

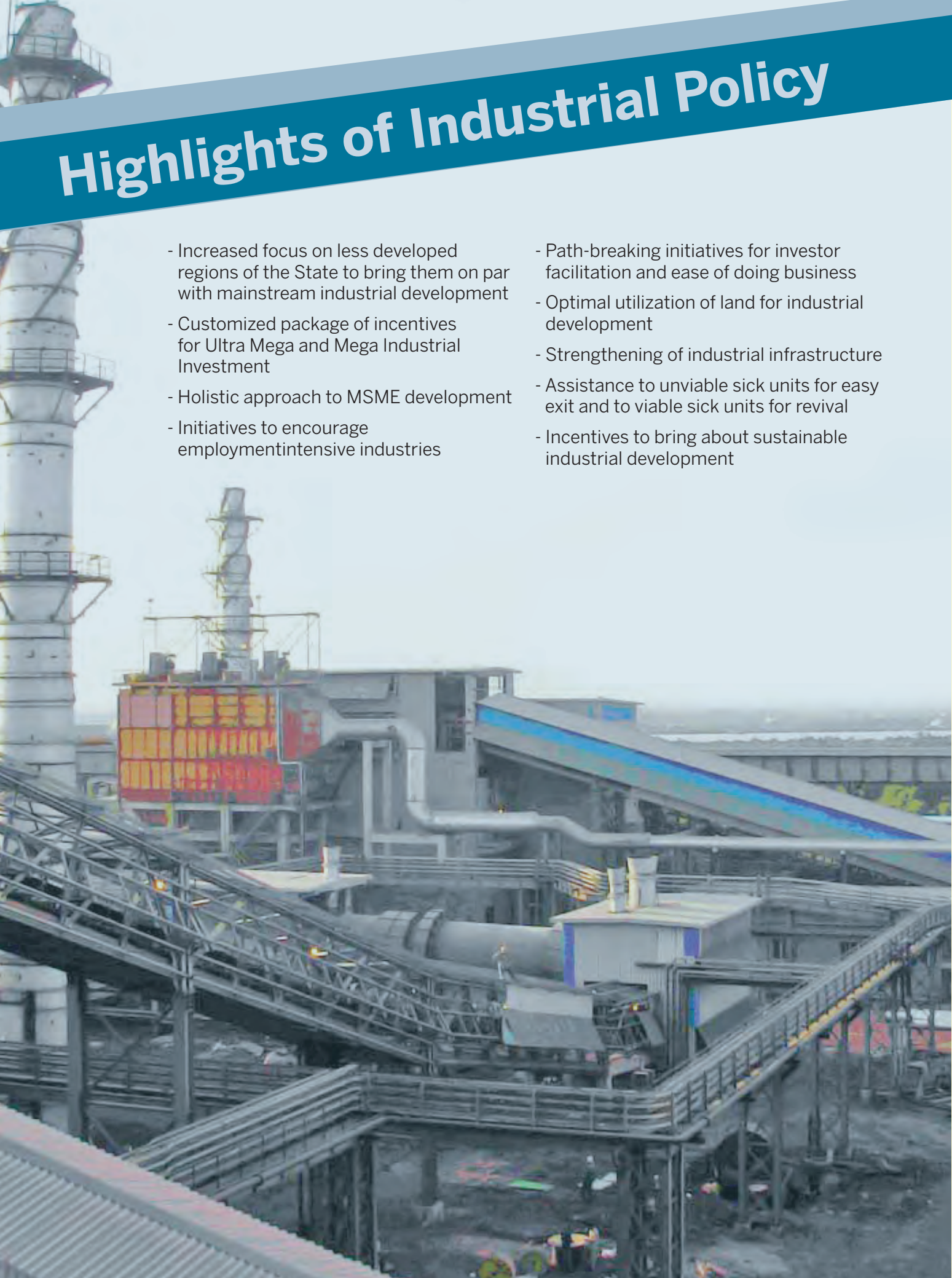
MAHARASHTRA AHEAD

Magnetic Maharashtra Attractions Unlimited



Highlights of Industrial Policy

- Increased focus on less developed regions of the State to bring them on par with mainstream industrial development
- Customized package of incentives for Ultra Mega and Mega Industrial Investment
- Holistic approach to MSME development
- Initiatives to encourage employmentintensive industries
- Path-breaking initiatives for investor facilitation and ease of doing business
- Optimal utilization of land for industrial development
- Strengthening of industrial infrastructure
- Assistance to unviable sick units for easy exit and to viable sick units for revival
- Incentives to bring about sustainable industrial development





Initiatives for Development of 'Brand Maharashtra'

The month of February gives us an opportunity to be showered in great memories of most revered personalities of India who not only give us inspiration but motivate also in routine struggle for our lives. We celebrate birth anniversary of the great warrior Chhatrapati Shivaji Maharaj, who successfully led and marshaled to cope and overcome several major enemy invasions and established Swarajya. Prominent social reformers Mahatma Jotiba Phule, Lokhitwadi Gopal Hari Deshmukh, saintly social reformer Sant Gadge Baba, legendary classical vocalist Bharat Ratna Pandit Bhimsen Joshi are also among those eminent national figures born on this soil in the month of February.

The revolutionary leaders and freedom fighters Chandrashekhar Azad, Swanantya Veer Sawarkar, Dr. Rajendra Prasad, Maulana Abdul Kalam Azad who imprinted indelible marks on the pages of the Indian freedom struggle, left for their last journey in the month of February. Their memories are always inspirational to us.

The month of February comes as prelude to the national budget and hence this issue is dedicated to the New Industrial Policy introduced by the State recently.

India, aiming to be the economic leader, is passing through a peculiar financial situation and industrial sector serves as the growth engine. Maharashtra and Mumbai has been rendering yeomen services in the nation-building. Due to the strategic location, Mumbai has been playing the role of the national economic capital and thus Maharashtra remains the most-preferred destination for foreign investors. The new Industrial Policy will create identity of State industrial sector as 'Brand Maharashtra' for qualitative products, skilled human resources, renowned technology and state-of-art industrial infrastructure.

The State has a solid back-up of industrial infrastructure and skilled manpower that has helped diverse industrial growth. The State Government has ensured balanced industrial development through industrial network in rural areas generating employment in rural areas too, releasing the burden on agriculture. The national policy of opening the retail sector for Foreign Direct Investment will facilitate the Maharashtra's agriculture and its rural economy the most. It will also generate more employment opportunities as agro-processing industries will flourish soon.

The State will soon emulate State Manufacturing Competitiveness programme (SMCP) on the lines of National Manufacturing Competitiveness Programme to give impetus to the overall development of MSMEs. The SMCP will include the schemes like Marketing Assistance Scheme, Skill Development Scheme, Assistance for Lean Manufacturing

and Design Assistance Scheme. The State also plans to give financial support through Package Scheme of Incentives 2013. The single window clearance for investors is provided through Udyog Setus at district level. Considering the major role of District Industry Centres in promotion of MSMEs, the DICs will be strengthened by implementing special measures for capacity building and manpower.

The ambitious project of Delhi-Mumbai Industrial Corridor will act as the catalyst to the under-developed industrial areas in the State. Twenty percent of the freight corridor to be stretched in 1483 km is from the State and will benefit 26 per cent of the total population of the State. The corridor will cover development of Dighi Industrial Area, Mega Industrial Park at Shendra-Bidkin (Aurangabad), Sinnar (Nashik) and Dhule besides Multi-modal Logistic Park at Talegaon (Pune) and Exhibition-cum-convention Centre at additional Shendre. Secondary growth corridors like Mumbai-Nashik-Aurangabad-Amaravati-Nagpur, Mumbai-Pune-Satara-Sangali-Solapur and Mumbai-Ratnagiri-Sindhudurga will be strategically created along the State and National Highway. These corridors will boost industrial centres in Vidarbha, Marathwada and Konkan filling up the industrial backlog in the regions.

This issue covers various aspects of New Industrial Policy. Maharashtra celebrates 27th February as the Marathi Language Day to commemorate the State language on the occasion of the birth anniversary of the Dnyanpith laureate V. V. Shirwadkar alias Kusumagraj. Marathi deserves to get national recognition as the Classic Language as it fulfills the pertinent norms. The Marathi Language Department has taken up some concrete steps in this direction. We carry some articles that throw light on the hidden side of this Classic Language. The Higher Secondary Exams are begging throughout the State in this month, we offer our good wishes to the students for their success.

