-use compliance
MIDC allotment papers if applicable	Industrial area support
Building approval / occupancy where relevant	Premises compliance

**6.4 Plant and machinery documents**

Document	Purpose
Sale deed / lease deed / allotment letter	Legal possession
Industrial NA / zoning proof	Land-use compliance
MIDC allotment papers if applicable	Industrial area support
Building approval / occupancy where relevant	Premises compliance

**6.5 Tax and turnover documents**

Document	Purpose
GST returns	SGST computation basis
Sales register	First-sale reconciliation
E-invoice data / invoice copies	Transaction support
Audited financial statements	Business verification
Turnover certificate from CA	Incentive computation support

**6.6 Employment records**

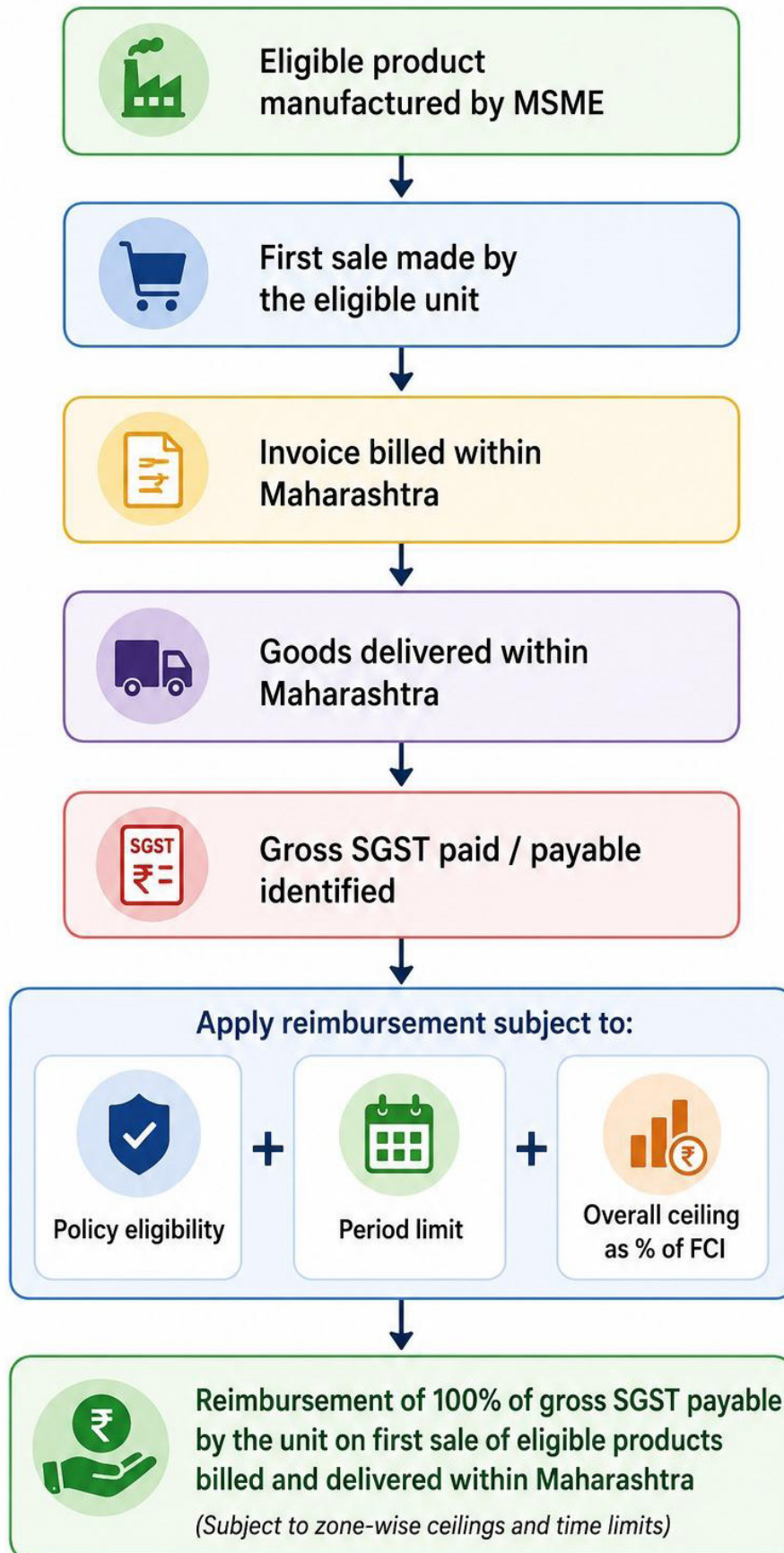
Document	Purpose
Payroll register	Employment count
EPF records	Employment-linked subsidy
ESIC records if applicable	Labour compliance support
Aadhaar / address records of employees	Local employment evidence
HR declaration on local employee ratio	Incentive compliance

**6.7 Utility and operational records**

Document	Purpose
Electricity connection documents	Duty / tariff claims
Utility bills	Consumption evidence
Production commencement declaration	Start date evidence
Commercial production certificate if available	Claim trigger

## Annexure VII — SGST Reimbursement Working Model

### 7.1 Conceptual framework



## 7.2 Illustrative computation table

Particulars	Amount (Rs lakh)
Fixed capital investment (FCI)	1,000
Location category	D
Overall ceiling as % of FCI	60%
Maximum aggregate incentive ceiling	600
Year 1 eligible gross SGST paid	70
Year 2 eligible gross SGST paid	90
Year 3 eligible gross SGST paid	105
Year 4 eligible gross SGST paid	120
Year 5 eligible gross SGST paid	100
Year 6 eligible gross SGST paid	65
Year 7 eligible gross SGST paid	50
Total claimed	600
Balance eligibility	Nil

## Annexure VIII — Capital Subsidy and Interest Subsidy Evaluation Grid

### 8.1 Capital subsidy evaluation questions

Question	Yes / No	Remarks
Is the unit in a qualifying thrust / priority category?		
Is plant and machinery investment admissible?		
Is project a new unit or eligible expansion?		
Has investment been completed within time?		
Is location correctly classified?		
Are invoices and payments traceable?		

### 8.2 Interest subsidy evaluation questions

Question	Yes / No	Remarks
Is term debt used for fixed capital investment?		
Is lender recognized / valid?		
Is interest actually serviced?		
Does claimed interest fit within annual cap?		
Has project met policy conditions?		

### 9.1 Reported policy requirement

Public summaries indicate that units seeking incentives need to satisfy local employment conditions, with 80% of total direct employees required to be local persons.

## 9.2 Employee classification register

Employee ID	Name	Department	Category	Monthly Salary	Local Resident (Y/N)	Direct / Indirect	EPF No.
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## 9.3 Monthly compliance summary

Month	Total Direct Employees	Local Direct Employees	Local %	80% Condition Met?
April	120	100	83.33%	Yes
May	125	101	80.80%	Yes
June	130	98	75.38%	No

## Annexure X — Service-Sector MSME Incentive Assessment Sheet

### 10.1 Service-sector readiness table

Parameter	Position
Type of service activity	
District / zone	
Leased premises?	
Proposed monthly rent	
Employee base planned	
Local employee ratio	
EPF registration status	
Power connection details	

### 10.2 Rental assistance model

Particulars	Amount (Rs lakh)
Monthly rent	5.00
Annual rent	60.00
Assistance rate assumed	50%
Annual support	30.00
5-year support potential	150.00

Reported summaries indicate that qualifying service-sector units may receive up to 50% rental assistance over five years, subject to applicable caps and district limitations.

