



Central & State Subsidies for Textile Industry



CA Kunal Budhraj
Nagpur
+91 99207 01007



Importance of Textile Industry

- **GDP** - The textile sector plays an important role in the national economy owing to its major contribution to the GDP, industrial production, employment generation and export revenue generation. The textile industry contributes 14% of India's industrial production **and 4% of its GDP.**





Importance of Textile Industry

- **EMPLOYMENT** - The textile industry is one of the leading employment generating industries in the country, employing **approximately 5 crore people**. The Indian textile industry has the **second largest industrial capacity** in the world.
- **EXPORTS** – TEXTILE INDUSTRY accounts for 13% of total exports. The market for readymade garments is divided into three segments viz. domestic market, industrial market and international market. Out of the total readymade garments production, 60% is consumed in domestic sector, 21% is consumed in the industrial sector while 19% is exported.



Why subsidies to Textile?

- **FOR VALUE ADDITION** - INDIA IS A MAJOR EXPORTER OF RAW COTTON AND RAW MATERIAL FROM INDIA
- CONCEPT OF **"FIBER TO FASHION"**, IS INTRODUCED, MAKE IN INDIA
- **STRATEGIC STRENGTH OF INDIA**

Availability of raw material, skilled manpower and lower production costs are its key strengths
India has efficient rail, road, port and airport infrastructure for connectivity, availability of electricity, skilled manpower and abundantly available cotton

The background of the slide is a composite image. The top-left portion shows a close-up of industrial machinery, likely a spinning or weaving machine, with blue and green components. The bottom-left portion shows several large spools of white and light green thread. The rest of the background is a soft, out-of-focus image of a textile factory interior with bright lighting.

Sources of Subsidies

**A TEXTILE INDUSTRY IN MAHRASHTRA GET
SUBSIDIES FROM 3 DEPARTMENTS**

- 1. Central Textile Department**
- 2. State Textile Department**
- 3. State District Industries Center - DIC**


CENTRAL SUBSIDY - ATUFS

- **ATUFS - AMENDED TECHNOLOGY UPGRADATION FUND SCHEME**
 - **SUBSIDY DETAILS – WHAT SUBSIDY and PERIOD OF SCHEME**
- 1) **ATUFS DURATION – 13TH Jan 2016 to 31st March 2022**
(Expected that the period will be increased in view of pandemic)
 - 2) **NEW AS WELL AS EXPANSION UNIT DURING SUCH PERIOD**
 - 3) **CIS – CREDIT LINKED SUBSIDY**




CENTRAL SUBSIDY - ATUFS

- **WHICH UNITS ARE ELIGIBLE –**

- 1) Weaving and Knitting
 - 2) Processing of Fibers , Yarns , Fabric
 - 3) Technical Textiles
 - 4) Garments and made up units
 - 5) Handloom Sector
 - 6) Silk Sector
 - 7) Jute Sector
- 



CENTRAL SUBSIDY - ATUFS

- **WHAT ARE IMPORTANT CONSIDERATIONS –**
 - 1) Specification for Technology for the machines would be prescribed annually
 - 2) Machinery – Directly from Machine Manufacturer or Agent
 - 3) TAMC – Shall specify the indicative list of manufacturers
 - 4) Machinery with lower technology wont be applicable
 - 5) List only Suggestive – Regularly updated and can also
 - 6) Second Hand Machinery not eligible
 - 7) Accessories - up to 20 % of Cost of Machinery is eligible
 - 8) Machinery shall not be disposed off before 10 years
- 


CENTRAL SUBSIDY - ATUFS

Sl. No.	Segment	Rate of Capital Investment Subsidy (CIS)
1.	Garmenting, Technical Textiles	15% subject to an upper limit of Rs 30 crores
2.	Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom.	10% subject to an upper limit of Rs 20 crores
3(a)	Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is more than 50% of the eligible project cost.	15% subject to an upper limit of Rs 30 crores
3(b)	Composite unit/ Multiple Segments - If the eligible capital investment in respect of Garmenting and Technical Textiles category is less than 50% of the eligible project cost.	10% subject to an upper limit of Rs 20 crores