Pramod T. Nalawade
Editor-in-Chief, 'Maharashtra Ahead', DGIPR

Contents

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A Government of Maharashtra Production

- 5** Developing the Magnetic Maharashtra
- The Chief Minister
- 7** A Positive Step in Right Direction
- The Deputy Chief Minister
- 9** Rolling Out the Red Carpet for Investors
- Narayan Rane, Minister for Industries
- 12** New Directions for Industrial Sector
- Sachin Ahir, Minister of State for Industries
- 13** Maharashtra's March Towards 2020
- Dilip Chaware
- 16** Attractions Unlimited for Industrial Investments
- Chandragupta Amritkar
- 20** Enhancing Competitiveness of Industries
- Manu Kumar Srivastav, Principle Secretary for Industries
- 22** A New Industrial Policy
- 30** Opening Doors to New Opportunities
- Bhushan Gagrani, CEO, MIDC
- 32** Promising Policy for Overall Development
- Rohit Chandavarkar
- 34** Integrated Industrial Areas-an Option to SEZ
- Sanjay Jog
- 40** Nurturing an Ideal Working Environment
- Abhay Deshpande
- 41** Classical Marathi
- Prof. Hari Narke
- 44** For Progressive Use of Marathi Language
- Lalita Dethé
- 47** Determined Decisions... Innovative Schemes
- 48** Maharashtra Honoured
- Mohan Rathod



Developing the Magnetic Maharashtra

Trained manpower is another USP that Maharashtra Provides

“Maharashtra is the only State that does not have load shedding for industry though we give energy at a higher price. But with the advantage of land and infrastructure, I think the State will definitely give a better package to the large investors,” -The Chief Minister **Prithviraj Chavan** spoke exclusively on the new industrial policy and related issues....



What do you think is the main thrust of State's new industrial policy and what challenges does the Government face.

You have to consider the global scenario. The economic slowdown has hit everybody. If I want to attract investment to my State, I have to offer something that other States are not offering. We have made an effort to provide an attractive package to investors who want to come with bigger projects and especially in manufacturing sector.

The decision about allowing SEZ developers to build townships

in the SEZ area is attracting criticism?

We need to understand this in a perspective. Look at what is happening to the land that has been acquired for SEZ by private players by paying market prices. The Government was not involved in this process of acquisition. Farmers happily sold that land and got the market prices. Now because of economic and political reasons, most developers are not able to develop SEZs there. The land is locked. What are the options we have, either initiate development by giving some incentive or keep it the way it is. We have chosen the first option.

There may be political opposition to this but I hope people understand that this path was inevitable.

Land acquisition is becoming the biggest issue in most parts of the country and any land transfer or purchase gets termed as a scam. How do you react?

Industry needs land, water and energy. After the new Land Acquisition Act, it will become virtually unviable to acquire new land for any project. How will we sustain growth? Agriculture is not generating enough employment or growth. The only way we can grow is by providing resources to industry.

Our decision to allow township development in SEZ is path breaking. We have created the concept of Integrated Industrial Areas, inclusive of industry, townships and social infrastructure. Maharashtra is the first State in the country to do this. I am sure others will follow. We must understand that industry is important for generation of employment. Just creating issues and launching agitations will not help.

How does Maharashtra's new industrial policy compare with other States, especially with our neighbour State Gujarat.

We have the advantage of infrastructure. We have the highest number of airports in the country. We are developing new sea-ports. We have roads and highways and big markets. But Gujarat has been able to do certain things faster because of single party rule. Coalition politics puts restrictions on many things. In a democratic set up, it is important to take everybody on board but many times tough decisions cannot be taken in a coalition Government. I wish to assure investors that we will provide them the best and be flexible with a lot of things. Trained manpower is another USP that Maharashtra provides. We want large projects to provide housing to their employees within their project land. That's the



reason we are allowing building of townships in the SEZ areas.

What is the concept of Ultra-Mega Projects that you have initiated in the policy and does the State have proper infrastructure for such projects.

The Central Government came out with the policy to encourage large manufacturing projects that we can compete with countries like China. Governments all over have realised that we need to have mega-projects. This is an extension of that policy. Any project that brings Rs.1500 crore investment and employs more than 3000 people will be categorised as

a Ultra-Mega project. We will do everything possible to provide all sops and resources to such projects.

Does Maharashtra have the resources to cope up with such projects especially water and energy.

Water is a very big concern this year because of bad monsoon in some parts of the State but we hope that situation will improve next year. In energy we are better than most States. Maharashtra is the only State that does not have load shedding for industry though we give energy at a higher price. But with the advantage of land and infrastructure, I think the State will definitely give a better package to the large investors.

Some of the promises given earlier to industry with regard to fast clearances were not fulfilled.

Environmental clearances sometimes remain a big hurdle. I have spoken to the Prime Minister on this in detail. We have to ultimately decide how to strike the balance between growth and environmental balance. We will push for this. We have also discussed some issues internally like VAT sops earlier not being given as promised. Most of these matters are being sorted out. ■

- As told to **Rohit Chandavarkar**



A Positive Step in Right Direction

NIP will encourage creation of new industries in industrially backward areas

The successful implementation of New Industrial Policy is only possible through the suggestions and guidance given by industrial dignitaries and experts from time to time, their expectations and finally their active participation in the exercise, explains the Deputy Chief Minister **Ajit Pawar**.

Maharashtra has a reputation to be the most progressive, developing and foremost State of the Country and has always upheld this status. The role and the contribution of the industries here have been most important in creating identity of Maharashtra as the leader at both national and international level. It is only due to the immaculate credentials of the industrial sector that Mumbai, the capital of Maharashtra is revered as the financial capital of the Nation and we are all definitely proud of the same. The industrial sector in the State has excellent prowess to provide direction and acceleration to the inclusive development in terms of industrial, economic, social and cultural avenues not only for the State but for the whole Nation as well. The State Government has duly considered this importance of the industrial sector and has always played a meaningful role helping and strengthening this sector.

While laying foundations of an inclusive development for the State the Architect of modern Maharashtra and the first Chief Minister of the State Late Shri Yashwantrao Chavan had specifically concentrated on development of the industrial sector. He also encouraged industrial sector through co-operative movement due to which industries could be established in rural areas as well. Due

to his visionary efforts Maharashtra could achieve all round development in industrial sector. All the Chief Ministers who followed this tradition such as Vasantryao Naik, Vasantryada Patil and Sharad Pawar specifically provided prioritization to the industrial development of the State.

While celebrating the Birth Centenary of both Hon. Yashwantrao Chavan and Hon. Vasantryao Naik through various initiatives, the new industrial policy of the State has been announced recently. This policy is for the period between 1st April 2013 and 31st March 2018. I am confident that the new industrial policy would usher confidence and trust in the industrial sector and create a nourishing industrial environment and will accelerate industrial growth in the State.

In order to achieve the objectives of balanced and inclusive development, the new industrial policy has laid special emphasis on the industrial development in the rural segment. Encouragement will be provided for creation of new industries in the industrially backward areas. We are striving at increasing the investments in the industries sector through provision of extensive incentives for attracting national and international investors. We have set our targets at Rs. 5 Lakh Crores in the industrial sector. The annual growth in the



industrial sector is expected to be 12% to 13% annually. At the same time we are looking at creation of 20 Lakh new employment opportunities in the State. We are also concentrating on our efforts so that a maximum of these new employment opportunities are created in rural areas.

We are making special efforts to attract Ultra Mega and Mega industrial projects in the State. Considering possibilities that these projects would bring huge acceleration to the industrial growth and create large scale employment opportunities, a decision has been taken to provide many additional incentives apart from tax concessions. This will benefit the all round development of the State. At the same time with my efforts I expect



that there would be a large contingent of agro processing industries which could take advantage of the new policy.

I would like to reiterate here that the policies of the State have always been proactive towards helping and accelerating the industrial sector. The continuity in industrial policies has been truly reciprocated by the confidence bestowed on the State by investor community. They have always preferred Maharashtra as their first choice for long term investments and the same is true for the present as well as for the future.