### 10.3 Employment-linked subsidy model






















Particulars	Amount
Number of eligible employees	100
Employer EPF contribution per employee / month	Rs 1,800
Total EPF / month	Rs 1,80,000
Annual EPF	Rs 21,60,000
50% reimbursement potential	Rs 10,80,000

11.1 MIISP 2025 MSME application lifecycle



Annexure XII — Comparative Chart: Industrial Policy 2019 vs MIISP 2025 for MSMEs

**COMPARATIVE CHART: INDUSTRIAL POLICY 2019 vs MIISP 2025 FOR MSMEs**

PARAMETER	INDUSTRIAL POLICY 2019	MIISP 2025
 Scope	 Primarily industrial framework	 Integrated industries + investment + services
 MSME SGST support	 100% gross SGST highlighted in 2019 official summary	 Continues and reportedly strengthens framework
 Zone A incentive access	 Historically more limited	 Reportedly now included
 Services sector treatment	 Less prominent in umbrella structure	 Explicitly integrated
 Digital facilitation	 MAITRI system available	 Invest Maharashtra + dedicated MSME portal proposed
 Institutional focus	 Industrial policy architecture	 MSME and services commissionerate / facilitation approach
 MSME threshold approach	 Older regime	 Reportedly higher threshold / smoother growth transition

**Annexure XVII — Guidance Note for Chartered Accountants**

12.1 Role of CAs under MIISP 2025

Stage	CA role
Project structuring	Assess viable policy path
Costing	Prepare cost segregation and eligible-cost mapping
Funding	Support term loan and subsidy-linked modelling
Registration	Assist with filings and declarations
Claim preparation	Prepare claim workings and documentary packs
GST linkage	Reconcile returns with SGST reimbursement claim
Employment subsidy	Validate payroll and EPF records
Post-claim support	Assist in audits, clarifications and compliance

## Annexure XIII — Sample MSME Case Studies

### Case Study 1 — Micro Manufacturing Unit in Zone A

#### Precision Auto Components Unit, Pune District

##### Business profile

- Type: Micro manufacturing enterprise
- Activity: CNC-machined precision components for auto ancillaries
- Location: Pune district, developed area / Zone A
- Constitution: Private limited company
- Customer base: Primarily Maharashtra OEM and Tier-1 suppliers
- Sales model: 85% within Maharashtra

##### Project facts

Particulars	Amount
Land / lease deposit	Rs 20 lakh
Building interiors / fit-out	Rs 30 lakh
Plant & machinery	Rs 180 lakh
Electrical installations	Rs 15 lakh
Other fixed assets	Rs 10 lakh
Total project cost	Rs 255 lakh

Reported summaries indicate that Zone A units are now eligible for incentives under MIISP 2025, which is a notable shift from prior frameworks.

##### Why this case is important

This case demonstrates that MSMEs in developed clusters may now have a stronger business case for expansion because:

- supplier ecosystem is strong,
- skilled labour is available,
- customer proximity reduces logistics cost,
- incentives may now also be available in developed regions.

##### Likely incentive mapping

Incentive	Indicative position
Stamp duty exemption	Potentially available, subject to location rules
SGST reimbursement	Strong candidate because most sales are within Maharashtra
Electricity duty exemption	Potentially relevant
Power tariff support	Potentially relevant
Interest subsidy	Relevant if term loan used
Technology / R&D support	May be relevant if advanced machining / process improvement is included

Reported summaries indicate MSMEs may receive 100% reimbursement of gross SGST payable on eligible first sales billed and delivered within Maharashtra, subject to zone-wise ceilings and period limits.

Simplified benefit model

Assume:

- FCI eligible for ceiling: Rs 200 lakh
- Zone A ceiling: 30%
- Maximum aggregate incentive ceiling: Rs 60 lakh

If annual eligible gross SGST is around Rs 12 lakh, the unit could theoretically recover:

	Year 1	Year 2	Year 3	Year 4	Year 5
Amount	12	13	14	11	10

Total: Rs 60 lakh

**Advisory insight**

This type of unit benefits most where:

- billing and dispatch are clearly within Maharashtra,
- GST records are robust,
- customer contracts support “first sale” eligibility,
- capex is correctly segmented.

Risk points

- If goods are billed in Maharashtra but shipped outside, SGST reimbursement may be impacted.
- If asset classification is poorly maintained, eligible investment may be reduced.
- If the unit scales beyond the assumed category, reclassification analysis may be needed.

**Case Study 2 — Small Food Processing MSME in Zone D**

Dehydrated Onion and Spice Processing Unit, Nashik Region

Business profile

- Type: Small manufacturing enterprise
- Activity: Dehydrated onion flakes, garlic powder, spice blends
- Location: Zone D taluka
- Market: Maharashtra, Gujarat, export traders
- Constitution: Partnership firm

Project facts

Particulars	Amount
Industrial land	Rs 80 lakh
Building and civil works	Rs 140 lakh
Plant & machinery	Rs 420 lakh
Cold storage / utility setup	Rs 60 lakh
Quality lab	Rs 20 lakh
Total project cost	Rs 720 lakh

Strategic relevance

This is a classic MSME case where location in a less-developed area may substantially increase incentive support. Reported summaries indicate Zone D can have a ceiling of 60% of FCI over 10 years.

Likely incentive mapping

Incentive	Indicative Position
SGST reimbursement	Available, subject to first-sale and in-state dispatch conditions
Stamp duty exemption	Potentially strong
Interest subsidy	Highly relevant due to term-loan financing
Electricity duty exemption	Relevant
Power tariff reimbursement	Useful due to processing load
Green / water treatment support	May be relevant if effluent systems are installed

Illustrative financing

Source	Amount
Promoter contribution	Rs 180 lakh
Term loan	Rs 420 lakh
Working capital	Rs 120 lakh

Incentive ceiling model

Assume:

- Eligible FCI: Rs 600 lakh
- Zone D ceiling: 60%
- Maximum aggregate incentive: Rs 360 lakh

Why this unit benefits

- High capex
- Utility-intensive process
- Possible intra-state sales footprint
- Employment generation in a semi-rural region
- Strong fit for regional development logic

Practical challenge

This unit sells partly outside Maharashtra and through merchant exporters. Therefore:

- only eligible first sales within Maharashtra may contribute to SGST-linked benefits,
- export-chain structuring needs review,
- invoice flow should be redesigned where commercially feasible.

### Case Study 3 — Medium Engineering MSME in Vidarbha

Fabricated Heavy Equipment and Process Skids Unit, Nagpur

Business profile

- Type: Medium manufacturing enterprise
- Activity: Heavy fabrication, skids, modular process assemblies
- Location: Vidarbha
- Customers: EPC firms, industrial buyers
- Employment: 220 direct employees

Reported summaries indicate Vidarbha and certain identified regions may be eligible for incentive ceilings up to 80% of FCI for MSMEs.

Project facts

Particulars	Amount
Land	Rs 250 lakh
Factory shed / bays	Rs 500 lakh
Plant & machinery	Rs 1,100 lakh
Material handling systems	Rs 150 lakh
Welding automation / robotics	Rs 125 lakh
Total project cost	Rs 2,125 lakh

Incentive ceiling model

Assume:

- Eligible FCI: Rs 1,800 lakh
- Regional ceiling: 80%
- Maximum aggregate incentive: Rs 1,440 lakh

Why this case is attractive

This is where policy design becomes transformative:

- under-developed region,
- high-capex industrial investment,
- large employment generation,
- meaningful local ecosystem creation.

Local employment condition

Reported summaries indicate 80% local employment is an important condition.

Particulars	Number
Total direct employees	220
Local employees	184
Local ratio	83.64%

The unit satisfies the indicated threshold.

Incentive relevance

Incentive	Importance
SGST reimbursement	High
Stamp duty exemption	High
Interest subsidy	High
Electricity duty exemption	Medium to high
Power tariff reimbursement	Medium
Employment-linked / skill support	Possible
Technology support	Relevant for robotic fabrication

Key planning point

This type of unit should build a long-term incentive dashboard because the aggregate cap is high and claims may span several years.