CENTRAL SUBSIDY - ATUFS

- **WHAT IS UID AND WHEN TO APPLY**

- 1) UNIQUE IDENTIFICATION NUMBER (UID) – means provisional approval for estimated capital subsidy based on tentative estimate of specified machinery
 - 2) Application has to be done within 6 months from the Date of Sanction of Loan.
 - 3) Scheme Is Credit Linked – Only Units Having Term Loan Of Min 50% Of Eligible Machine Cost . Min Repayment period of 3 years for MSME
 - 4) Full Subsidy will be released in one Go
 - 5) Machinery Purchased after Sanction of Term Loan only eligible
- 

The background of the slide features a collage of images related to the textile industry. On the left, there is a close-up of a green and blue industrial spinning machine. On the right, there are several large spools of white cotton thread, some of which are partially unwound. The overall theme is the textile manufacturing process.

STATE TEXTILE POLICY 2018 -23


OBJECTIVES OF STATE TEXTILE POLICY -

1. Encourage setting up of **Fiber to Fashion value chain**.
2. Generate **10 lakh new employments** in the textile sector.
3. Special focus on development of the textile industry in **cotton growing areas**.
4. Special focus on **processing, knitting, hosiery and garmenting** sectors to create an internationally competitive textile industry in the State.
5. Set up **pollution free** / ecofriendly dyeing and processing industry.



STATE TEXTILE POLICY 2018 -23

OBJECTIVES OF STATE TEXTILE POLICY –

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6. Increase Mulberry and Tussar cultivation, increase Silk yarn production and create a silk tourism corridor.
 7. Encourage traditional **silk weaving businesses**.
 8. Special focus on **non-conventional yarn** (bamboo, banana, *ambadi*, *ghaypat*, *maize*, *coir*,) and its usage with a view to doubling farmers' income.
 9. Focus on reviving the entire **wool industry** from shearing to garmenting to marketing.
 10. Special focus on the emerging sector of **technical textiles**.

The background of the slide features a collage of textile-related images. On the left, there's a close-up of a green industrial machine, likely a loom or spinning equipment. Below that, several large spools of white and light green thread are visible, stacked and slightly out of focus. The overall theme is the textile industry.

STATE TEXTILE POLICY 2018 -23

Textile Components included in Textile policy 2018-23 –

- 1. Cotton ginning and pressing**
- 2. Spinning / silk reeling and twisting / integrated silk park / synthetic filament / yarn texturing, crimping and twisting**
- 3. Weaving and power loom**
- 4. Technical textile, non-woven and converters of non-woven**
- 5. Knitting / hosiery / garment / apparel & made-up**

The background of the slide features a collage of textile-related images. On the left, there's a close-up of a green industrial spinning machine. On the right, a person wearing a white hard hat is working in a factory setting. At the bottom, several large spools of white and light green thread are visible.

STATE TEXTILE POLICY 2018 -23

Textile Components included in Textile policy 2018-23 –

- 6. Processing of fiber / yarn / fabric / garments / made-ups**
- 7. Processing of non-conventional fiber / yarn / fabrics / garments / made-ups (bamboo, banana, maize, coir, hemp, etc)**
- 8. Expansion of existing textiles units**
- 9. Textile Parks / processing parks**
- 10. Embroidery on standalone basis**
- 11. Wool sector**
- 12. Other units of textile industry not mentioned herein**

STATE TEXTILE POLICY 2018 -23

Subsidy Details –

1	Type of Textile				
	2	3	4	5	6
	Processing (yarn, fabric, printing), Technical textile Knitting, Hosiery and Garmenting*	Composite Unit**	Spinning, Ginning, Pressing	Conversion of Old Plain powerlooms to Shuttle less Rapier looms or looms based on latest technology (Modernization of powerlooms)	New Powerlooms based on latest technology (Other than plain Powerloom), Weaving, Preparatory, Warping, Sizing, Conning, Twisting, Doubling, TFO and other textile units excluding those mentioned at Col 2 to 5
	% of eligible amount	% of eligible amount	% of eligible amount	% of eligible amount	% of eligible amount
Subsidy to units in The General category	40%	35%	25%	25%	25%
Subsidy to units in the SC/ST/Minority category	45%	40%	30%	30%	30%
Additional subsidy for production of Yarn, fabric and other products from non-conventional yarn	10%	10%	10%	-	-