An inference presenting other States in the Country developing faster compared to Maharashtra is totally contradictory to the facts at hand. The facts clearly show that Maharashtra is industrially the most developed State in the Country. We have thriving Industrial Estates all over the State. We have a developed network of basic infrastructure. There is continuous electricity for the industries. Hence Maharashtra even today is the first choice for industrialists. In comparison to these facts, the process of industrialization in other States has just started to gain momentum. These States have just

begun to compete with Maharashtra. We welcome a healthy competition in the industrial sector. I am further confident that this competition with other States would be advantageous for generating more facilities and nourishing positive environment for industries in the State.

In my opinion the new industrial policy of the State is a positive step in the right direction. The policy has considered many projects for economic concessions and incentives to the whole spectrum of mega, ultra mega, major, medium, small and micro industries. In order to make MSMEs financially competent, they would be provided with large scale economic incentives under the Package Scheme of Incentives. The Naxalism affected Districts and other industrially backward districts would be provided with grants under this scheme. This would be useful to accelerate development of naxalism affected areas and industrially backward areas in the State.

The new industrial policy provides various types of incentives to the industrial sector such as electricity at concessional rates, tax concessions, industrial development grant, additional incentives for food

processing industries, Committee on Industrial Infrastructure Development [CIID], easier administrative procedures, skill development programme, Amnesty Scheme for Unviable Sick Units, Delhi-Mumbai Industrial Corridor, increased 0.5 FSI in MIDC areas and new industrial estates. I am confident that all these decisions will create a great momentum for industrial development of the State.

Although we have made all out efforts for industrial investment in Maharashtra and for creating investor friendly environment in the State, there could be a room for improvement in this policy. The successful implementation of this policy is only possible through the suggestions and guidance given by industrial dignitaries and experts from time to time, their expectations and finally their active participation in the exercise. I would like to appeal to the entire industrial world to come forward and participate for a balanced and inclusive industrial development of Maharashtra and support the all round development of Maharashtra as well as their own. ■

- As told to **Sanjay Deshmukh**

Rolling Out the Red Carpet for Investors

New Industrial Policy aims at retaining Maharashtra's pre-eminent position as most favoured investment destination

Maharashtra's New Industrial Policy is coined as a "game changer." The policy envisages an investment of Rs 5 lakh crore and employment of 20 lakh persons in next five years while laying emphasis on the promotion of micro, small and medium enterprises (MSMEs) as well as mega and ultra mega projects in a bid to retain Maharashtra's pre-eminence as the favoured investment destination. Minister for Industries, **Narayan Rane** spoke to **Sanjay Jog** explaining key features of the policy

What are the thrust areas of the New Industrial Policy? How it lays special emphasis on MSMEs?

Maharashtra is one of the largest States in India, both in terms of area and population and the State continues its predominant position as an industrial and services centre. Maharashtra continues to be one of the foremost States in the country, in terms of investment and economic growth. The New Industrial Policy aims to achieve manufacturing sector growth at 12-13 per cent per annum, 28% share of manufacturing sector to State gross domestic product. Further, it's objective is to create new jobs for 20 lakh persons and attract investment of Rs 5 lakh crore. The policy, which has been notified, will be effective from April 1 and will be valid upto March 31, 2018.

State's Industrial, Investment and Infrastructure Policy announced in 2007, has attracted investment of more than Rs 2.80 lakh crore.

In the New Industrial Policy, all efforts will be made to retain leading position in the industrial investment by attracting mega and ultra mega projects. Special impetus has been

given on cluster development, competitiveness enhancing measures and fiscal incentives for the holistic development of MSMEs. With rapid increase in the cost of land, entrepreneurs of small enterprises are finding it difficult to obtain land for their ventures. Therefore, to provide space for MSMEs, flatted structures will be constructed in MIDC areas and such space will be provided to MSM manufacturing enterprises for their industrial use.

In New Industrial Estates, 10% area will be reserved for MSMEs. Of this 5% area will be allotted on priority basis to woman entrepreneurs, SC and ST entrepreneurs and industrial units of women saving groups.

Fiscal incentives including exemption in value added tax (VAT) and relaxation in power tariff have been proposed to encourage more MSMEs which have huge employment potential. In areas other than 'A' area, interest subsidy at 5% per annum, maximum up to the value of electricity consumed and bills paid for that year, will be admissible. To provide thrust to Food Processing sector, eligible units will be granted additional 10% incentives and additional one year



towards eligibility period. Further, 75% reimbursement of cost of water and energy audit will be admissible.

How our policy is better than others?

Let me tell you the attention is being paid on creating hassle - free environment for investors during the entire investment cycle before, during or after their investment. Maharashtra Industrial Development Corporation is already in the possession of 60,000 hectare of land. Steps are being proposed to strengthen the supporting industrial infrastructure aimed at bringing other regions of the State functionally closer to growth centres such as Mumbai and Pune. The Government is committed to faster,



sustainable, inclusive and balanced regional growth to accelerate creation of employment opportunities and improve overall competitiveness of local industry.

Maharashtra's State domestic growth has been quite consistently 10% plus. The neighbouring Gujarat will have to further catch up with the State. Besides, Maharashtra has been way ahead of Gujarat, Andhra Pradesh and Karnataka in Human Development Index, literacy rate. It has attracted 37% of the total Foreign Direct Investment so far since the launch of economic reforms in the country.

Moreover, the Government will build Brand Maharashtra as a most favoured economic magnet and attractive investment destination. "Magnetic Maharashtra : Attractions Unlimited" will assure the world that a product from the State is of highest standards created through environment friendly process and at a very competitive price.

What is the concept of ultra mega project and how do you plan to implement it?

Projects, which entail investment of Rs 1,500 crore with direct employment

equal to or exceeding 3,000 persons will be treated as ultra mega projects. Customized Package of Incentives is offered to attract such investments. Eligible units will be entitled for 100% stamp duty exemption and electricity duty exemption. The objective is balanced regional dispersal of industry across the State.

Single Window System will be implemented effectively so that investors can invest in a hassle free manner. Besides, officials from the labour department are being deployed to provide necessary licenses and no objection certificates.

What you have to say about "Walk to Work?"

In the existing 250 MIDC industrial estates the investor will have to use 80% of the land for the industrial use and 20% for residential purpose. The idea is those working in these industrial estates will stay in that premises only. They can easily walk to work. The concept will be encouraged during new investments.

Can you please explain the policy for development of Integrated Industrial Areas (IIAs) by converting the existing

special economic zones (SEZs)?

There are about 143 SEZs approved in Maharashtra of which 11 are operational. However, changes made by the Government of India pertaining to tax incentives in the SEZs and also due to the prevailing market conditions quite a few notified SEZs in the State have been de-notified or withdrawn. More SEZs may opt to be de-notified or withdrawn. Against this backdrop, the Government has proposed an appropriate exit policy to facilitate both industrialization and planned development of such areas with the utilization of lands under the de-notified and withdrawn SEZs.

In the SEZ policy it was mandatory for the developer to use 50% of the total land for industrial purpose and the balance for residential and commercial use. However, in the New Industrial Policy the Government took a conscious decision to increase the use of land for industrial use to 60% in the proposed IIAs. Only after the developers fully use 60% land for industrial use he will be entitled for 30% for residential use and 10% for commercial use. A strict monitoring mechanism is being put in place to see that the developer complies with this condition. MIDC will be

responsible for sanctioning plans for residential and commercial purposes after 60% land is used for industrial use. The developers can use land for the construction of housing stock, hospitals, schools and colleges, amenity space, public utilities, gardens and play grounds.

The Integrated Industrial Areas established under the New Industrial Policy will have to be developed within a period of 10 years.

On private lands and lands acquired by the MIDC under Maharashtra Industrial Development Act, 1961, IIAs will be notified by the MIDC after receiving a proposal from the applicant.

What will be potential for employment in the proposed IIAs and are there any efforts being made by MIDC to provide training to acquire suitable skills by the job seekers?

The job opportunities in IIAs will be more. Industrial projects including automobile, manufacturing, food processing, logistics and others will have job opportunities. However, the necessary skill set is required for employment. In order to meet this requirement, MIDC on the lines of Industrial Technical Institutes will



provide training to the job seekers.

What are the other initiatives of MIDC especially in the existing industrial estates?