Risk points

- Delay in project completion can reduce eligible period.
- Large fabricated systems may have complex billing patterns.
- Inter-state dispatch may limit SGST-linked claim potential.

#### Case Study 4 — Service Sector MSME

Finance and Compliance Back-office Center, Navi Mumbai

Business profile

- Type: Service MSME
- Activity: outsourced accounting, payroll, compliance processing
- Location: Navi Mumbai
- Premises: Leased office
- Employment profile: 150 staff

Public summaries indicate MIISP 2025 extends incentives to service-sector units and may include rental assistance, electricity duty exemption, and EPF reimbursement support.

Project facts

Particulars	Amount
Monthly office rent	Rs 7 lakh
Annual rent	Rs 84 lakh
Fit-out and IT systems	Rs 150 lakh
Annual employer EPF contribution	Rs 28 lakh
Employees	150

Potential service-side benefits

<b>Incentive</b>	<b>Indicative computation</b>
Rental assistance	Up to 50% of rent over 5 years, subject to caps
Electricity duty exemption	Potentially relevant

Employment-linked subsidy 50% of employer EPF contribution, subject to caps and salary conditions

Rental assistance model

If 50% of annual rent is eligible:

- Annual support = Rs 42 lakh
- 5-year potential = Rs 210 lakh

subject to unit and district caps.

EPF assistance model

If annual employer EPF contribution is Rs 28 lakh:

- 50% reimbursement = Rs 14 lakh per year
- 5-year potential = Rs 70 lakh

subject to conditions and ceilings.

Why this case matters

This case shows that MIISP 2025 is not only a factory policy. It may be relevant for:

- BPO/KPO-type operations,
- compliance support firms,
- employment-intensive office-based MSMEs,
- GCC-style support centers.

Key risk

- The unit must satisfy employee and salary eligibility conditions.
- Local employment norms may still matter.
- Rental support may be limited to early / specified units in each district.

### **Case Study 5 — Women-led MSME in Aspirational District**

Packaged Millet Snacks Unit

Business profile

- Type: Small manufacturing MSME
- Ownership: Women-led private limited company
- Location: Aspirational district
- Product: Healthy millet snacks and roasted mixes
- Distribution: Maharashtra retail chains and e-commerce

Reported summaries indicate no-industry districts / aspirational districts may receive up to 100% of FCI as overall incentive ceiling for eligible MSMEs.

#### Project facts

Particulars	Amount
Land and building	Rs 120 lakh
Food processing machinery	Rs 260 lakh
Packaging line	Rs 90 lakh
Solar and utility systems	Rs 40 lakh
Total project cost	Rs 510 lakh

#### Incentive ceiling model

Assume:

- Eligible FCI: Rs 450 lakh
- Ceiling: 100%
- Maximum aggregate incentive: Rs 450 lakh

#### Strategic strengths

- High policy support due to geography
- Employment for rural women
- In-state sales can support SGST reimbursement
- Branding and modern retail create strong turnover potential

#### Suggested incentive map

Incentive	Relevance
SGST reimbursement	Very high
Stamp duty exemption	High
Interest subsidy	High
Electricity duty exemption	Medium
Power tariff reimbursement	Medium
Green / sustainability support	Possibly relevant

#### Policy significance

This type of case aligns closely with:

- regional industrialization,
- women entrepreneurship,
- MSME-led manufacturing,
- inclusive growth priorities.

#### Risk points

- Market access is strong, but logistics cost may be higher in remote districts.
- Talent and managerial depth may need external support.
- Working capital discipline is critical because incentives may reimburse after compliance, not upfront.

## Case Study 6 — Expansion Case

Existing Plastic Components MSME Expanding Capacity

Business profile

- Type: Existing small enterprise
- Activity: Injection-molded industrial plastic components
- Existing unit age: 8 years
- Proposed action: Expansion through new automated molding line
- Location: Zone B

Public summaries indicate that both new and expansion units may be covered, subject to policy conditions and operative guidelines.

Expansion project facts

Particulars	Amount
New machinery line	Rs 210 lakh
Molds / dies	Rs 60 lakh
Utility augmentation	Rs 25 lakh
Warehouse extension	Rs 30 lakh
Total expansion cost	Rs 325 lakh

Why expansion cases need separate treatment

The critical questions are:

- what qualifies as expansion,
- whether incremental capacity is measurable,
- whether old and new assets must be ring-fenced,
- from what date incentive eligibility starts.

Potential benefit approach

Assume:

- Only incremental eligible FCI counts
- Zone B ceiling: 40%
- Maximum aggregate incentive: 40% of eligible incremental FCI

Illustration

If eligible incremental FCI = Rs 250 lakh:

- Max ceiling = Rs 100 lakh

Key documentation

- old capacity vs new capacity,
- machine-wise invoices,
- installation and commissioning reports,
- separate production records,
- incremental sales trail.

**Risk points**

- If expansion is not properly separable, claims may be weakened.
- If investment timing falls outside the eligible period, benefit may be curtailed.
- Older units may face additional procedural scrutiny.

**Comparative Summary Table of All Cases**

Case	Type	Region	Main Benefit Driver	Main Risk
1	Micro manufacturing	Zone A Pune	SGST reimbursement in developed area	Shipment outside state
2	Small food processing	Zone D	High regional ceiling + debt support	Export / merchant billing structure
3	Medium engineering	Vidarbha	Very high regional incentive headroom	Complex billing + project delays
4	Service MSME	Navi Mumbai	Rental + EPF support	Employee eligibility / caps
5	Women-led food MSME	Aspirational district	100% ceiling potential	Logistics + working capital
6	Existing unit expansion	Zone B	Incremental expansion incentives	Proving separable expansion

**Practical Lessons from These Case Studies**

1. Location can change project economics  
A similar MSME project may have materially different viability depending on whether it is in Zone A, D, Vidarbha, or an aspirational district.
2. SGST-linked design rewards in-state sales  
Manufacturing MSMEs with stronger Maharashtra sales footprints may benefit more than those mainly supplying outside the state.
3. Service MSMEs should not ignore the policy  
Rental and EPF-linked support can materially improve viability for people-intensive service operations.
4. Documentation is as important as eligibility  
Even strong projects can lose benefits if:
  - asset segregation is weak,
  - employee records are incomplete,
  - land/use approvals are not aligned,
  - GST trail is inconsistent.
5. CAs and advisors can materially improve outcomes  
These case studies show where professional advisory support adds value:
  - project structuring,
  - subsidy modeling,

- location comparison,
- claim working,
- compliance dashboards.

**Reference:**

Policy Link <https://maitri.maharashtra.gov.in/policies/>

**1. Konkan Division**

District	Group A	Group B	Group C	Group D	Group D+
Greater Mumbai	Greater Mumbai				
Thane	Thane, Kalyan, Ulhasnagar, Ambernath, Bhivandi @	Murbad	Bhivandi \$, Shahapur		
Palghar	Vasai, Palghar	Dahanu			Jawhar, Mokhada, Talasari, Wada, Vikramgad
Raigad	Alibag @, Uran, Panvel, Karjat @, Khalapur, Pen, Roha	Alibag \$, Sudhagad	Karjat \$, Mahad, Mangaon, Murud	Shrivardhan	Poladpur, Mhasala, Tala
Ratnagiri			Ratnagiri, Chiplun	Khed	Guhagar, Dapoli, Lanja, Mandangad, Rajapur, Sangameshwar
Sindhudurg				Vengurla	Kankavli, Kudal, Sawantwadi, Malvan, Deogad, Vaibhavwadi, Doda Marg

@: Within Mumbai Metropolitan Region (MMR), \$:Outside MMR

**2. Pune Division**

District	Group A	Group B	Group C	Group D	Group D+
Pune	Pune City, Maval, Haveli @, Bhor @, Daund @, Shirur @, Khed @, Mulshi @, Purandar @, Velhe @		Shirur \$, Daund \$, Bhor \$, Khed \$, Indapur, Baramati, Purandar\$	Ambegaon, Junnar	Velhe\$

