

# Government Schemes for MSMEs

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# Introduction

An aerial photograph of a large industrial complex, likely a refinery or chemical plant, during the golden hour of sunset. The facility is characterized by a dense network of pipes, walkways, and large storage tanks. Several tall smokestacks are visible, with thick plumes of white smoke rising into the hazy, orange-tinted sky. The foreground shows more intricate piping and structural elements, while the background reveals a vast landscape with some greenery and distant industrial structures. A horizontal bar with a color gradient from yellow to cyan is positioned across the middle of the image, partially overlapping the text.

# MSME Enterprises - Definition

- Micro, Small, and Medium Enterprises (MSMEs) are a formal category of businesses in India that play a crucial role in economic growth, employment generation, and exports. The classification is designed to provide targeted policy support, financial assistance, and incentives to smaller businesses, enabling them to grow sustainably and competitively.
- MSME stands for Micro, Small, and Medium Enterprises, classified based on **investment in plant and machinery or equipment** and **annual turnover**, with updated thresholds effective from April 1, 2025.

## Classification Criteria

- MSMEs are categorized based on **two parameters**: investment in plant and machinery or equipment, and annual turnover. **Both conditions must be satisfied** for classification.

Enterprise	Investment in plant and machinery or equipment		Turnover
Micro	Does not exceed INR 2.5 Crore	AND	Does not exceed INR 10 Crore
Small	Does not exceed INR 25 Crore		Does not exceed INR 100 Crore
Medium	Does not exceed INR 125 Crore		Does not exceed INR 500 Crore

### Note:

Since 1 July 2020, the Government removed the distinction between manufacturing and service sectors. Now, a single uniform definition applies to both there will be no difference between manufacturing and service sectors.

# MSME Enterprises – Key Considerations

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- ▶ **Exports** of goods or services or both, shall be **excluded** while **calculating the turnover** of any enterprise whether micro, small or medium, for the purposes of classification.
- ▶ **All units** with Goods and Services Tax Identification Number (**GSTIN**) listed against the same Permanent Account Number (**PAN**) shall be **collectively treated as one enterprise** and the **turnover and investment** figures for all of such entities shall be **seen together and only the aggregate values will be considered** for deciding the category as micro, small or medium enterprise.
- ▶ The calculation of **investment in plant and machinery or equipment** will be **linked** to the Income Tax Return (**ITR**) of the **previous years** filed under the Income Tax Act, 1961. In case of a **new enterprise**, where **no prior ITR is available**, the **investment** will be based on **self-declaration of the promoter** of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
- ▶ The expression “**plant and machinery or equipment**” of the enterprise, shall have the same meaning as assigned to the **plant and machinery in the Income Tax Rules, 1962** framed under the Income Tax Act, 1961 and shall **include all tangible assets (other than land and building, furniture and fittings)**. Further, purchase of **second hand plant & machinery or equipment** shall also be taken into account.