STATE TEXTILE POLICY 2018 -23

Additional Subsidies –

The following additional subsidies will be applicable for textile projects in the Vidarbha, Marathwada and North Maharashtra regions:

	Type of Textile				
	% of eligible amount	% of eligible amount	% of eligible Amount	% of eligible amount	% of eligible amount
Additional Capital subsidy	20%	10%	10%	10%	10%
Additional subsidy for units having Forward/Backward Integration	5%	-	5%	-	5%
Additional subsidy for units set up in a taluka not having any existing Spinning mills	-	-	5%	-	-
5% Additional subsidy for new composite unit set up in a taluka not having any Co- Operative or Private spinning mill	-	5%	-	-	-

The background of the slide is a composite image. The top left shows a close-up of industrial textile machinery with blue and green components. The bottom left shows several large spools of white thread, with one spool in the foreground being more prominent. The rest of the background is a light, semi-transparent blue gradient.

STATE TEXTILE POLICY 2018 -23

Disbursement of Subsidies –

Capital Subsidy will be disbursed as follows:

- i. First Instalment: 30% of eligible amount after 12 months from start of production
- ii. Second Instalment: 30% of eligible amount after 24 months from start of production
- iii. Third Instalment: 40% of eligible amount after 36 months from start of production

STATE TEXTILE POLICY 2018 -23

Projects eligible under the Scheme –

- a) Projects for which the long term loan has been approved for machinery under the centrally sponsored TUFS scheme from the date of issuance of this Government Resolution or thereafter till 31 March 2023.

- b) Ginning and spinning projects for which the long term loan has been approved till 31 March 2023 by banks / financial institutions and where the projects have submitted Form-A on the State Government website.

STATE TEXTILE POLICY 2018 -23

Capital subsidy for self-financed Projects –

1. New / Expansion / Diversification / Modernization self-financed textile projects will be granted capital subsidy as per capital subsidy in lieu of Interest Subsidy Scheme.
2. Self-financed projects in the Vidarbha, Marathwada and North Maharashtra regions will be granted additional capital subsidy.
3. Textile projects of scheduled castes / scheduled tribes / minority communities will be granted capital subsidy as per the above mentioned capital subsidy in lieu of Interest Subsidy Scheme.



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- In order to encourage the dispersal of industries to lesser developed areas of the State, the govt. has been giving package scheme of incentives to New/Expansion/Diversification units since 1964 under a scheme popularly known as "Package Scheme of Incentives".
- The PSI, introduced in 1964, has been amended from time to time. The Scheme as amended last was PSI-2013 and was operative from 1st April 2013 till 31st march 2019.
- **Objectives:**
 - To provide global competitive edge to the industries in the state
 - for Accelerated industrial growth & sustainable development
 - To create additional employment opportunities to local persons
 - and Emphasis on balanced regional development



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Period of operation of PSI – 2019**

From 1st April 2019 up to 31st March 2024

OR

Till the new Package Scheme of Incentives
comes into force.



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Eligible Industrial Units –**
 - **Industries listed in the First Schedule of the Industries (Development and Regulation) Act,1951, as amended from time to time**
 - **Manufacturing Enterprises as defined in the MSMED Act, 2006**
 - **Information Technology (IT) & Bio Technology (BT) Manufacturing Units**



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Eligible Industrial Units –**
 - Mechanized Food / Agro Processing Industries in following sectors:
 - **Dairy, Fruit and Vegetable Processing.**
 - **Grain Processing.**
 - **Textile Units**
 - **Fish/Meat/Poultry Processing.**
 - **Consumer foods including Packed foods.**
 - **Non alcoholic beverages from fruits and vegetables.**

(Note: Only secondary and tertiary agro and food processing units shall be eligible for incentives. This condition will not be applicable to processing/manufacturing units set up by Farmers Producers Companies and the units set up in govt assisted food parks and carrying out primary processing activity)

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Units which are not eligible –**

The units manufacturing the following products shall not be eligible for incentives under PSI-2019:

- Beer, liquor manufacturing industries
- Cigarette, bidi or any other tobacco containing products manufacturing industries
- Gutka & pan masala manufacturing industries
- Any other product(s) banned by Central/State Government.


(Note: Units manufacturing all types of textiles including cotton ginning and pressing, sizing, spinning, weaving, bleaching, dyeing, mercerizing, etc. covered under the Textile Policy- 2018-23 of Maharashtra State shall be eligible only for incentives other than those offered by the other state government agencies.)