MIDC has funds and will make all efforts to provide and subsequently improve the industrial infrastructure in the existing industrial estates and those in the pipeline. Infrastructure including roads, approach roads, dams, fire station has been developed and will be put in place by MIDC. Besides, MIDC is not providing water for industrial purpose alone but supplied for drinking purpose too to the residents.

MIDC is also involved in the

development of State of the art industrial estates as well as development of airports for easy access. MIDC will continue to play a key role in providing land and related industrial infrastructure for setting up manufacturing facilities within the State. MIDC will use innovative models for land acquisition to adequately meet the growing demand for land.

Q: How New Industrial Policy will help the revival of sick units in the State?

Sick units will be offered re-schedulement of pending State Government dues for a period of five years with simple interest rate at 7% per annum. This existing scheme will be continued.

What will be your message for the investors?

Let me reiterate that the Government is fully committed for balanced, inclusive, faster and sustainable growth in Maharashtra. We will do everything to retain Maharashtra's pre-eminence in attracting both domestic and foreign investments. Investors are welcomed by a red carpet. They should not think of red tape in the State. The New Industrial Policy proposes to further accelerate investment flow especially to industrially underdeveloped regions and create more employment opportunities. ■



New Directions for Industrial Sector

The Industries Department of the State has always been prompt and receptive for larger investments.

It is expected that new Industrial Policy would provide 20 lakh employment opportunities with a projected investment of Rs 5 lakh crore. The new policy has a definite prowess to provide a new direction as well as strength to the industries sector in the State says Minister of State for Industries **Sachin Ahir**.

Agriculture and industries play a major role in the development of any Country. Maharashtra has been a leading State of our Country in both these sectors and is known as a premier developed State in India. Recently announced Industrial Policy will surely maintain State's prime position in the industrial investments. According to this policy objectives have been set to energize the investment flow to the industrially backward areas of the State and to create larger employment opportunities. This would be resulted in the growth of industrially backward areas and overall balanced development of the State.

Today the whole world is reeling under the effects of economic recession. Maharashtra has always been a favoured State as far as industrial investments are concerned. However we firmly believe that even in this economic gloom we will be able to achieve a huge investment flow to the State with this new industrial policy. The State Government endeavours to provide conducive environment for the industrial investments. The industries department of the State has always been prompt and receptive for larger investments.

A special preference has been provided through financial subsidies to the micro, small and medium scale industries as a catalyst to their development. Similarly aim has been set to achieve annual increase of 12

to 13% in the industrial sector and to enhance the contribution of industrial sector in the GDP of the State up to 28%. Similarly the State Government is implementing Mega Project policy to attract industrial investment in the industrially developed and backward regions of the State. The benefits of the mega projects have been considered by the State and in new Industrial Policy has been outlined to encourage Mega Projects and Ultra Mega Projects. Considering the advantages that Mega Projects provide it is proposed to offer customized package of incentives to help and attract such investments in the State. Depending on the categories of Taluka (A, B, C and D) the mega industrial units creating twice the employment opportunities than the minimum employment limits for the taluka would be provided with additional incentives.

With a view of financial empowerment of MSMEs integrated financial incentives would be provided under the Package Scheme of Incentives 2013. The limit for total incentives provided to these units will be provided proportional to monetary ceiling and eligibility period decided for every taluka. For sustenance and growth of these projects it is essential to make available timely, requisite and affordable financial assistance. With an independent credit assessment the financial institutions would be helped to assess the credit worthiness of the



micro, small and medium scale industries. For this the Government would be planning for an independent scheme to provide more incentives in assessment of credit worthiness.

A minute observation of the provisions in this Industrial policy will emphatically show that the policy will bring activation for industrial development of the State. We are confident about the same. Maharashtra already heralds a prime position in the industrial environment of the country. However, without stopping here or remain satisfied we look forward to make greater strides in the industries sector. The new Industrial Policy will strengthen this resolve. The Policy would be applicable from 1st April 2013 to 31st March 2018. It is firmly believed that Maharashtra would reach the apex position in industries sector during this period. ■

- As told to **Shantaram Sherwade**

Maharashtra's March Towards 2020

The new policy aims to increase the State GDP



According to the Chief Minister Prithviraj Chavan the new Industrial Policy would achieve an annual growth of 13 percent in the manufacturing sector and would maintain the growth in double digits, states **Dilip Chaware**.

larger than most countries around the world. Owing to its inherent strengths, people from all corners of India and also from various countries prefer Mumbai and Maharashtra as their chosen place to work, to do business and to live. No wonder, over 42 percent of the people in Maharashtra reside in Urban areas, against India's 28 percent, according to the latest statistics.

One of the highlights of this population is that it is young as almost 67 percent of the people are below 34 years of age. Which means that they will continue to contribute to the nation-building efforts for another at least three decades. This is a major asset for Maharashtra and for India since many countries in the world are aging fast and will face serious demographic situations in the next decade or two. Another heartening factor is the impressive literacy of 77 percent, against India's record of about 65 percent. There has been a sharp increase in female literacy

Maharashtra's New Industrial Policy rests upon the spectacular achievements the State has made over the past decades. Maharashtra continues to be the leading State of the nation and is justly described as "The Gateway

of India" by various scholars and economic experts.

The most urbanized State, Maharashtra occupies an area of 308,000 sq km on the west coast and is spread up to central India. Its population of about 11 crore is much

in the past two decades, thanks to the sustained efforts by successive Governments. A pioneering State in social reforms for over 150 years, Maharashtra has remained at the vanguard of economic and social transformation in India, too, so much so that most other States have emulated the progressive steps taken by Maharashtra in this regard. The revolutionary Employment Guarantee Scheme (EGS) is the best example of this initiative. The EGS is now a national agenda, once again highlighting the crucial role played by the visionary leadership of Maharashtra. Another major sector is the cooperation movement, which has empowered the rural masses to perform in a meaningful manner in India's strides towards self-reliance and overall progress.

Maharashtra's huge investments in infrastructure development and HRD have paid off handsomely. While looking after the public sector and the cooperatives, the Maharashtra Government has always promoted private enterprise. The outcome is that Maharashtra has emerged as India's largest economy, with its share of 13 percent of the national economy. Over the past four years, Maharashtra has recorded a growth rate of almost 9 percent despite global slowdowns and recessions. Although affected by this phenomenon in 2008-09, the average growth rate came down to about 6.7 percent, although it was quite high by world standards.

Granted that the economy of Maharashtra is very strong, the

leadership will have to consider the fact that the service industry contributes over 60 percent of the GDP. In other words, the manufacturing industry will have to enhance its share in the overall economy so as to balance the parameters. Another facet is the slow growth of the agriculture sector, which needs intense efforts to keep pace with the changing scenario.

Maharashtra has been regarded as India's economic powerhouse with its contribution of almost 20 percent in value of industrial output and net value added in the non-farm sector.

Compared with several other States, Maharashtra enjoys less natural advantages. However, the industries based on coal, iron ore, manganese, bauxite and limestone have been adding to its industrial diversity. Expectedly, Maharashtra leads in value of output in 15 out of 25 industries. Major industries in Maharashtra are in the following sectors: auto and components, machinery, products/processing, metals, pharmaceuticals, metals, gems and Jewellery and IT. An average factory in Maharashtra employs 16 percent more capital and 22 percent more labour but produces 37 percent more output and adds more value.

A Package Scheme of Incentives has been introduced in Maharashtra since 1964 but it has been observed that the investors prefer the Mumbai-Pune-Nashik belt to set up new units. The availability of an airport, a sea port and proximity to national highways has played a major role

in attracting industries to this golden triangle. Still, the efforts to attract industrial investments into less developed areas require more attention and incentives.

The Customised Package for Mega Projects with large investments, since June 2005, has been instrumental in bringing over Rs. 140,820 crore and generating an estimated 213,000 employment opportunities. Some of the units which have arrived under this Package include major players in the auto sector.

In infrastructure development, Maharashtra's strides have proved to be path-breaking. For instance, Maharashtra is the first State to build a highway on the PPP basis. Its 720 km coastline has 22 major ports. JNPT alone handles over 50 percent of India's container traffic. Still, much more needs to be done in increasing the share of Maharashtra in maritime traffic. Private jetties and shipyard projects require a stronger infrastructure, especially the facilities to access the international airport and national highways.

Although Maharashtra handles the highest tourist arrivals in India, more airports are the need of the hour. Accordingly, greenfield airports have been planned at Pune, Navi Mumbai and 15 smaller airports are being expanded. Nagpur is slated to bring in more development through an international passenger and cargo hub.