# State Incentives in India – Key Aspects

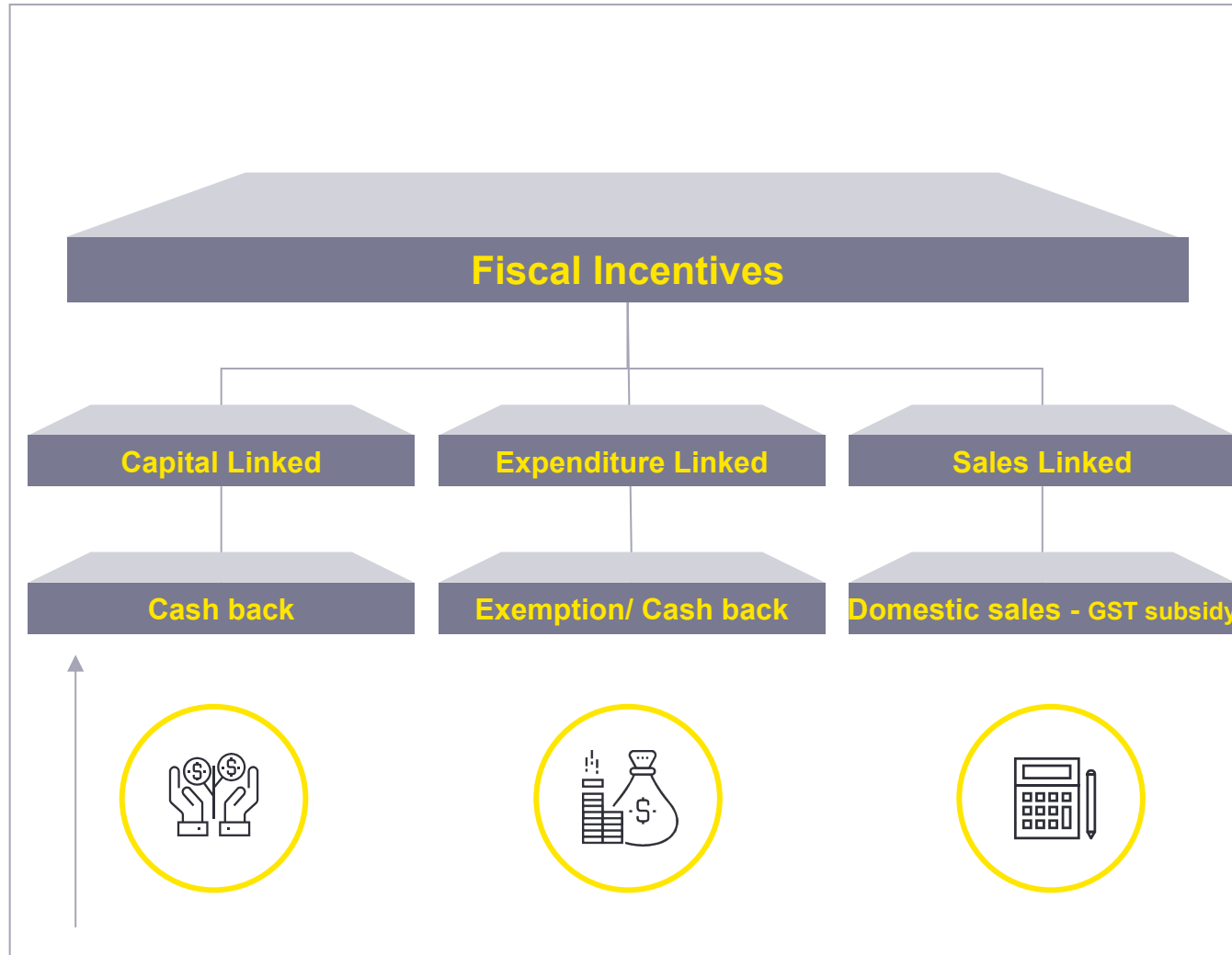
## Parameters to be considered

**Location & amount of investment:** To evaluate the maximum benefits that can be availed

**Sector:** To identify the incentives under sector specific policies

**Sales pattern:** To identify and quantify incentives available under foreign trade policy and state industrial policy

**Expenditure:** To quantify the incentives linked to expenditure



## Key considerations

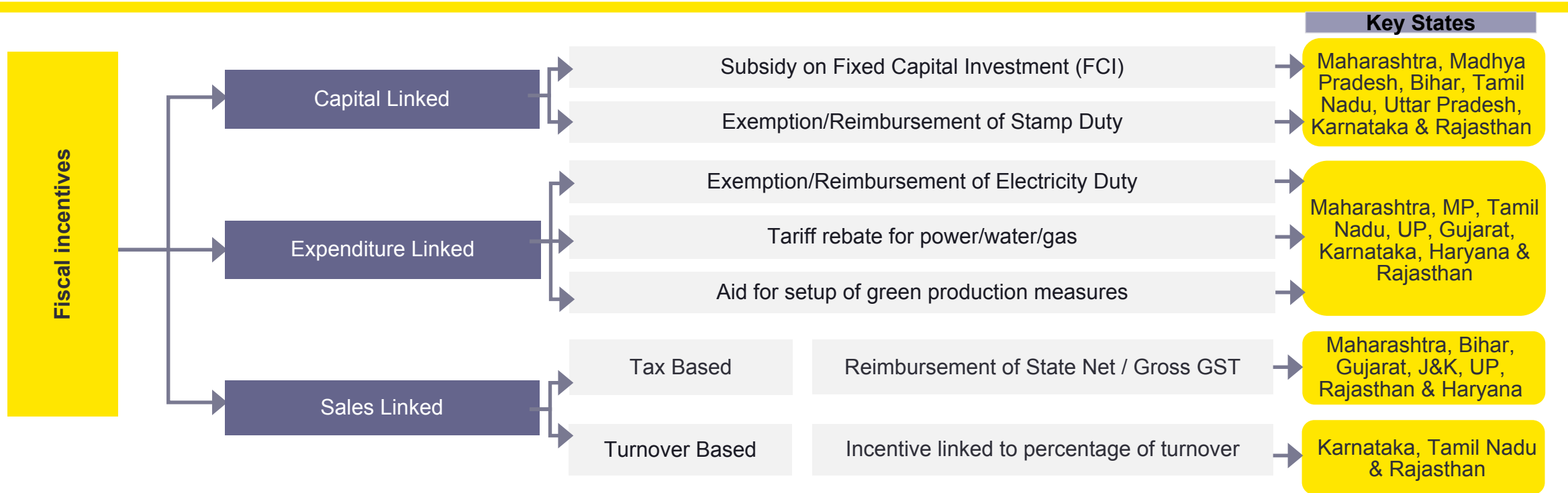
Incentives vary based on location, scale of investment, classification as to new or expansion project