District	Group A	Group B	Group C	Group D	Group D+
Solapur				Solapur (North), Pandharpur, Malshiras	Barshi, Akkalkot, Solapur (South), Mohol, Mangalwedha, Sangola, Karmala, Madha
Satara				Satara, Khandala, Koregaon, Phaltan, Khatav, Karad, Mahabaleshwar	Wai, Man, Patan, Jaoli
Sangli				Miraj	Tasgaon, Khanapur, Atapadi, Jat, Kavathe Mahankal, Walwa, Shirala, Kadegaon, Palus
Kolhapur				Karveer, Panhala, Hatkanangale, Shirol	Kagal, Gadhinglaj, Chandgad, Ajra, Bhudargad, Radhanagari, Bavada, Shahuwadi

@ : Within Pune Metropolitan Region (PMR), \$ : Outside PMR

### 3. Nashik Division

District	Group A	Group B	Group C	Group D	Group D+
Nashik		Nashik	Niphad, Sinnar	Dindori, Yeola, Igatpuri	Peth, Surgana, Kalwan, Baglan, Chandwad, Nandgaon, Trim-bakeshwar, Deola, Malegaon
Ahilyanagar				Nagar, Rahuri, Shrirampur, Newasa, Karjat, Shrigonda, Akole, Sangamner, Kopergaon, Rahata	Shevgaon, Pathardi, Jamkhed, Parner
Dhule				Dhule	Sakri, Shirpur, Shindkheda

District	Group A	Group B	Group C	Group D	Group D+
Nandurbar					Nandurbar, Nawapur, Shahada, Taloda, Akrani, Akkalkuwa
Jalgaon					Jalgaon, Yawal, Chalisgaon, Amalner, Dharangaon, Chopada, Raver, Muktainagar, Bhusawal, Jamner, Pachora, Bhadgaon, Parola, Erandol, Bodwad

**4. Chhatrapati Sambhajnagar Division**

District	Group A	Group B	Group C	Group D	Group D+
Chhatrapati Sambhajnagar				Chhatrapati Sambhajnagar	Khuldabad, Kannad, Soegaon, Sillod, Paithan, Gangapur, Vaijapur, Phulambri
Jalna					Jalna, Ambad, Jafferabad, Partur, Bhokardan, Badnapur, Ghangsawangi, Mantha
Beed					Beed, Georai, Majalgaon, Ambejogai, Kaij, Patoda, Ashti, Dharur, Parli, Wadavani, Shirur Kasar
Dharashiv					Dharashiv, Kalamb, Omerga, Tuljapur, Paranda, Bhum, Washi, Lohara
Parbhani					Parbhani, Jintur Selu, Gangakhed, Pathri, Palam, Purna, Manawat, Sonpeth
Hingoli	NO INDUSTRY DISTRICT				

District	Group A	Group B	Group C	Group D	Group D+
Latur					Latur, Ahmedpur, Udgir, Nilanga, Ausa, Chakur, Devani, Shirur-Anantpal, Jalkot, Renapur
Nanded					Nanded, Bhokar, Hadgaon, Kinwat, Biloli, Deglur, Mukhed, Kandhar, Loha, Mudkhed, Ardhapur, Naigaon, Dharmabad, Himayatnagar, Umari, Mahur

**5. Amravati Division**

District	Group A	Group B	Group C	Group D	Group D+
Amravati					Amravati, Achalpur, Bhatkuli, Nandgaon Khandeshwar, Chandur Bazar, Morshi, Warud, Chandur Rly., Teosa, Daryapur, Anjangaon Surji, Chikhaldara, Dharni, Dhamangaon Rly.
Akola					Akola, Barshitakli, Akot, Telhara, Balapur, Patur, Murtijapur
Washim					Washim, Malegaon, Risod, Mangrulpir, Manora, Karanja
Buldhana					Buldhana, Chikhali, Shegaon, Deulgaon Raja, Malkapur, Motala, Nandura, Jalgaon Jamod, Sangrampur, Khamgaon, Mehkar, Sindkhed-Raja, Lonar

District	Group A	Group B	Group C	Group D	Group D+
Yavatmal					Yavatmal, Babhulgaon, Kalamb, Kelapur, Ralegaon, Ghatanji, Wani, Maregaon, Pusad, Mahagaon, Umarched, Darwaha, Ner, Digras, Arni, Zari-Jamni

**6. Nagpur Division**

District	Group A	Group B	Group C	Group D	Group D+
Nagpur				Nagpur City	Nagpur (R), Kamptee, Hingana, Katol, Narkhed, Savner, Kalmeshwar, Ramtek, Parseoni, Mauda, Umred, Bhiwapur, Kuhi
Bhandara					Bhandara, Pauni, Tumsar, Mohadi, Sakoli, Lakhandar, Lakhani
Gondia					Gondia, Goregaon, Tirora, Arjuni-Morgaon, Deori, Sadakartuni, Amgaon, Salekasa
Wardha					Wardha, Deoli, Seloo, Arvi, Karanja, Ashti, Hinganghat, Samudrapur
Chandrapur					Chandrapur, Gondpipmpri, Mul, Warora, Chimur, Bhadravati, Brahmapuri, Sindewahi, Nagbhid, Rajura, Korpana, Sawali, Pombhurna, Ballarpur, Jiwati
Gadchiroli					NO INDUSTRY DISTRICT

## Summary

The Maharashtra Integrated and Sustainable Textile Policy 2023-28 (hereafter “the Policy”) seeks to transform the textile value-chain from farm to fibre to fashion to foreign markets, by attracting investment of ₹ 25,000 crore and generating up to 5,00,000 jobs over five years. It places strong emphasis on regional balance (through four zones), sustainable production (solar power, effluent treatment, recycling), and technological modernisation.

The Policy offers a mix of fiscal incentives (capital subsidy, power-tariff support) and non-financial support (skill-training, incubation, market access) to MSMEs, cooperatives and large units alike. The role of chartered accountants in advisory, compliance and subsidy facilitation is pivotal.

## Policy Highlights

Parameter	Key Feature
Investment target	₹ 25,000 crore
Employment target	Up to 5,00,000 jobs
Period	2023 to 2028
Zone classification	Four zones (Zone 1–4) covering entire State
Key thrust areas	Sustainable production, technical textiles, full value-chain development
Goal	To increase cotton processing capacity from 30 % to 80 % in 5 years

## Introduction

The textile industry has been a cornerstone of Maharashtra’s industrial and employment landscape. The Government of Maharashtra, recognising the need to upgrade infrastructure, technology and regional parity, has framed the Integrated and Sustainable Textile Policy 2023-28 to position the State as a nationally and internationally competitive textile hub. The Policy aligns with national vision frameworks (such as Farm-Fibre-Factory-Fashion-Foreign) and responds to global trends of sustainability, recycling and technical textile growth.

### About the Policy (Integrated & Sustainable Textile Policy)

The Policy was formalised through Government Resolution No. Policy 2023/C.R. 81/Tex-5 dated 2 June 2023 and is valid through 31 March 2028. It covers the entire textile value chain in Maharashtra from ginning & pressing, spinning, weaving/knitting, processing, garments and made-ups, non-conventional fibres, wool and sericulture, as well as promotion of technical textiles. The Policy aims to raise cotton-processing capacity in the State from the current 30 % to 80 % within five years. Regional disparity is addressed by classifying the State into four zones to offer differential incentives and promote investment in less advanced regions.

### Definitions (as per available documentation)

**Textile Units:** Includes spinning mills (private & cooperative), power loom units, processing units (dyeing, printing, finishing), garmenting, knitting, hosiery, textile parks etc.