Maharashtra leads in thermal and renewable power generation though its domestic supply has been overtaken by the rapid economic growth, resulting in load-shedding in certain areas. However, there are no power cuts for large industry. New power projects, including those in the private sector, reduction in T&D losses and a stronger transmission-supply network are some of the major initiatives by the Maharashtra Government in recent years. In the near future, Maharashtra is expected to regain its position as a power surplus State.

- Maharashtra has led the country's industrial development scenario in the past and continues to attract the largest quantum of investments, both from the domestic and foreign investors.
- The State has acquired the premier position in such sectors like Engineering, Electronics, Hardware, Automobiles and Auto Components, Consumer Durables, Chemicals, Petrochemicals, Pharmaceuticals, Information Technology and Biotechnology. It offers a conducive business environment, excellent infrastructure support, trained quality manpower and professional work ethics.
- The performance of the 'Agriculture & Allied Activities' sector over the past few years has reflected positively in the growth of the State's GSDP. Acceleration in the rate of growth of agriculture will boost the State economy further. The strong industrial and service sectors' growth have also been the driving force behind Maharashtra's impressive economic chart.

Mumbai, undoubtedly, is the magnet that has shaped the economy of Maharashtra and India. It is the world's 6th largest metropolitan region and India's most cosmopolitan city. Here are some highlights of Mumbai:

- 5 percent of India's GDP
- BSE and NSE handle over 70 percent of stock volumes
- 90% of merchant bank activities, commodities transactions
- HQs of RBI, SEBI, most FIIs, banks
- Bollywood: produces more films than any other country

MUMBAI METROPOLITAN REGION (MMR)

Among the largest agglomerations, concrete steps are underway for its planning, urban transport including roads, railways, sanitation, housing and urban regeneration. Work on the sea links, Metro and Mono rails has already started. The Delhi-Mumbai Dedicated Industrial Corridor and better roads towards Nashik, Pune and Aurangabad are some of the highlights of this effort.

Maharashtra has a lion's share in India's exports, too. This has been possible owing to several innovative measures. One of them is the Grape Processing Policy, which has witnessed a quantum increase in wine production. The National Grape Processing Board has been set up at Pune.

Due to the Bio-Technology (BT) Policy, Maharashtra claims a 33 percent share of BT in India. Fresh incentives for private BT Parks is another feature. A BT Virtual Resource Centre has been launched and is expected to contribute substantially towards popularizing new crop methods.

The IT and ITES Policy has resulted in the export increase, with many private and public IT Parks, the IT/BPO business, the largest market for IT products and internet market for IT products and internet as well as the largest pool of IT professionals.

Maharashtra tops all other Indian

States and has the best industrial climate for investment, followed by Gujarat, Tamil Nadu and Andhra Pradesh, according to various studies and surveys. The Reserve Bank of India declared Maharashtra as the "Most favoured destination" in 2008-09.

Based on such a formidable reputation, Maharashtra is looking forward to a proposed investment of Rs.5 lakh crore, jobs for two million people, new industrial corridors and attracting micro, small and medium industries, especially in under-developed areas. This has been enunciated in Maharashtra's New Industrial Policy 2013-18, announced by the Chief Minister, Prithviraj Chavan, and Minister for Industries, Narayan Rane in early January 2013.



The new policy aims to increase the State GDP. It will be implemented from April 1 and will be valid for five years, they announced.

The Government has proposed integrated industrial areas (IIAs) to ensure all-round industrial development and boost the "walk to work" concept, Prithviraj Chavan said.

According to the Chief Minister Prithviraj Chavan and Narayan Rane, the other highlights include a 1000 MW gas-based power plant and multi-modal logistics park in the Talegaon area on the outskirts of Pune, as part of the State Government's initiatives under the Delhi-Mumbai Industrial Corridor (DMIC).

To attract large investment projects to Maharashtra, the State's new industrial policy has introduced a new category — 'ultra-mega industrial

units' - which will invest over Rs. 1500 crore as fixed capital and provide direct employment to over 3000 people each.

Prithviraj Chavan said the State hopes to attract automobile and petroleum projects under the new policy.

It is being decided if the projects in the ultra-mega slot could ask the Government for "customised packages of incentives" like stretching eligibility period for VAT rebate. The industrial policy also lays special focus on micro, small and medium enterprise sector which has more employment-generating potential than large industries.

Prithviraj Chavan estimated that the new policy would achieve an annual growth of 13 percent in the manufacturing sector and would maintain the growth in double digits.

The State's current mega project policy has attracted over Rs.280,000 crore of investments in the manufacturing sector and created 354,000 jobs, with almost 75 percent of the industries set up in backward areas.

About the future of the SEZ projects, Minister for Industries, Narayan Rane, has declared that the new industrial policy will permit 40 percent of land acquired in IIAs for purposes other than industries, including housing and commercial activities. He said, "We have increased the industrial component to 60 percent unlike the SEZ policy wherein it was 50 percent. The industrialist taking up the projects will be allowed to develop 10 percent for commercial use and 30 percent for other purposes, including schools, colleges, housing and other infrastructure, but only after developing 60 percent of the industrial component."

The Chief Minister Prithviraj Chavan said, "The aim is to ensure that quality of life of the people working in industries improves, as residential areas and other infrastructure will be within the industrial area, within a walking distance." ■

Attractions Unlimited for Industrial Investments

Manufacturing sector is a key driver of State's economic growth

Will the new industrial policy aiming to attract Rs 5 lakh crore in investments spread across the next five years providing jobs to two million people in the State achieve its ambitious goals? **Chandragupta Amritkar** reviews this crucial new policy.



As with every new industrial policy launched anywhere across the globe receives a mixed response from the industrial sector of that region or country, the recently unveiled 'New Industrial Policy 2013-18' of Maharashtra also received mixed response. The new policy, aiming to increase the State GDP from 26 to 28 percent, will be implemented from April 1 and will be valid for five years.

The Chief Minister Prithviraj Chavan while releasing the policy said that the policy is making an attempt to keep Maharashtra as the leading

industrial State in the country. Due to the changing economic scenario and taking a cue from the National Manufacturing Policy, the State Government wants to focus on the manufacturing sector.

NATIONAL SCENARIO

With increasing globalization, the impetus is on setting up and running manufacturing facilities which are cost competitive. India with its factor endowments, availability of skilled labour and developing infrastructure, has constantly improved its attractiveness as a global

manufacturing destination. In view of this development, Government of India has set an ambitious target of increasing India's manufacturing sector share to 28 per cent of GDP by 2022 from the existing share of 16 per cent (2009-10). The country's first National Manufacturing Policy was also recently approved. One of the key instruments to catalyze the growth of manufacturing will be establishment of National Investment and Manufacturing Zones (NIMZs) which will be developed in the nature of green field industrial townships, benchmarked with the best

manufacturing hubs in the world. As an equal partner in the implementation of this policy, Maharashtra would lead and leverage this policy by setting up NIMZs along the Delhi-Mumbai Industrial Corridor (DMIC) and in other parts of the State.

STATE BACKDROP

Maharashtra still continues to be a predominant player as an industrial and services centre in the country, with Mumbai being the commercial and financial capital of the country. It continues to be one of the foremost States in the country, in terms of investment and economic growth.

Since 2005, total industrial investment in Maharashtra has witnessed a three-fold increase primarily attributed to the Mega Projects Policy, which has succeeded in attracting more than Rs. 2.8 lakh crore worth of investment in manufacturing sector. The manufacturing sector during this policy period grew by 11.8 per cent, surpassing its policy growth target of 10 per cent. Traditional manufacturing sectors such as steel, auto and engineering, and chemicals have been the mainstay of industrial investment in the State. During the 2006 policy period, auto and engineering accounted for 27 per cent share of industrial investment, while chemicals and steel followed with 23 per cent and 15 per cent share respectively.

During the period from 2005-06 to 2009-10, the State's Gross State Domestic Product (GSDP) grew at a Compound Annual Growth Rate of 16.8 per cent and accounted for 14.7 per cent of the country's Gross Domestic Product in 2009-10.

The State has been a preferred investment destination for both domestic and foreign companies because of the availability of skilled manpower, enabling infrastructure and socio-economic development. In 2009-10, the manufacturing sector accounted for around 21.4 per cent of GSDP (at current prices).