Investment period is a period within which the investment made is considered for eligibility of incentives

Operative period is the minimum number of years for which a unit has to be in commercial production

Tailor-made incentives for projects with substantial investment (usually referred to as Mega Projects)

# State incentives in India - Key fiscal incentives : Basis / parameters



## Parameters considered to determine eligibility

### Location:

Emerging industrial zones to get higher incentives

**Quantum of investment/employment:** Higher the investment/employment better the negotiation power

### Business projections:

Extent of incentives proportionate to revenue/ expense and vendor ecosystem development

### Key aspects to be considered for choice of State

- ▶ Flexibility in negotiation
- ▶ Incentive type

- ▶ Incentive quantum
- ▶ Operative conditions

- ▶ Payback period
- ▶ Disbursement history

# State incentives

## Key factors

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- ▶ Incentives are offered by the states which are **equally available to all enterprise – Indian or Foreign, setting up new operations or expanding operations** in India
- ▶ Incentives vary based on location, scale of investment, employment generation etc
- ▶ State incentives are **available in addition to the central government incentives** ie both may be availed together, if a central government scheme exists for the sector
- ▶ Most states have also announced **sector specific policies** granting incentives to thrust sectors
- ▶ **Tailor-made incentives packages** are offered across most states for projects with substantial investment (usually referred to as ‘Mega’ Projects)
- ▶ Some states are also **divided into various zones/blocks/regions** based on their development index, ie incentives may vary across regions within the same state
- ▶ **Investment period** is the period within which the investment made is considered for eligibility of incentives
- ▶ **Operative period** is the minimum number of years for which a unit has to be in commercial production



# Maharashtra Industries, Investment & Services Policy 2025

# Introduction

## Title, Validity and key Eligibility Criteria

- Maharashtra Industries, Investment & Services Policy 2025 (MISP – 2025 or PSI-2025 or the Policy)
- The Policy is valid for five year from 31 December 2025, or until the next policy comes into effect
- Incentives are allotted under the Policy according to the size of the industrial unit and the taluka/area in which it is established
- Incentives are provided to both Manufacturing Sector Units and Service Sector Units

## Dovetailing Sectoral Policies

- Total fiscal incentives granted by different departments or agencies of the State Government shall remain within the maximum permissible limit as a percentage of Fixed Capital Investment defined in the policy

## Incentives

- Large Scale Industries (LSI) will be eligible for incentives provided to MSME under the upcoming MSME policy of Maharashtra
- Mega & Ultra Mega Projects will be provided with customized incentives on case to case basis

## Governing Bodies

- Invest Maharashtra – Nodal Investment Body to be up as a section 8 company or society

### Governing Bodies –

- Development Commissioner of Industries
- Commissionerate of MSME
- Commissionerate of Services

# Project Classification

## ■ *Manufacturing Sector*

MSME Units	Maximum Investment in Plant, Machinery & Equipment
Micro	INR 2.5 crore
Small	INR 25 crore
Medium	INR 125 crore

## ■ *Service Sector*

Taluka/Area classification	Minimum Employment [Number of People]
	MSME
A	350
B	
C	250
D	150
D+	125
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon and Dhule	100
No Industry districts, Naxalism Affected Areas and Aspirational Districts	50



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# Fiscal Incentives – Manufacturing Sector

# Fiscal Incentives (Manufacturing Sector)

## Micro, Small and Medium Enterprises (MSMEs) (1/5)

Taluka/Area classification	Ceiling as % of Fixed Capital Investment [FCI]	Eligibility period [Years]	Industrial Promotion Subsidy (IPS)
A	30%	5	100 % of Gross SGST payable by the unit on the first sale of eligible product(s) billed and delivered within Maharashtra
B	40%	7	
C	50%	7	
D	60%	10	
D+	70%	10	
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon and Dhule	80%	10	
No Industry districts, Naxalism Affected Areas and Aspirational Districts	100%	10	

### Special category Incentives

Additional incentive of 10% of FCI in plant and machinery, subject to a cumulative cap of 120% of FCI

Under any one of the following categories –

- Units fully owned by Women Entrepreneurs, SC/ST Entrepreneurs, or Persons with Disabilities, employing a minimum of 50% of their total workforce from women, SC/ST individuals, or persons with disabilities, or
- Units located in D, D+ and below and Emerging Districts, or
- Units operating in Priority Sectors (Refer [Annexure 1](#)) and creating minimum 10 direct employment per 1 crore of investment

### Calculation of Incentives

- For the purpose of calculating subsidies related to plant and machinery or equipment, only 20% of the FCI shall be considered
- If P&M or Equipment costs exceed 20% FCI for a particular unit, then the additional percentage will not be considered for subsidies under P&M or Equipment
- This is for all unit sizes regardless of its classification