**Solar Power Plant (for textile unit):** Solar PV capacity installed with certain technical approvals; new or existing units. Up to 4 MW for subsidy/local benefits.

## Eligibility

Eligible applicants include new units and expansion/modernisation of existing units under the textile value-chain (ginning/pressing, spinning, weaving, knitting/hosiery/garments, processing, technical textiles, non-conventional fibres, textile parks) located within Maharashtra.

Cooperatives, MSMEs, large scale units and mega/ultra-mega projects are all eligible, with enhanced benefits for women-, SC/ST/Minority/Ex-servicemen-owned enterprises.

## Incentives

The Policy offers a broad array of incentives, summarised here in two parts:

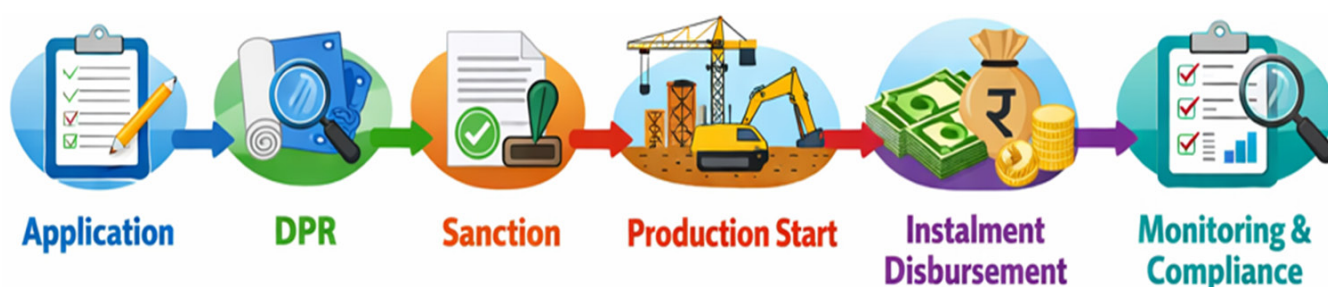
### Financial Incentives (brief overview)

- Capital subsidy: For eligible machinery and fixed capital investment, subsidy rates vary by zone (Zones 1-4) and project size (MSME, large, mega/ultra-mega).
- For example: In Zone 1 (Vidarbha) ultra-mega project subsidy up to 55% (or maximum ₹ 250 crore), mega 40%, large 45%, MSME 40% of eligible cost ( $\leq$  ₹ 25 crore) etc. (Refer Annexure A (C) )
- Support for recycling projects: e.g., 50% subsidy or up to ₹ 2 crore for setting up new recycling units.
- Support for green production: e.g., Effluent Treatment Plant (ETP) subsidy 50% or ₹ 5 crore; Zero Liquid Discharge (ZLD) subsidy 50% or ₹ 10 crore.
- Additional 5% subsidy for SC/ST/Minority/Women/Ex-servicemen owned private units.
- Power subsidy: e.g., ₹ 3 per unit for private spinning mills under cluster scheme.

### Non-Financial Support

- Promotion of incubation centres, mentoring platforms and networking opportunities for MSME and startups in textiles.
- Skill-development and capacity building of the workforce, especially women and rural youth.
- Design-and-sampling centres, common infrastructure facilities, technology-upgradation under the MahaTechnology Upgradation Fund Scheme (MAHA-TUFS) and related mechanisms.
- Creation of Technical Textile Parks (six in the state) to improve infrastructure, shared facilities.

## Procedure



**Focus Areas**

- Technical textiles: Establishment of six (6) dedicated technical textile parks in the State over the policy period.
- Sustainable / green production: Adoption of solar energy, waste-water treatment, recycling of old textile products (3R model: Reduce, Reuse, Recycle).
- Full value-chain integration: From farm (cotton, non-conventional fibres) to fibre to factory to fashion to foreign.
- Regional parity: Balanced growth across all four zones to reduce development gap between legacy textile hubs and emerging regions.
- Women's empowerment and inclusive growth: Encouraging women participation in management, along with SC/ST/Minority/Ex-servicemen incentives.

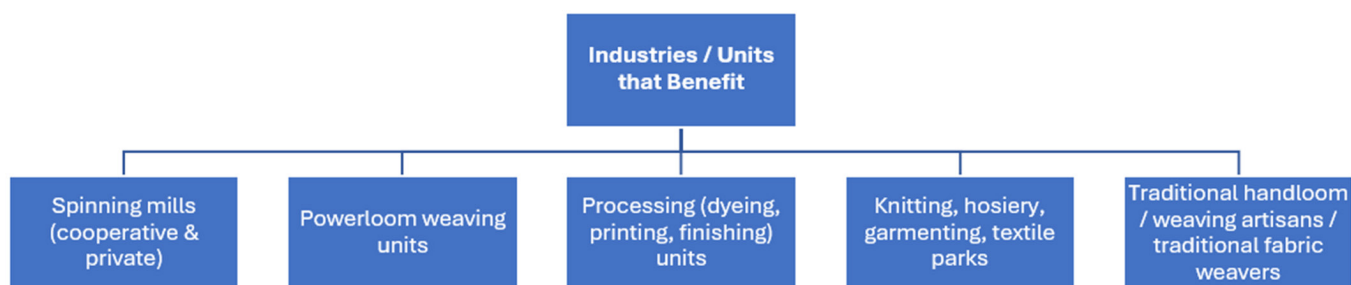
**Export Promotion**

The Policy supports export growth by providing:

- Incentives for export-oriented units (EOUs) located in the State (subject to eligibility under central and state export schemes).
- Subsidy / support for participation in international trade fairs, buyer-seller meets, and marketing support: e.g., up to ₹ 50 lakh marketing support for weaver exhibitions.
- Assistance for branding, design, compliance (international standards), and linking units to global supply-chains.
- Promotion of units set up in or aligned with the PM MITRA Textile Park Scheme (central scheme) for export-oriented production.

**Alignment with Central Initiatives**

- Make in India: The Policy aligns with the national push for manufacturing growth and value-addition in textiles.
- Startup India: By providing incubation, mentoring and networking opportunities, the Policy supports textile startups and innovation-driven enterprises.
- MAHA-TUFS (Maha-Technology Upgradation Fund Scheme): The Policy dovetails with MAHA-TUFS guidelines for technology up-gradation and capital subsidy support.
- Zero Defect Zero Effect (ZED): Encourages units to adopt quality systems and environmentally sustainable manufacturing.
- PM MITRA Textile Park Scheme: Central scheme for world-class textile parks; the Policy promotes State participation and linkage.



### Comparative Insight: How Maharashtra Benchmarks

Compared to other leading textile states (such as Gujarat, Tamil Nadu or Karnataka), Maharashtra’s Policy stands out for:

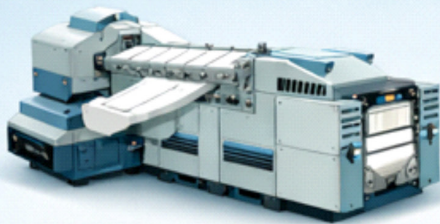
- Its **explicit zone-wise differentiated subsidy** structure which favours less developed regions.
- Strong **sustainability thrust**, with generous subsidies for green infrastructure (ETP, ZLD, recycling) and the 3R (Reduce-Reuse-Recycle) model.
- Comprehensive coverage of the full value-chain (including non-conventional fibres and technical textiles) rather than only apparel/garmenting.
- Focus on **women’s empowerment** and inclusive growth built into the incentive framework. While some other states may have higher absolute subsidy ceilings, Maharashtra’s approach emphasises balanced regional growth, integration of modern technologies and linkage with national frameworks, which may give it a competitive edge for certain investors.