Maharashtra has been a pioneer in many of the policy initiatives that support manufacturing sector and the State Government recognizes that manufacturing is a key driver of State's economic growth.

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

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

INDUSTRIAL POLICY 2013

Finally the Government announced

the much awaited new industrial policy with an aim to make the State a leading player. The Government has set the following targets under the Industrial Policy 2013 - To achieve manufacturing sector growth rate of 12-13 per cent per annum; To achieve manufacturing sector share of 28 per cent of state GDP; To create new jobs for 2 million persons and to attract investment of Rs. 5 lakh crore (Rs. 5 trillion). The State will adopt appropriate strategies to achieve the policy objectives and targets through a combination of both fiscal and non-fiscal interventions. This Policy will be valid up to March 31st, 2018.

Stressing on the manufacturing sector, the policy wants to accelerate industrial development in the underdeveloped regions of the State. In the policy, the State Government has taken a two-pronged approach in order to achieve its targets. Its old policy of giving incentives to mega projects, which brought in investments of over Rs 1,000 crore, has been retained. It has also decided to provide additional incentives to the Micro, Small and Medium Enterprises (MSME) by creating small clusters of such units and creating a common facility centre (CFC), where investments up to 70 per cent on the machinery in the CFC would be provided by the State Government. According to the policy document, the State Government is to soon launch a State Manufacturing Competitiveness Programme which will support the MSME sector. The programme will provide assistance

for marketing, skill development and lean manufacturing.

Confederation of Indian Industry (CII) has welcomed the shift of focus from attracting investment from big industrial houses to MSMEs, as they constitute over 90 percent of the total enterprises in most of the world economies and are credited with generating the highest employment and account for a major share of industrial production and exports.

Also, there are plans to develop Mumbai-Nashik Aurangabad-Amravati-Nagpur, Mumbai-Pune-Solapur, Mumbai-Ratnagiri-Sindhudurg corridors in addition to the Delhi-Mumbai industrial corridor. There will be concession of 50 paise in electricity duty per unit for a period of three years in backward areas of Marathwada and Vidarbha. Similarly, in "C" and "D" (municipal) areas, five per cent interest subsidy on capital investment, exemption on stamp duty, subsidy of rupee one per unit on electricity duty in these two regions and 50 paise in rest of the state. In the Integrated Industrial Areas (IIAs), 60 percent area will be dedicated only for industrial production while in the remaining 40 percent developers can consider commercial and residential zones.

Other highlights included constructing helipads in industrial zones of MIDCs. In the MIDC industrial zones, women, scheduled castes and tribes, womens' self help groups involved in production will be

given priority for allotment of land upto five percent.

The real estate developers apex body CREDAI has not appreciated Maharashtra's new SEZ exit clauses introduced in the new industrial policy and has expressed fear that the move will cause urban chaos rather than solving any. The new industrial policy has proposed conversion of special economic zones (SEZs) into industrial townships. Currently, 26,000 hectare of land has been carved out for SEZs, of which 14,000 hectare has been acquired while 12,000 hectare is yet to be acquired. The policy envisages 60 per cent use of the land for industrial purpose, while 30 per cent for residential and 10 per cent for commercial.

The State's new industrial policy allows developers of de-notified SEZ projects to use 40% of the land in their possession for residential and commercial purposes. The integrated industrial areas (IIA) allows SEZ developers, that have lost interest in the projects because of changes in taxation laws by the Central Government, to utilize 60% land for industrial purpose and the rest for commercial and residential use. But as per the Chief Minister Prithviraj Chavan, "The SEZ policy required only 50% of the total area of SEZs to be utilized for industrial purpose and the rest could be used for allied activities, including residential and commercial development but through the industrial policy, we

have increased the percentage of land under industry by 10%. The land acquired for the SEZ is not acquired through Land Acquisition Act, 1894, or Maharashtra Industrial Development Corporation (MIDC) Act, 1963, or any other Act of the State but acquired by the SEZ developers through private negotiations. So in fact by bringing such land under IIA policy, we are paving the way for planned development of land which is in possession of these developers." But some feel the move to offer an exit route to SEZ developers as a smart one.

There's a lot of discontent in auto sector. The 52 (A) amendment to the Maharashtra VAT Act has prevented companies from claiming higher input tax credit (ITC). Earlier, companies would formally sell their entire production from the manufacturing arm to the marketing and sales arm to claim VAT set-off for sales within Maharashtra. The marketing arm would then, in effect, bill this to other States across the country. However, under a revised rule, the companies will not be able to claim the VAT set-off on products sold outside the state. Maharashtra's new industrial policy has not given any relief to the auto industry in the amended value added tax set-off scheme. As the Government has stuck to the amendments, auto companies will have to make VAT set off claim on net sales basis and not on gross sales basis.

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





SPECIAL FOCUS FOR MICRO, SMALL AND MEDIUM ENTERPRISES

While many policies support LSI and Mega projects, the NIP 2013 not only supports these industries but a special focus has been given to Micro, Small and Medium Enterprises (MSME). The Ministry of MSME, Government of India, provides financial assistance for setting up Common Facility Centres (CFCs) under the MSE-CDP. The State assistance offered under the scheme will not only be continued but this commendable concept will be taken to smaller clusters in industrially under developed areas of the State.

The policy offers 100 per cent rebate VAT to mega projects with an investment of Rs 500 crore and also to MSMEs especially in tribal areas and naxalite-infested districts, 90 per cent in under developed districts such as Chandrapur in Vidarbha, Nandurbar in North Maharashtra and districts from Marathwada region.

Further, industrial projects proposed to be set up in Vidarbha and Marathwada regions will receive waiver in the payment of stamp and registration duty and also in the electricity duty. The Government will provide 75 per cent or up to Rs 2 lakh reimbursement of expenses incurred by MSMEs for carrying out electricity and water audits. The Government has also proposed rebate Rs 1 per unit or 20 per cent annually in the electricity tariff charged to MSME.

The State Government will offer fiscal assistance by way of grant up to 70 per cent on the cost of plant and machinery in approved CFCs. For clusters consisting of 100 per cent micro enterprises, or a minimum of 50 per cent women-promoted enterprises, the grant will be enhanced up to 80 per cent. The grant for the preparation of Detailed Project Report (DPR) and setting up of CFC will be restricted to a maximum of Rs. 5 crore per cluster (project cost to include cost of land, building, plant and machineries and pre-operative expenses).

The National Manufacturing Competitiveness Council formulated the National Manufacturing Competitiveness Programme (NMCP) in 2005, with the aim of supporting MSMEs in their endeavour to become competitive in both domestic as well as international markets. To complement the NMCP and to reach out to MSMEs located in the industrially underdeveloped regions of Maharashtra, the State Government will launch the State Manufacturing Competitiveness Programme (SMCP). SMCP will focus on soft interventions through the following components: Marketing Assistance Scheme, Skill Development Scheme, Assistance for Lean Manufacturing, and Design Assistance Scheme.

a) Marketing Assistance Scheme: To improve the competitiveness of MSMEs in marketing, both at the national and international level,

the State Government will offer assistance for providing inputs on up-gradation in packaging techniques and technologies as well as for participation in state/district-level fairs.

b) Skill Development Scheme: According to the findings of Prime Minister's Task force on MSME, although the country has a large pool of human resources, the two constraints faced by manufacturing sector are availability of skilled manpower and a high rate of attrition. In order to address this, the State Government proposes to support the design and implementation of need-based skill development programmes.

c) Assistance for Lean Manufacturing Scheme: This scheme will be offered to MSMEs with a view to reducing waste, increasing productivity, introducing innovative practices, and reinforcing good management systems. It is proposed to support MSMEs in implementing lean manufacturing techniques so as to reduce their manufacturing costs through better personnel management, improved space utilization, sound inventory management, improved processes, and thereby improve their manufacturing cost competitiveness.

d) Design Assistance Scheme: The Design Assistance scheme has been developed with a view to promoting the application of design and innovation among MSMEs. Through improvements in design, an MSME can move up the value chain, thereby becoming more competitive.