# Fiscal Incentives (Manufacturing Sector)

## Micro, Small and Medium Enterprises (MSMEs) (2/5)

Taluka/Area classification	Stamp Duty Exemption	Electricity Duty Exemption	Power Tariff Subsidy (Overall Capped at INR 1 Crore)
A	50%	100% to EOUs with 50% export and prescribed units*	-
B			-
C	100%	100%	-
D	100%	100%	INR 1/unit for 3 years
D+	100%	100%	INR 1/unit for 3 years
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon and Dhule	100%	100%	INR 1/unit for 3 years
No Industry districts, Naxal Affected Areas and Inspirational areas	100%	100%	INR 1/unit for 3 years

**\*Prescribed Units** – Units fully owned by women, SC/ST, or persons with disabilities, and employing 50% workforce from the said group

Sr. No.	Incentive	Description
1	Employment Linked Subsidy (EPF Reimbursement)  Applicable for units in Group D,D+ and below	<ul style="list-style-type: none"> <li>50% reimbursement of employer's EPF contribution for 5 years</li> <li>Capped at INR 5 crore per unit</li> <li>Incentive will be based on the number of <b>direct jobs</b> generated per INR 1 crore of investment</li> <li>Applicable for units with employment factor above 20 jobs per INR 1 crore investment</li> </ul>
2	Interest Subsidy	<ul style="list-style-type: none"> <li>Up to 5% per annum capped at INR 1 Crore</li> <li>Unit shall contribute minimum 5% of the payable interest rate per annum</li> </ul>
3	Production Linked Incentive (PLI)	<ul style="list-style-type: none"> <li>1.5% of incremental turnover to 100% EOUs for 5 years</li> <li>1% of incremental turnover to EOUs with more than 50% exports for 5 years</li> <li>Capped at 10% of FCI in the incentive period with annual Ceiling of INR 1 crore</li> </ul>

# Fiscal Incentives (Manufacturing Sector)

## Micro, Small and Medium Enterprises (MSMEs) (3/5)

### Capital Subsidy for Thrust Sector Units\*

Taluka/Area classification	Value considered for Capital Subsidy	Ceiling Limit	Eligible Categories under Thrust Sector*
A	50% Cost of Machinery	20% or INR 25 crore whichever is less, with an annual capping of INR 5 crore per year	<ol style="list-style-type: none"> <li>Export Oriented Units with minimum 50% of annual turnover of exports</li> <li>Circular Economy Projects with minimum 50% of domestic/local raw material should be recycled material (Required Recycled Content Certification to show compliance with global standards such as ISO 14021 and EN 15343)</li> <li>Units fully owned by Women Entrepreneurs/ SC/ST / persons with disability employing 50% women</li> </ol>
B			
C	80% Cost of Machinery		
D			
D+			
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon and Dhule			
No Industry districts, Naxalism Affected Areas and Aspirational Districts	100% Cost of Land, Building and Machinery		

### Thrust Sectors

- Semiconductor, Display for LCD & LED, Mobile display & related glass manufacturing etc
- Hydrogen Fuel cell manufacturing etc
- Laptop, Computer & Servers etc
- Lithium battery & Cell manufacturing etc
- Solar Panel, Module & Cell Manufacturing etc
- Pharmaceutical, Chemicals, Polymers & other related products etc
- Aerospace & Defence
- Coal gasification and downstream derivatives as well as green steel production

# Other Fiscal Incentives (Manufacturing Sector)

## Micro, Small and Medium Enterprises (MSMEs) (4/5)

Sr. No.	Incentive	Description	Ceiling
1	Technology Upgradation Assistance	50% subsidy only on additional capital equipment acquired for Technology Up-gradation	Capped at INR 25 lakh
2	Incentive for Energy and Water Audit	50% of cost of water audit and energy audit	Capped at <ul style="list-style-type: none"> <li>• INR 1 Lakh/unit for water audit</li> <li>• INR 2 Lakh for energy audit</li> </ul>
3	Incentive for Energy Efficiency	50% of the cost of additional capital equipment for improving energy efficiency	Capped at INR 5 Lakhs
4	Incentive for credit rating	Incentives for Credit Rating of MSMEs, 50% of the cost of carrying out Credit Rating by SIDBI/ Government accredited Credit Rating Agency	Capped at INR 1 Lakhs
5	Reimbursement of Listing Expenses	Reimbursement of 50% of SME Stock Exchange listing expenses	Capped at <ul style="list-style-type: none"> <li>• INR 5 Lakhs</li> <li>• Actual CA certified listing expenses, whichever is lower</li> </ul>
6	Incentive for setting up Quality, Testing and Certification Laboratories	The State will provide grant-in-aid of up to 50% of the capital cost of establishing Testing and Quality Certification Laboratories (excluding land)	Capped at INR 5 Crore per laboratory, for the first 12 laboratories set up during the policy period
7	Incentives for Quality Certification	<ul style="list-style-type: none"> <li>• 75% subsidy of quality certification costs</li> <li>• Standalone R&amp;D projects obtaining national or international certifications shall be eligible for a subsidy of 50% of the total cost incurred for obtaining the certification</li> </ul>	Capped at <ul style="list-style-type: none"> <li>• INR 1 Lakh for GMP and Hallmark certifications</li> <li>• INR 2 Lakhs for patent and Geographical Indicators</li> <li>• INR 75 crore for standalone R&amp;D projects</li> </ul>