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Financial Incentives –**



New **MSME units & Small Industries** will be eligible for a Basket of Incentives. The total quantum of incentives will be linked up to the percentage of actual eligible Fixed Capital Investment as per Taluka/Area classification. The aggregate fiscal incentives provided by various departments of the State Government shall not exceed the basket of incentives (as %age of FCI)

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Financial Incentives -**

Basket of Incentives for New MSME units & Small Industries –

Taluka/Area Classification	Maximum Ceiling of basket of incentives as % of FCI	Eligibility Period (Yrs)
A	--	--
B	30%	7
C	40%	7
D	50%	10
D+	60%	10
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	80%	10
No industry Districts, Naxalism Affected Areas & Aspirational Districts	100%	10



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Financial Incentives -**

The quantum of incentives for food/agro processing units, eligible green energy/bio-fuel manufacturing units & units carrying out industry 4.0 activity (Artificial intelligence, 3D Printing, internet of things & Robotics) will be 20% over & above the limits mentioned above & will get 2 more years of eligibility to avail incentives.

- **Expansion/Diversification Units -**

Eligible for incentives equivalent to 80% of the incentives admissible for New Units & the eligibility period will be reduced by one year.

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

Classification of Area for PSI-2019: For the purpose of PSI-2019, on the basis of level of industrial development, different areas of the state (taluka wise) has been classified as:

i)	Group-A	Industrially Developed Areas
ii)	Group-B	Developed but less than Group-A
iii)	Group-C	Less Developed Than Group-B
iv)	Group-D	Lesser developed areas not covered under Group-A/B/C
v)	Group-D+	Least developed areas not covered under Group-A/B/C/D
vi)	No Industry District	District having no industries viz. Hingoli & Gadchiroli
vii)	Naxalism Affected Area	Area affected by Naxalism
viii)	Aspirational Districts	Defined by Govt. of India viz. Washim, Gadchiroli, Osmanabad & Nandurbar

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- Meaning of MSME & Small Units –
- MSMEs shall be construed as per the definition in the MSMED Act 2006 which says:

Category	Investment in Plant & Machinery
Micro	Upto Rs.25 Lakhs
Small	Between Rs.25 lakhs to Rs.5 Crores
Medium	Between Rs.5 Crores to Rs.10 Crores

& Units outside the above definition with Total Gross Fixed Capital Investment (FCI) up to Rs.50 Crore* as Small Industries.

(Note:*The gross FCI of Expansion/diversification Units should be up to Rs.50 Crores after expansion to qualify for incentives under this category)



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Meaning of New & Expansion/diversification unit- Existing Unit:**

- A Unit which has been set up and is in production on or any time prior to the 1st April, 2019, or
- A Unit which has been granted an Eligibility Certificate (EC) or has availed any incentives (excluding Stamp Duty) under any of the Earlier Schemes, or
- A Unit which has filed a valid application for grant of an EC under the PSI-2013 with any of the Implementing Agencies on or before the 31st March 2019.



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Meaning of New & Expansion/diversification unit-**

New Unit:

- Unit which is set up for the first time by an entity in any taluka where there is no Existing Unit set up by the said entity, provided that such Unit satisfies the following conditions:
 - It is not an Existing Unit.
 - At least one of the Effective Steps is completed on or after the 1st April, 2019 for setting of the Unit.
 - It is not formed as a result of re-establishment, mere change of ownership, change in the constitution, reconstruction or revival of an Existing Unit.



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Expansion/Diversification Project:**

- The investment shall be regarded as Expansion or Diversification project if it satisfies the following conditions:
- The said *additional fixed capital investment should exceed 25% of the existing gross fixed capital investment* as on the last day of previous Financial Year.
- The minimum additional fixed capital investment made on or after 1st April, 2019 should be Rs.25 Lacs in case of MSMEs, Rs. 5 Crores in case of non-MSMEs up to Special LSIs and Rs. 10 Crores in case of LSI and Special LSIs.