The Programme will be implemented through SPVs formed for setting up CFCs, Industry Associations and reputed expert organizations and institutions. The component-wise detailed modalities and policy in this regard shall be formulated by the State Level Committee under Package Scheme of Incentives and shall be issued with the approval of the Government. ■

Enhancing Competitiveness of Industries

The new policy seeks to encourage more mega-projects

How the State plans to achieve its growth target of 12-13 per annum in the manufacturing sector, make land available for industrial development and become the most preferred investment destination in Asia through its new industrial policy, **Manu Kumar Srivastava**, Principal Secretary, Urban Development and Industries speaks to Clara Lewis.



Maharashtra has been at the forefront of industrial growth in the country. During the period from 2005-06 to 2009-10, the State's Gross Domestic Product grew at a compound annual growth rate of 16.8% and accounted for 14.7% of the country's gross domestic product in 2009-10.

Since 2005, total industrial investment in Maharashtra has witnessed a three-fold increase primarily attributed to the Mega

Projects policy. The manufacturing sector during this policy period grew by 11.8% surpassing the policy growth target of 10%.

But other States too are competing hard for investments. The State faces a double challenge of not only retaining its numero uno position but also surpassing its past record. State plans to achieve its growth target of 12-13 per annum in the manufacturing sector, make land available for industrial development and become the most preferred investment destination in Asia through its new industrial policy.

Why the need for a new Industrial Policy

The last policy was announced in 2006 and was valid for five years. It was given an extension. As we know industries are closely linked with the overall global economy and there is need for constant upgradation in terms of policy. Therefore, the policy has been revised taking into account

the emerging realities so as to give boost to industrial growth in the State.

What have been the achievements of the past industrial policy?

The last policy was very successful. It actually led to the growth of the manufacturing sector especially mega projects. We were able to establish 350 mega industries in the State and three-fourth of these projects have come up in the industrially backward regions.

We categorised regions depending on their development as A, B, C, D and D+. Many of these mega-projects were sanctioned in the D and D+ regions. The D+ regions comprise Vidarbha with the exception of Nagpur city taluka and Marathwada excluding Aurangabad taluka.

The Golden triangle- comprising Mumbai-Pune-Nashik is still the preferred destination for



industrial investment.

People still do prefer to invest in this region but in the last five years owing to our previous industrial policy we have managed to disperse projects. Once these are fully established, the change will be visible. The new policy only seeks to strengthen this trend and encourage more mega-projects.

The Chief Minister Prithviraj Chavan has been advocating the walk to work concept. How will the new industrial policy achieve this objective.

The concept is going to be implemented in the Integrated Industrial Areas that will come up in the denotified Special Economic Zones (SEZ). In all 170 SEZs were sanctioned for the State. Not all of them could be implemented. There is a lot of land locked here and we needed to create a mechanism for unlocking land.

So for the denotified SEZs, those seeking to opt out have to go in for Integrated Industrial Areas.

Here we want to ensure planned townships apart from industries. The earlier policy focused on promoting industries and there was no mention of quality of life for workers. It was left to the entrepreneurs to provide housing which led to the mushrooming of slums and unauthorised development. We want to change this.

Tell us more about the proposed Integrated Industrial Areas. There is criticism that it will result only in the growth of the real estate sector.

The minimum size of an IIA will

be 40 hectares. Only those SEZs where the land has been purchased by private promoters are eligible for this scheme. With this scheme we shall be unlocking the potential of denotified SEZs. Nearly 8-9,000 hectares will become available for development.

In the SEZ policy, it was compulsory to use 50% of the land for industrial purposes and the remainder for non-processing zone. We have upped the industrial component from 50 to 60% and the area for ancillary activities has been reduced from 50% to 40%.

But the policy ensures that the 40% component will be allowed to be developed only after the plans for the industrial area are approved by the planning authority and the infrastructure for industries is put in place. Development of the support areas can start only after one-third of the industrial zone is disposed off. The aim is to ensure that the focus is on industrial development.

When will this come into force?

We will issue a notification under section 37(1) AA of the Maharashtra Regional Town Planning Act. The MIDC will pass a resolution and submit to the government.

The Development Control Regulations for these areas and for MIDC owned SEZs are also being framed. We are studying national and international planning norms as planning will be linked to the size of the area, as for larger areas the amenities will also be different.

India's economic forecast has downgraded growth to 5%. Other States are also aggressively

seeking investments. In this competitive atmosphere how does Maharashtra stay ahead?

We are very confident we shall repeat our performance and even improve upon it. We are looking at doing things that have not been done earlier. Our focus is on the manufacturing sector and we need to make more land available.

The floor space index available to industries will be increased from 1 to 1.5 against the payment of a premium. This will help existing industries to expand without the need to buy more land.

A group has been set up to work on process simplification by bringing about necessary changes in processes and laws. MIDC is working with Ernst & Young on how to improve the single window clearance system. We are studying the various permissions required to set up a business; the need and relevance of all the permissions, if there is any duplication and if certain things can be replaced, amalgamated or if a single permission can be deemed to be sufficient for a project to get underway.

The Government has also decided to set up a cabinet sub-committee to suggest how to ensure industrial growth in drought prone-areas and naxal-affected areas.

Industries would require scarce resources like water. How would you ensure adequate water supply especially in drought prone areas.

Our focus is to promote only those industries in drought prone areas which do not need water for industrial use. ■





A New Industrial Policy

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

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

For Maharashtra to retain its leading position in industrial investment, the State Government will look to leverage its strengths in attracting mega investment. Differential incentives will be provided

to industrially underdeveloped regions, to promote balanced regional development.

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

The State Government is fully committed to faster, sustainable, inclusive and balanced regional growth, to accelerate creation of employment opportunities and improve overall competitiveness of local industry. Hence the new Industrial Policy has been announced

with objectives-

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

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

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

THE NEW POLICY WILL BE valid up to March 31st, 2018.

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

Strategies to achieve manufacturing

sector growth of 12-13 per cent per annum and share of 28 per cent of GSDP

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

STRATEGIES TO CREATE 2 MILLION JOBS

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

Infrastructure: The Growth Engine

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

LEVERAGING DMIC AND SECONDARY GROWTH CORRIDORS

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

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

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

SECONDARY GROWTH CORRIDORS:

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

- A. Mumbai –Nashik- Aurangabad- Amaravati- Nagpur
- B. Mumbai – Pune-Satara-Sangali- Solapur
- C. Mumbai – Ratnagiri - Sindhudurg

These secondary corridors will bring industrially underdeveloped areas of Vidarbha, Marathwada and Konkan functionally closer to growth centres like Mumbai and Pune.

Additional emphasis will be on the development of Food and Agro Processing, Engineering and Electronics, and support industries such as Logistics and Warehousing.

Committee on Industrial Infrastructure Development for Maharashtra (CIID)

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

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



SPECIAL ECONOMIC ZONES (SEZs)

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

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

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

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

HELIPADS

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

LAND FOR INDUSTRIAL USE

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

MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION (MIDC)

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

INCREASED FSI TO INDUSTRIAL AREAS

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

LEVERAGE LAND UNDER DE-NOTIFIED OR WITHDRAWN SEZs

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

FLATTED STRUCTURES

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

RESERVATION OF MIDC PLOTS

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

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

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

INVESTOR PROMOTION AND FACILITATION CELL

Over the years, the role of the State Government has changed



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

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

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

The Government will provide required corpus to launch the Cell.

MAHA E-BIZ PORTAL-TO SERVE ONLINE, NOT IN LINE

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

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

1. SMS facility
2. Payment Gateway
3. Barcode tracking services
4. Back-end processing platform through ERP



5. Linking with Labour department and MSEDCL

6. Fire services in Non-MIDC areas

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

BUILD BRAND MAHARASHTRA - ‘MAGNETIC MAHARASHTRA: ATTRACTIONS UNLIMITED’

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

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

SIMPLIFICATION OF ADMINISTRATIVE PROCEDURES

a) Multiple Taxation Interface

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

b) Labour NOC

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

c) Computerization

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

d) Business Process

Re-engineering

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

SKILL DEVELOPMENT

One of the major constraints faced by the manufacturing sector is availability of skilled manpower. To address this, the National Council on Skill Development was constituted under the Chairmanship of Hon'ble Prime Minister to prepare the National Skill Development Policy. The National Council has set a target of generating additional 50 crore (500 million) skilled manpower at an all-India

level. In turn, the Government of Maharashtra has fixed a target of generating 45 million skilled manpower by 2022. Under this National Council, the State Government has formed the State Management Committee of Skill Development Initiative for Maharashtra and Sectoral Skill Committees under the Department of Higher and Technical Education (H&TE). In order to implement these initiatives effectively, a coordinated effort is required between these committees and the respective industries to identify the demand - supply gap and the requirements of specific skill sets. The State Government will set up a Skill Development and Enhancement Cell (SDEC) under Principal Secretary (Industries), which will act as a coordinating body between Department of H&TE and Industry Associations.