# Other Fiscal Incentives (Manufacturing Sector)

## Micro, Small and Medium Enterprises (MSMEs) (5/5)

Sr. No.	Incentive	Description	Ceiling
8	Reimbursement of Patent Cost	IPR support for expenses incurred on patent, copyright, trademark and GI registration for the policy period	Capped at INR 2 Lakhs for Domestic and INR 10 Lakhs for International
9	Reimbursement of ZED scheme certification	50% Reimbursement of the certification fees for obtaining Zero defect – Zero Effect (ZED) Scheme	Capped at INR 50,000
10	One Time Grant for Scaling up MSMEs	<p>50% of the additional Investment capped as follows –</p> <ul style="list-style-type: none"> <li>• Micro and Small – 5 Lakhs</li> <li>• Small to Medium – 10 Lakhs</li> <li>• Medium to LSI – 25 Lakhs</li> </ul>	<ul style="list-style-type: none"> <li>• Eligible enterprises that achieve pre-defined investment and turnover thresholds will receive a financial grant to support technology upgrades, capacity expansion, and market integration</li> <li>• Applicable to the first 25,000 eligible units</li> </ul>





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# Fiscal Incentives – Service Sector

# Fiscal Incentives (Service Sector)

## Micro, Small and Medium Enterprises (MSMEs)

Taluka/Area classification	Electricity Duty Exemption*	Rental Assistance (Note 1)	Employment Linked Subsidy
A	100% for 3 years	Up to 50% capped at <b>INR 20 Crore</b>	50% reimbursement of employer's EPF contribution for 5 years, capped at INR 10 crore per unit
B			
C	100% for 5 years	Up to 50% capped at <b>INR 10 Crore</b>	
D		Up to 50% capped at <b>INR 1 Crore</b>	
D+			
Vidarbha, Marathwada, Ratnagiri, Sindhudurg, Jalgaon and Dhule			
No Industry districts, Naxalism Affected Areas and Aspirational Districts			

### Notes -

1. Applicable only to the first 20 units for each district within 5 years
2. To promote IT/BPO/KPO services in Tier-2 cities, additional incentives shall be provided to Mega and Ultra- Mega up to a maximum cap of **120% of FCI** subject to approval by High Power Committee and Cabinet Sub-committee



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# Fiscal Incentives – Common Incentives

# Additional Incentives

## Manufacturing and Service Sector Incentives (1/2)

Sr. No.	Incentive	Description	Conditions														
1	Incentivizing Industrial Growth in Emerging Districts	<p>Zone 1 of Emerging Districts – up to 25% of FCI</p> <p>Zone 2 of Emerging Districts – up to 15% of FCI</p> <p>(For Zone 1 and Zone 2 Districts)</p>	<ul style="list-style-type: none"> <li>Minimum FCI of INR 500 crore and 500 employment</li> <li>Industrial units setting up operations, either a new unit or an expansion unit</li> <li>Investments within remote talukas (wherein difference from the average Per Capita Income of Zone 1 is larger) will attract more incentives as compared to district capital and industrial developed Taluka</li> </ul>														
2	Women Empowerment Initiatives	Vidarbha, Marathwada, No Industry District(s), Aspirational Districts and Naxalism affected area – 20% additional incentives	<table border="1"> <thead> <tr> <th>Classification</th> <th>Women/SC/ST Ownership, Partnership &amp; Share Capital</th> <th>Minimum Women/SC/ST Employees in company</th> </tr> </thead> <tbody> <tr> <td>Vidarbha, Marathwada, No Industry District(s), Aspirational Districts and Naxalism affected area</td> <td>100%</td> <td>100%</td> </tr> <tr> <td rowspan="2">Group D, D+</td> <td>100%</td> <td>50%</td> </tr> <tr> <td>50%</td> <td>100%</td> </tr> <tr> <td>Group C</td> <td>50%</td> <td>50%</td> </tr> </tbody> </table>	Classification	Women/SC/ST Ownership, Partnership & Share Capital	Minimum Women/SC/ST Employees in company	Vidarbha, Marathwada, No Industry District(s), Aspirational Districts and Naxalism affected area	100%	100%	Group D, D+	100%	50%	50%	100%	Group C	50%	50%
Classification	Women/SC/ST Ownership, Partnership & Share Capital	Minimum Women/SC/ST Employees in company															
Vidarbha, Marathwada, No Industry District(s), Aspirational Districts and Naxalism affected area	100%	100%															
Group D, D+	100%	50%															
	50%	100%															
Group C	50%	50%															
3	For Scheduled Castes (SC)/Scheduled Tribes (ST)	<p>Group D, D+ - 10% additional incentives</p> <p>Group C – 5% additional incentives</p>	<ul style="list-style-type: none"> <li>Units have to meet Ownership and Employee criteria to qualify</li> <li>Unit can avail benefits from either of the above 2 options and not both</li> </ul>														