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Expansion/Diversification Project:**

- The additional fixed capital investment should result in *increase of existing installed production capacity by at least 25%* (in case of Expansion or expansion cum diversification but not mere diversification "per se")
- There should be *increase in the employment at least to the extent of 10% of existing level* and 80% of such additional employment should be from amongst local persons.
- ***There will be limit of TWO number of expansions/diversifications in the scheme period.***



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **What is Actual Eligible Fixed Capital Investment:**
 - The actual eligible Fixed Capital Investment shall mean & include the capitalized value of the following assets (net value after all set offs):
 - Land/area in effective possession with permission for industrial use.
 - Cost of development of the location of the unit
 - Building- any new built up area including administrative building, residential quarters, industrial housing & accommodation for all such facilities as are required for the manufacturing process at the site

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

• **What is Actual Eligible Fixed Capital Investment:**

- Amount paid to Electricity Distribution company for supply of power or to MIDC for development of infrastructure or to any other govt. agency for similar purpose excluding deposits paid.
- Plant & Machinery required & used for sustaining the working of the unit at site (excluding vehicles)
- Cold storage which are a part of integrated manufacturing process.
- Installation Charges & pre-operative expenses capitalized.
- Research & Development- up to 25% of FCI (max Rs.100 Cr)
- Royalties paid for technology transfer & technical know how including cost of drawings & know how fees (up to max. 10% of capital cost)
- Investment in Captive power plant- considered for qualifying criteria for eligibility but not for incentives.



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Conditions –**

- Only new fixed assets shall be accepted.
- The project appraisal shall be done by the lender of term loan
- In case project is financed by NBFC/Credit Society/Self or partly financed project; the appraisal to be done by Scheduled Commercial Bank/SICOM.
- Only imported second hand machinery having residual life of minimum 10 years shall be considered towards Gross FCI.
- The assets on which benefit is availed cannot be disposed off/sold/shifted without prior permission
- Any increase in Gross FCI as a result of replacement of any fixed assets earlier considered under the EC shall not have any additional incentives

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- How much time  we get for such investment:

It is period for unit to acquire the fixed assets at site and put them to use for commercial production. The permissible investment period for various categories are as under:

Category of Unit	Period of investment
MSME	Three years
LSI & Special LSI	Four years
Mega/Ultra Mega	Five years

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Financial Incentives to MSMEs & Small Industries –**

Type of Subsidy	To whom	Quantum of subsidy
Industrial Promotion Subsidy (IPS):	All eligible New/Expansion units	100% Gross SGST payable on 1 st sale of eligible products billed and delivered within Maharashtra
Interest Subsidy	All eligible New Units	5% pa on term loan (not exceeding the bills paid for electricity consumed during the relevant year)
Exemption from Electricity Duty (Out of Basket of Incentives)	All eligible New Units (except units in Grp A&B areas)	Exempt from payment of electricity duty during applicable eligibility period
	In Grp-A &B areas	Only eligible 100% export oriented units, IT/BT manufacturing units will be exempted from payment of electricity duty for a period of 7 years.

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

• Financial Incentives to MSMEs & Small Industries –

Type of Subsidy	To whom	Quantum of subsidy
Waiver of Stamp Duty	All eligible New/Expansion Units (except units in Grp-A&B areas)	Exempt from payment of stamp duty for acquiring land (including assignment of lease rights & sale certificate) & for term loan purposes.
	In Grp-A&B areas	-IT/BT manufacturing Units in Public IT/BT Parks:100% -IT/BT manufacturing Units in Private IT/BT Parks:75%
Power Tariff Subsidy	Eligible New MSME & Small Industries in Vidarbha & Marathwada , North Maharashtra & districts of Raigad, Ratnagiri & Sindhudurg in Konkan Region, No Industries Districts, Naxalism Affected Areas & Aspirational Districts	Re.1/- per unit for a period of 3 years from the date of commencement of commercial production for energy consumed & paid.
	Other Area	Rs.0.50 per unit for a period of 3 years from the date of commencement of commercial production for energy consumed & paid.