## Annexures

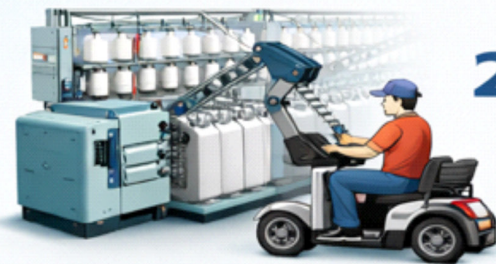
### Annexure I — List of Eligible Spinning Machinery (under MAHA-TUF Component)

Name of the Machinery

## Eligible Spinning Machinery (under MAHA-TUF Component)



- 1** Roving end opener machine  
(mechanical / pneumatic type)



- 2** Auto Piecer for Ring Frame /  
Electric Bike for Ring Frame Tenter



- 3** Compact Yarn  
Mechanical / Pneumatic Type —  
Siro Yarn Attachment



- 4** Line for Manufacturing of  
Viscose Fibre / Filament Yarn

## Annexure II — List of Eligible Weaving Machinery

### Name of Machinery

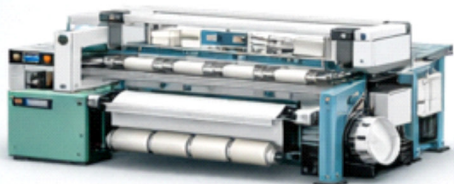
# Eligible Weaving Machinery



**1** Sample Shuttle-less Loom



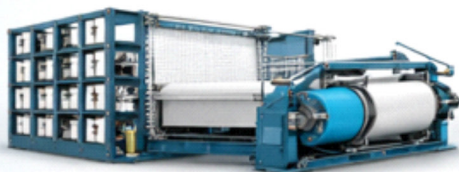
**2** Cone-to-Cone Sizing Machine  
for Spun or Filament Yarn Preparatory



**3** Surgical Gauze Multiple  
Yarn Sizing Machine



**4** Sample Warping Machine



**5** Quick Style Change Equipment



**Annexure III — Machinery for Wool Scouring, Combing and Carpet Industry  
(Worsted / Semi-Worsted System of Spinning)**



**Annexure IV — List of Machinery for Non-Wovens / Technical Textiles**

Sr. No.	Name of Machinery / Technology	Category
1	AIRLAID Technology (for Hygiene Products)	Non-Woven
2	WETLACE Technology (for Hygiene Products)	Non-Woven
3	AIR THROUGH BONDING (for Hygiene Products)	Non-Woven
4	Solution Spinning Line – Wet Spinning / Dry Jet Spinning / Gel Spinning	Technical Textile
5	Monofilament Extrusion Lines	Technical Textile
6	Multifilament Extrusion Lines	Technical Textile
7	Bi / Tri-Component Melt Spinning Lines	Technical Textile
8	Tape Yarn Extrusion Line	Technical Textile
9	Blown Film Machine + Slitter + Warp Knitting (Agro Textile Nets)	Technical Textile
10	Extrusion Coating Machine for Yarn and Fabric	Technical Textile
11	Ring Twister for Heavy Denier Technical Yarns	Technical Textile
12	Single Step Plying, Twisting and Winding Machine	Technical Textile
13	PLC-controlled 4-Axis Filament Winding Machine for Composites	Technical Textile

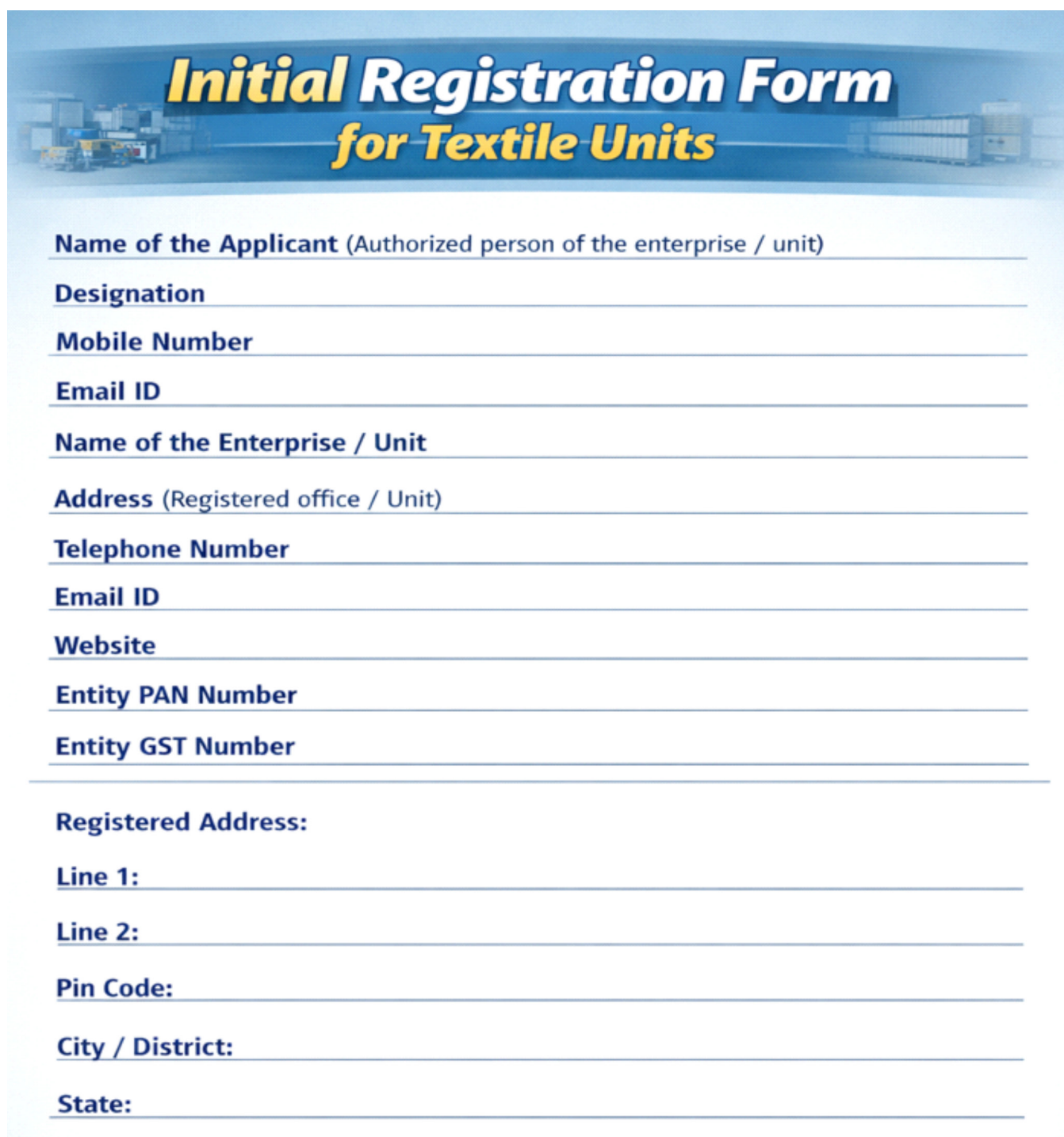
## Annexure V — Machinery for Processing of Fibre / Yarn / Fabrics

- 1 Sanforizer / Zero-Zero with Shrinkage Imparting Rubber and Felt Unit and Weft Straightener System

## Annexure A — Forms & Data from Maharashtra Textile Policy Guidelines (2023-28)

### A. Sign-Up Form ("Sign Up Form")

This is the initial registration form for textile units seeking incentives under the policy. Key fields:



**Initial Registration Form  
for Textile Units**

**Name of the Applicant** (Authorized person of the enterprise / unit) \_\_\_\_\_

**Designation** \_\_\_\_\_

**Mobile Number** \_\_\_\_\_

**Email ID** \_\_\_\_\_

**Name of the Enterprise / Unit** \_\_\_\_\_

**Address** (Registered office / Unit) \_\_\_\_\_

**Telephone Number** \_\_\_\_\_

**Email ID** \_\_\_\_\_

**Website** \_\_\_\_\_

**Entity PAN Number** \_\_\_\_\_

**Entity GST Number** \_\_\_\_\_

---

**Registered Address:**

**Line 1:** \_\_\_\_\_

**Line 2:** \_\_\_\_\_

**Pin Code:** \_\_\_\_\_

**City / District:** \_\_\_\_\_

**State:** \_\_\_\_\_

**B. Business Application Form (“Business Application Form”)**

This is the detailed application for incentive / capital grant for a textile unit. Key sections & data fields:

**1. Details of Applicant**

Name

Designation

Mobile Number

Email ID

**2. Details of Unit**

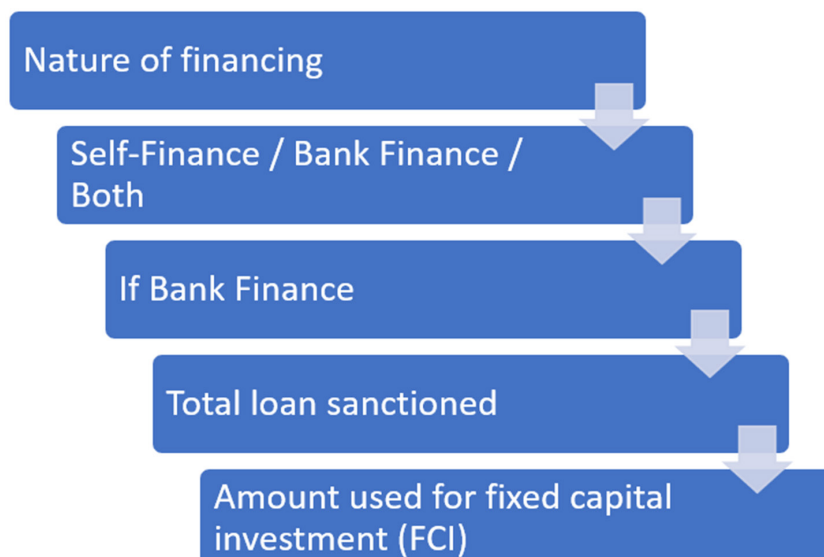
- a. Name of Unit (as per registration)
- b. Maharashtra Industry Department Approval Number
- c. Maharashtra Pollution Control Board (MPCB) Consent to Establish / Operate
- d. Type of Constitution (Proprietary / Partnership / Company / Cooperative etc.)
- e. For each type (if selected): number of partners / members / directors and their gender / SC/ ST / Minority / ex-serviceman representation
- f. CIN / LLPIN / Registration Number
- g. Date of Incorporation / Registration
- h. Unit / Entity PAN
- i. Unit / Entity GST
- j. IEM / UAM / URC (registration number & date)
- k. Unit Location: Address (Line 1, Line 2, State, District, Taluka, Village, Pin Code)
- l. Textile Zone (Zone 1 / Zone 2 / Zone 3 / Zone 4 etc.)
- m. Segment of Textile Unit (Spinning / Weaving / Garmenting / Technical Textiles / Composite / Others)
- n. Sub-Segment
- o. Nature of Project: New / Existing / Expansion / Modernization / Diversification

3. Investment & Infrastructure Details

## Investment & Infrastructure Details

	a. Land in MIDC? (Yes / No)
	b. Land area (sq. m.)
	c. Land value (₹ lakhs)
	d. Building value (₹ lakhs)
	e. Investment in Plant & Machinery (₹ lakhs)
	f. Investment in ETP (₹ lakhs)
	g. Investment in ZLD (₹ lakhs)
	h. Investment in Solar Plant (₹ lakhs)
	i. Investment in Steam Generation Plant (₹ lakhs)
	j. Total Project Cost (sum)

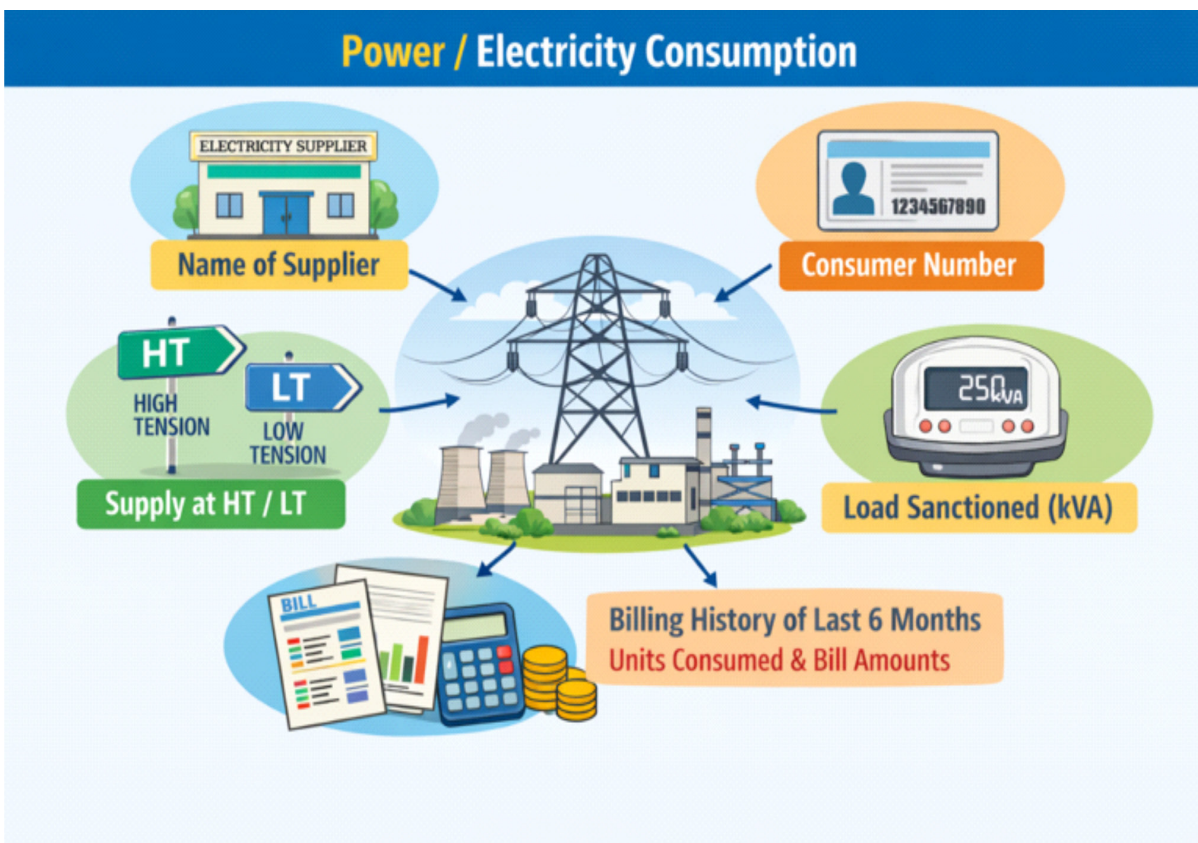
4. Financial Details / Funding Source



5. Production & Employment



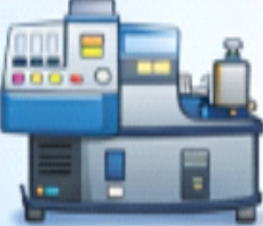
6. Power / Electricity Consumption




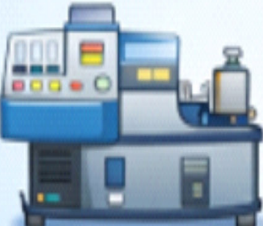
**7. Plant & Machinery Details**


For each machine:

 **Plant & Machinery Details** 

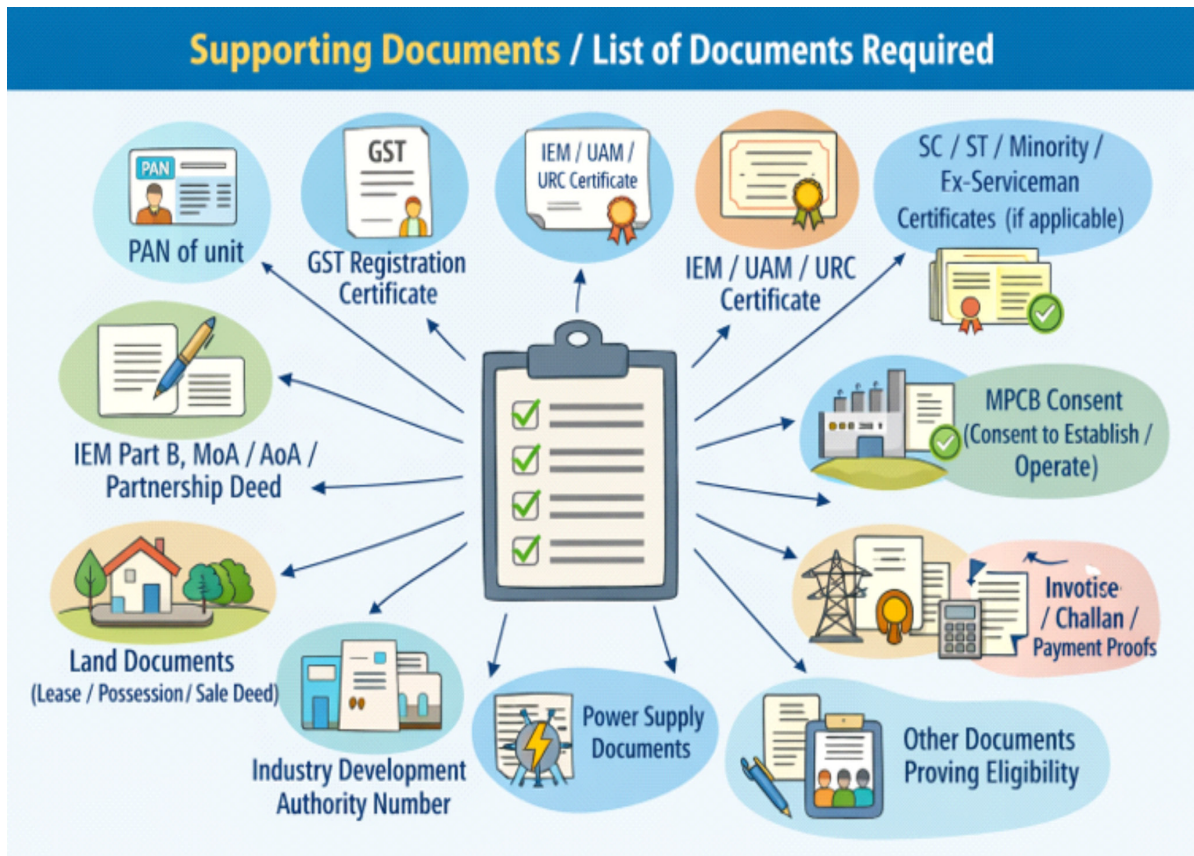
 **Machine Name:** \_\_\_\_\_  
**Model Number:** \_\_\_\_\_  
**Make:** \_\_\_\_\_ **Invoice Number:** \_\_\_\_\_  
**Purchase Date:** \_\_\_\_\_ **Installation Date:** \_\_\_\_\_  
**Capacity Per Day:** \_\_\_\_\_ **Serial Number:** \_\_\_\_\_  
**Total Cost:** \_\_\_\_\_

 **Machine Name:** \_\_\_\_\_  
**Model Number:** \_\_\_\_\_  
**Make:** \_\_\_\_\_ **Invoice Number:** \_\_\_\_\_  
**Purchase Date:** \_\_\_\_\_ **Installation Date:** \_\_\_\_\_  
**Capacity Per Day:** \_\_\_\_\_ **Serial Number:** \_\_\_\_\_  
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**Purchase Date:** \_\_\_\_\_ **Installation Date:** \_\_\_\_\_  
**Capacity Per Day:** \_\_\_\_\_ **Serial Number:** \_\_\_\_\_  
**Total Cost:** \_\_\_\_\_

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**Model Number:** \_\_\_\_\_  
**Make:** \_\_\_\_\_ **Invoice Number:** \_\_\_\_\_  
**Purchase Date:** \_\_\_\_\_ **Installation Date:** \_\_\_\_\_  
**Capacity Per Day:** \_\_\_\_\_ **Serial Number:** \_\_\_\_\_  
**Total Cost:** \_\_\_\_\_

**8. Supporting Documents / List of Documents Required**



**C. Incentive / Grant Disbursement & Conditions (Guidance Instructions)**

Duration of policy: from 02 June 2023 to 31 March 2028.

Grant percentages by zone / unit size: For MSMEs / micro / small / medium / large units, the capital grant is expressed as a percentage of fixed capital investment (FCI) depending on the zone.

Example: For “Small / Micro / Medium industries” in Zone 1, grant = 45%; in Zone 2 = 40%; Zone 3 = 35%; Zone 4 = 30%.

For large / mega industry, grant % and maximum caps differ per zone.

Disbursement schedule: Grant is disbursed in two installments:

1. First installment = 60% of grant amount after 12 months of production start.
2. Second installment = 40% after 24 months, upon verification and conditions met.

## FAQs

**Q1. What is the zone classification and how does it affect subsidy?**

A1. Maharashtra is divided into four zones for the purpose of regionally-differentiated incentive. The mapping table below sets out the zones and regions. The higher subsidies are available in the less developed zones (Zone 1 & 2).

**Q2. Can an existing unit expand and claim benefits under the Policy?**

A2. Yes. Units undertaking modernisation or expansion of existing capacity are eligible, provided the additional investment/machinery meets the criteria and is after the effective date of the Policy (2 June 2023).

**Q3. What happens if a unit becomes non-compliant or inoperative?**

A3. Such units will become ineligible for incentives. Monitoring and compliance checks will be carried out.

**Q4. Are women-owned and SC/ST owned enterprises eligible for higher benefits?**

A4. Yes. Private units owned by women, SC/ST, Minority or Ex-servicemen are eligible for an additional subsidy of 5%.

**Q5. What is the role of a Chartered Accountant (CA) in this policy?**

A5. CAs can play a key role by advising MSMEs and textile units on financial structuring, DPR preparation, subsidy/compliance documentation, audit of utilisation of funds, assisting with liaison with banks/financial institutions and state agencies, and ensuring that units claim eligible benefits under the Policy.

**Q6. Is electricity subsidy available for all textile units?**

A6. Yes. Both existing and new units are eligible, as per rates given in policy. Subsidy applies for defined periods; however units must comply with relevant documentation / application norms.

**Q7. What is the benefit for solar power installations?**

A7. Textile units can include solar plant cost (up to 4 MW) in DPR. They get 20% capital subsidy (for cooperative units ₹4.80 crore cap). Net-metering cap of 1 MW has been removed.

**Q8. Are there special benefits for units in under-developed zones?**

A8. Yes. Zones like Vidarbha, Marathwada, North Maharashtra are given higher capital subsidy and additional incentives. Pioneer projects in specific tehsils may get extra benefits.

**Q9. Does the policy apply only to manufacturers?**

No. Public summaries indicate that the policy covers both manufacturing and service-sector units.

**10. What is the main tax-related incentive?**

One of the principal incentives is reimbursement of gross SGST for eligible units, subject to conditions and ceilings.





## The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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Email: [msme@icai.in](mailto:msme@icai.in), [msmeclinic@icai.in](mailto:msmeclinic@icai.in)



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