# Additional Incentives

## Manufacturing and Service Sector Incentives (2/2)

Sr. No.	Incentive	Description	Conditions
4	Incentives for ODOP	Additional incentive of 10% of FCI in plant and machinery, subject to a cumulative cap of 120% of FCI	<ul style="list-style-type: none"> <li>Eligible ODOP units are enterprises engaged in the production or processing of products officially designated under the One District One Product (ODOP) initiative by the Government of Maharashtra for their respective districts</li> </ul>
5	Wastewater Treatment and Reuse	25% capital subsidy for setting up ETPs, STPs and CETPs in MIDC, industrial estates/parks	<ul style="list-style-type: none"> <li>Capped at INR 5 crore</li> <li>Subject to the condition that the applicant unit reuses a minimum of 25% of the industrial water consumed</li> <li>Additional subsidy of 25% for adopting Zero liquid discharge technologies</li> <li>Industries with green certifications and utilizing recycled water will be given priority in land allotment and offered up to 10% additional FSI</li> </ul>
6	Participation in Events	30% Reimbursement of eligible expenses such as participation fees, registration charges and Promotional Material	<ul style="list-style-type: none"> <li>Capped at INR 5 Lakhs for domestic and 10 Lakhs for international event</li> </ul>



# Tourism Policy of Maharashtra 2024

# Maharashtra Tourism Policy 2024

## Policy Title and Validity

- ▶ Title - Tourism Policy of Maharashtra 2024 (Nodal Agency – Directorate of Tourism)
- ▶ **Valid** from effective date of publication i.e. 18 July 2024 **for 10 years** or until amended by a new policy
- ▶ Budget – INR 1666 crore per year has been sanctioned for incentives under the policy

## Permissible Investment Period

- Permissible Investment Period will be 4 years up to DCCO\*
- Permissible Investment Period specifically for Capital subsidy will be 3 years up to DCCO

## Expansion Conditions

- Any existing eligible Tourism Project that undertakes an expansion project of more than 50% of its existing capacity (e.g., Rooms / Rides etc.) and commencing commercial operation during operative Period of Policy

## Eligible Enterprise

- ▶ Eligible new and expansion tourism units (including acquired tourism units) who obtained or applied for provisional Registration certificate under Tourism Policy 2024 will be eligible for capital incentives.

## Eligible Capital Investment (ECI)

- ▶ Land (specifically for SGST refund only); indigenous and imported P&M; captive power plants; infrastructure; furniture, fixtures and fittings; mechanical, electrical and plumbing installations Solid and liquid classical waste treatment facilities etc.

#ECI – Eligible capital investment | \*DCCO - Date of commencement of commercial operations | ^ PR - Provisional Registration | P&M – Plant & Machinery

# Fiscal Incentives

## Micro, Small and Medium Enterprises (MSMEs)

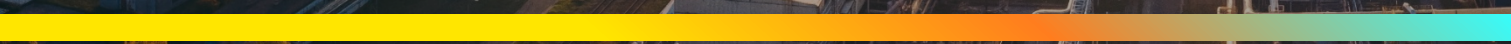
Key Incentives						
Taluka / Area classification	Eligibility Period	SGST Reimbursement	Electricity Duty exemption	Stamp Duty exemption	Electricity Tariff Refund*	Interest subventions on loans
A	5 years	50% of Net SGST paid	50% exemption for eligibility period	50% for eligibility period	50% for eligibility period	Up to 5% subventions Loan value - up to INR 5 Crore Overall ceiling for eligible period – INR 20 Lakhs
B	5 years	75% of Net SGST paid	75% exemption for eligibility period	75% for eligibility period	75% for eligibility period	Up to 5% subventions Loan value - up to INR 10 Crore Overall ceiling for eligible period – INR 25 Lakhs
C	7 years	100% of Net SGST paid	100% exemption for eligibility period	100% for eligibility period	100% for eligibility period	Up to 5% subventions Loan value - up to INR 15 Crore Overall ceiling for eligible period – INR 50 Lakhs
STZ / STD	7 years	100% of Net SGST paid	100% exemption for eligibility period	100% for eligibility period	100% for eligibility period	Up to 5% subventions Loan value - up to INR 20 Crore Overall ceiling for eligible period – INR 50 Lakhs