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Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Additional Incentives for Strengthening MSMEs (Out of Basket):**

Type of Subsidy	To whom	Quantum of subsidy
Technology Upgradation	Expansion projects of MSMEs & Small Industries	5% subsidy only on additional capital equipment acquired for Technology upgradation, subject to maximum of Rs.25.00 lakhs
Quality Certification		75% subsidy on expenses incurred –Limited to Rs.1.00 Lakh
Cleaner Production Measures		25% subsidy on additional capital equipment acquired for cleaner production measures–Limited to Rs.5.00 Lakhs.
Patent Registration		75% subsidy on expenses incurred- Limited to Rs.10.00 lakhs for National Patents & Rs.20.00 lakhs for International Patents.
Water Audit		75% of cost of water audit limited to Rs.1.00 lakh
Energy Audit		75% of cost of energy audit limited to Rs.2.00 lakh
Conserve/Recycle Water		50% of cost of capital equipment-limited to Rs.5.00 lakhs
Improving Energy Efficiency		50% of cost of capital equipment-limited to Rs.5.00 lakhs
Credit Rating		75% of cost-limited to Rs.40,000/-

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Minimum Operative Period –**

- Mean & include the minimum period of operation of unit which has availed incentives under the scheme
- If the unit which has availed incentives stops production during the operative period, then the incentives availed shall be recovered along with penal interest as per law.

Category	Period
Micro & Small Scale	Eligibility period + 5 Years
Medium & Large Scale	Eligibility period + 7 years
Mega Projects	Eligibility period + 10 years



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)



LARGE SCALE INDUSTRIES

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Meaning of LSI –**

-Industrial Units having investment more than Medium manufacturing enterprise as defined under MSMED ACT 2006 up to FCI of Rs.50 Cr but less than Mega Projects, satisfying the minimum threshold limit of FCI or Direct Employment shall be classified as Large Scale Industries(LSI)

Taluka/Area Classification	Minimum Qualifying Fixed Capital Investment (in Cr.)	OR	Minimum Direct Employment (No. of People)
A&B	750		1000
C	500		750
D	250		500
D+	150		400
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	100		300
No industry Districts, Naxalism Affected Areas & Aspirational Districts	100		250

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Financial Incentives to LSI & Special LSI –**

Taluka/Area Classification	Maximum Ceiling of basket of incentives as % of FCI	Eligibility Period (Yrs)
A & B (Only LSI)	25%	7
C	40%	7
D	60%	7
D+	70%	7
Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	80%	9
No industry Districts, Naxalism Affected Areas & Aspirational Districts	100%	9

The background of the slide is a composite image. The top-left portion shows a close-up of industrial machinery, possibly a loom or textile machine, with various components and threads. The bottom-left portion shows several large spools of white thread, with some spools having green labels. The right side of the slide is a plain white background.

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

MEGA & ULTRA MEGA PROJECTS

Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- **Meaning –**

Industrial Units satisfying the minimum threshold limits of Fixed Capital Investment OR Direct Employment as below shall be classified as Mega/Ultra Mega Projects:

Type of Unit	Taluka/Area Classification	Minimum Qualifying Fixed Capital Investment (in Cr.)	Minimum Direct Employment (No. of People)
Mega	A&B	1,500	2,000
	C	1,000	1,500
	D	750	1,000
	D+	500	750
	Vidarbha, Marathwada, Ratnagiri, Sindhudurg & Dhule	350	500
	No industry Districts, Naxalism Affected Areas & Aspirational Districts	200	350
Ultra Mega	Entire State	4,000	4,000



Package Scheme of Incentives- 2019

(GR No.PSI-2019/CR46/IND-8- Dtd:16.09.2019)

- Financial Incentive for Mega/Ultra Mega Projects –
 - The quantum of incentives & eligibility period for Mega Projects and Ultra Mega Projects shall be decided by the High Power Committee under the chairmanship of the Chief Secretary, Government of Maharashtra on a case to case basis. However, the Cabinet Sub Committee for Mega Projects, under the chairmanship of the Chief Minister of Maharashtra will have the powers to sanction customized package of incentives and even offer special / extra incentives for prestigious Mega Projects / Ultra Mega Projects, on a case to case basis with recommendation of High Power Committee.

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Conclusion

- These subsidies are only some of the core subsidies available to Textile Manufacturers.
- Apart from these there are many more incentives & supports which an entity can claim.
- If all the benefits are properly claimed and businesses is running at a normal GP, any textile unit can become self sufficient free cash generating unit withing 3 to 5 years.



Thank you

**CA Kunal Budhraj
Budhraj and Company
Chartered Accountants
Call - 9920701007
cakunal@bcafirm.in**