Other Incentives		
Particulars	Incentive	Criteria
Quality certification, Travel for Life Registration & Certification etc., Incentives	100% reimbursement	a. Capped at: INR 2 lakh for National Certification and INR 10 lakh for International Certification b. Eligible costs: Cost of certification (registration, application fees and other payments to certifying authority)
Sustainability Initiatives Incentive per project	Reimbursement of actual GST paid	Capped at lower of: - INR 25 lakhs - 25% of investment in capital cost of implementing the Initiatives

\*Electricity Tariff Refund - Difference between commercial tariff and industrial tariff



# Maharashtra Global Capability Centre (GCC) Policy 2025



# Introduction

- GCCs are **fully owned and integrated captive hubs** established by **MNCs or Indian Global Companies**
- These are **wholly owned and operated** by the **parent company** & it provides specialized services **exclusively for its parent organization**
- It provides services in the areas of Information technology, R&D, finance, Centres of excellence, human resources, and other strategic or business support functions
- GCCs shall **specifically exclude** BPO units, Call Centers serving self or third-party clients, and Pure-play sales entities engaged in marketing, distribution, or sale of products, customized software, or tools in India or neighbouring regions

- **Enterprises shall be eligible for incentives under the policy on a first-come, first-served basis**
- **Aggregate fiscal incentives** provided by **various departments or agencies of the State Government** shall not exceed the **Industrial Promotion Subsidy (IPS) cap of 100% FCI**
- GCC units meeting the minimum threshold limits of **Fixed Capital Investment OR Direct Employment** prescribed as given in table below shall be eligible for incentives

## Eligibility Criteria for availing incentives

Classification	Investment Criteria (INR crore)	Direct Employment
Small	50 – 100	100 – 250
Medium	100 – 250	250 – 500

### Notes:

- Projects based on employment criteria shall be required to maintain the qualifying direct employment (on the roll and in premises of the eligible unit) throughout the year
- If the employment criteria is not maintained in any month of the year for which Incentive is claimed, then incentive shall not be admissible for such year
- Minimum Direct Employment prescribed in the table above should be created within a period of **two years** from the date of commencement of commercial production
- In the case of **an expansion or diversification project**, the total investment in **Plant & Machinery or Equipment**, in the proposed expansion/diversification project, should fall within the limits specified above to qualify for incentives

# Fiscal Incentives

## Capital Subsidy or Rental Assistance

### Option 1 - Capital Subsidy – 20% of Eligible Investment in Plant and Machinery

Classification	Minimum Capital Expenditure (INR crore)	OR	Direct Employment (No. of Employees)	Capital Subsidy @ 20% of Eligible Plant and Machinery capped at (INR crore)
Small	50		100 to 250	10
Medium	100		250 to 500	20

Notes - Capital subsidy will be distributed in **5 equal instalments**

### Option 2 - Rental Assistance

Classification	Zone I - 10% of Actual Rent/ Ready Reckoner Rate (Cap)	Zone II - 20% of Actual Rent/ Ready Reckoner Rate (Cap)
Small	Up to INR 1 crore	Up to INR 1 crore
Medium	Up to INR 2 crore	Up to INR 2 crore

Notes - Rental subsidy of 10%/20% will be provided to **new GCC Units** established under the policy for a period up to **5 years**

# Fiscal Incentives

## Other Incentives

No	Particulars	Description
1	Payroll Subsidy  (Reimbursement of the cost of salaries and emoluments paid)	<ul style="list-style-type: none"> <li>▶ For Indian on-roll employees (incl. workers engaged in R&amp;D) with monthly salary above INR 1 Lakh               <ul style="list-style-type: none"> <li>▶ Zone I - 40% of salary component above INR 1 Lakh</li> <li>▶ Zone II - 50% of salary components above INR 1 Lakh</li> </ul> </li> <li>▶ For a period of <b>3 years</b> capped at <b>INR 50,000 per</b> employee for max. 100 employees per GCC each year</li> <li>▶ Capped at <b>INR 5 crore annually</b> per GCC unit</li> <li>▶ Disbursement will be in staggered manner — <b>30% in the 1<sup>st</sup> year, 30% in the 2<sup>nd</sup> year, and the remaining 40% in the 3<sup>rd</sup> year</b></li> <li>▶ <b>Employees to be retained for a minimum period of 3 years</b></li> <li>▶ GCCs with at least 50% diversity hiring (including women and persons with disabilities) will receive an <b>additional 10% payroll subsidy</b> across Maharashtra, up to <b>INR 60,000 per employee per month</b></li> </ul>
2	Interest Subsidy	<ul style="list-style-type: none"> <li>▶ <b>5% interest subsidy on eligible term loans</b> for units in <b>Zone II</b></li> <li>▶ Enterprise to contribute minimum 5% of the payable interest rate per annum</li> <li>▶ Total interest subsidy shall not exceed <b>10% of the FCI</b> and shall be available for a <b>maximum period of 5 years</b></li> <li>▶ Annual subsidy cap shall be <b>INR 5 crore</b> of the payable interest rate per annum with maximum cap of <b>INR 25 crore</b> per GCC Unit</li> </ul>
3	Power Tariff Subsidy	<ul style="list-style-type: none"> <li>▶ <b>Power at industrial rates</b></li> <li>▶ Zone I - <b>INR 1 per unit for 5 years</b></li> <li>▶ Zone II - <b>INR 2 per unit for 5 years</b></li> <li>▶ Capped at <b>INR 20 Lakh per unit per annum</b></li> </ul>
4	Electricity Duty Exemption	<ul style="list-style-type: none"> <li>▶ 100% exemption for a period of <b>10 years</b></li> </ul>



# Comparative of MSME Industrial policy - MP, GJ, KN

# Incentives as per State's Industrial policies

## Fiscal Incentives (1/2)

Sr No	Particulars	Gujarat	Madhya Pradesh	Karnataka
1	Applicable incentives policy	Viksit Gujarat Industrial Policy, 2026	Madhya Pradesh MSME Development Policy 2025	Karnataka Industrial Policy, 2025-30
2	Operating Period	01 June 2026 to 31 May 2031	Valid from 24 February 2025 till amended or replaced by a new policy	Effective from 08 February 2025 and valid 5 years or until a new policy is announced
3	Capital Subsidy	25% - 35% of the eFCI disbursed over 5 years	Up to 40% of eligible investment (For food processing units basic multiple is 1.5)	General Category – 10 lakhs to 10 crores
4	Interest Subsidy	7% on term loan for 5 years, capped at 10% of eFCI	-	-
5	GST reimbursement	-	-	-
6	<b>Production Linked Incentives</b>	-	1% on annual net sales turnover for a period of 5 years, maximum limit of INR 5 crore (Only for food processing units)	For Medium Enterprise PLI of 3% - 5%.

# Incentives as per State's Industrial policies

## Fiscal Incentives (2/2)

Sr No	Particulars	Gujarat	Madhya Pradesh	Karnataka
7	Training subsidy for payroll employees / EPF Reimbursement	100% EPF Reimbursement for 5 years	-	-
8	Electricity Duty Exemption	100% for 5 years	-	General category - 0 to 100% for 6 to 7 years.
9	Power Tariff Subsidy/Power Cost reimbursement	INR 1 per unit for 5 years up to 25% of eFCI	INR 1/unit for a period of 5 years	INR 1 per unit for 3 years
10	<b>Stamp Duty Exemption</b>	-	-	General category - 0 to 100%
11	<b>Concessional Registration Charges</b>	-	-	General category - 0 to INR 1/- per INR 1000/-
12	<b>Reimbursement of Land Conversion Fee after commercial Production</b>	-	-	General category - 0 to 100%



# Central Government MSME Incentive Policies

# Central level incentives (1/4)

	Sr. No.	Incentive Scheme	Brief description of the scheme
			▶ ▶ ▶ ▶ ▶
			▶
			▶
			▶
			▶ ▶

# Central level incentives (2/4)

	Sr. No.	Incentive Scheme	Brief description of the scheme
		Credit & Financial Support Schemes	<ul style="list-style-type: none"><li>▶</li><li>▶</li><li>▶</li><li>▶</li><li>▶</li></ul>
		Capital Subsidy / Technology Upgradation	<ul style="list-style-type: none"><li>▶</li><li>▶</li><li>▶</li><li>▶</li></ul>



# Central level incentives - Employment Linked Incentive (ELI) Scheme (4/4)



Union Cabinet has approved 2 employment linked incentive schemes to provide support to employees and employers with the objective of job creation  
Applicable for jobs created between 1 August 2025 to 31 July 2027

## SCHEME A:



**Incentive to employees** – for taking first time employment in any organisation

## SCHEME B



**Incentive to employer** – for additional employees in any organisation

Incentive for 2 years for employer in non-manufacturing sector employer  
Incentive for 4 years for employer in manufacturing sector employer

**INR 99,446 crore - Total planned outlay under the schemes**

### Incentive - Scheme A

INR 15,000 per employee  
Up to 1 month's EPF wages

### Incentive - Scheme B

For non-manufacturing employer: Up to INR 72,000 per additional employee  
For manufacturing employer: Up to INR 144,000 per additional employee

### Eligible employees

Employees with gross wages up to INR 100,000 per month

A central graphic featuring a dark blue circle with a thick yellow border. Inside the circle, the text "Q & A Session" is written in white. The background is dark grey with a pattern of white dots that radiate outwards from the circle, creating a sunburst effect. A horizontal grey band is visible behind the circle.

**Q & A  
Session**