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

PROMOTION OF MEGA AND LARGE INVESTMENT

i. Mega Projects

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

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

SUPPORT TO MSMES

Cluster Promotion- New Plan Scheme

Clusters can greatly assist in the success and development of individual MSME units by providing economies of scale, reduced transaction costs, information spill overs, development of marketplace, adequate supply of raw materials at stable prices, skill development, technical know-how and access to latest technologies, thereby improving the competitiveness of these units.

The Ministry of MSME, Government of India, provides financial assistance for setting up Common Facility Centres (CFCs) under the MSE-CDP. The State assistance offered under the scheme vide GRs SME 2009/(229)IND-7 dated 9.6.2010 and SME2010/ (1017) IND-7 dated 22.10.2010 is proposed to be continued. This commendable concept



needs to be taken to smaller clusters in industrially under developed areas of the State.

In this regard, the State Government will offer fiscal assistance by way of grant up to 70 per cent on the cost of plant and machinery in approved CFCs. For clusters consisting of 100 per cent micro enterprises, or a minimum of 50 per cent women-promoted enterprises, the grant will be enhanced up to 80 per cent. The grant for the preparation of Detailed Project Report (DPR) and setting up of CFC will be restricted to a maximum of Rs. 5 crore per cluster (project cost to include cost of land, building, plant and machineries and pre-operative expenses).

The assistance will be provided to the Special Purpose Vehicles (SPVs) specifically set up for the purpose. CFCs set up in D, D+ areas, No Industry Districts and Naxalism affected areas as defined under the Package Scheme of Incentives, 2013 will be eligible for receiving grant for setting up of CFC under a new plan scheme of State CFC Assistance. A State Level Steering Committee will evaluate and approve the proposals for CFCs.

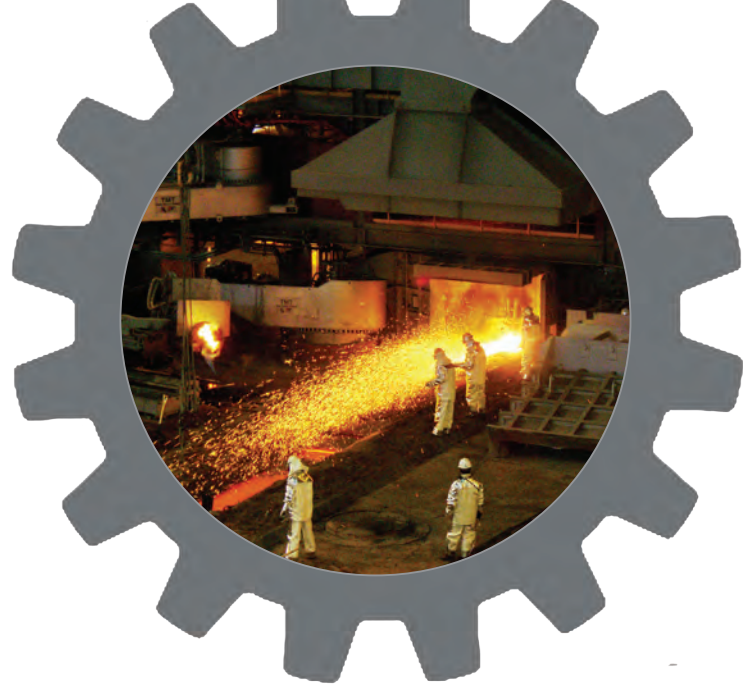
COMPETITIVENESS ENHANCEMENT

The National Manufacturing Competitiveness Council formulated the National Manufacturing Competitiveness Programme (NMCP) in 2005, with the aim of supporting MSMEs in their endeavour to become competitive in both domestic as well as international markets.

To complement the NMCP and to reach out to MSMEs located in the industrially underdeveloped regions of Maharashtra, the State Government will launch the State Manufacturing Competitiveness Programme (SMCP).

SMCP will focus on soft interventions through the following components: Marketing Assistance Scheme, Skill Development Scheme, Assistance for Lean Manufacturing, and Design Assistance Scheme.

- a) Marketing Assistance Scheme: To improve the competitiveness of MSMEs in marketing, both at the national and international level, the State Government will offer assistance for providing inputs on up-gradation in packaging techniques and technologies as well as for participation in state/district-level fairs.
- b) Skill Development Scheme: According to the findings of Prime Minister's Task force on MSME, although the country has a large pool of human resources, the two constraints faced by manufacturing sector are availability of skilled manpower and a high rate of attrition. In order to address this, the State Government proposes to support the design and implementation of need-based skill development programmes.
- c) Assistance for Lean Manufacturing Scheme: This scheme will be offered to MSMEs with a view to reducing waste, increasing productivity, introducing innovative practices, and reinforcing good management systems. It is proposed to support MSMEs in implementing lean manufacturing techniques so as



to reduce their manufacturing costs through better personnel management, improved space utilization, sound inventory management, improved processes, and thereby improve their manufacturing cost competitiveness.

- d) Design Assistance Scheme: The Design Assistance scheme has been developed with a view to promoting the application of design and innovation among MSMEs. Through improvements in design, an MSME can move up the value chain, thereby becoming more competitive.

The Programme will be implemented through SPVs formed for setting up CFCs, Industry Associations and reputed expert organizations and institutions. The component-wise detailed modalities and policy in this regard shall be formulated by the State Level Committee under Package Scheme of Incentives and shall be issued with the approval of the Government.

FISCAL INCENTIVES TO MSMEs

For financial sustainability of MSMEs, the State Government, through Package Scheme of Incentives 2013, will provide a basket of fiscal support with the intent to lower cost of finances, and provide aid in the critical initial stage of operations. The incentives will be graded in a manner to provide fillip to MSMEs in the industrially underdeveloped areas of the State.

MODIFICATION IN SEED MONEY SCHEME

Promotion of small scale self-employment ventures is one of the cornerstones of the State Government's efforts to encourage entrepreneurship. Seed Money and DIC Loan Schemes of State Government are being implemented by District Industries Centres (DICs) for self employed ventures. Under these schemes, margin money is given as a soft loan. In the PMEGP scheme of Government of India, the margin money is being provided as back-end subsidy. This scheme is also being implemented by DICs but due

to the limited targets/funds, the coverage of the scheme is limited. Therefore it is proposed to merge and modify the State schemes on the lines of PMEGP of Government of India.

REVIVAL OF SICK UNITS

Sick and viable units according to RBI guidelines and duly taken up for rehabilitation by the concerned financial institution, will be offered re-schedulement of pending State Government dues for a period of 5 years with simple interest @ 7 per cent p. a. This existing scheme will be continued.

ENCOURAGE GREEN INITIATIVES AND TECHNOLOGY UPGRADATION

With increasing industrial development and globalization, countries are becoming more and more conscious about the environment and are focusing on sustainable development. The State Government of Maharashtra is also focusing on promotion of environment-friendly development through green and clean technologies, conservation of natural resources, waste minimization and recycling, etc.. MIDC has taken up many environment-friendly initiatives such as common effluent treatment facilities, scientific disposal of waste, recycling and reuse of water, rain water harvesting and promotion of energy efficient technologies and measures.

This Industrial Policy seeks to promote green and sustainable development through measures like incentives for energy conservation and energy audit. Energy saving achieved through energy efficiency and conservation also reduces the extent of fuel, mining, transport, water and land required for power plants, thereby mitigating environmental pollution. This Policy also promotes the adoption of Lean Manufacturing Techniques by industries and clusters as part of SMCP, which will help the units in minimising wastage of raw materials. Incentives are also being given to SMEs for water conservation, waste water treatment and water audit.

UDYOG DIWAS

To provide a common platform for industries, especially MSMEs, to showcase their products and capabilities, it is proposed to hold annual Udyog Diwas celebrations in every district of the State. During the Udyog Diwas celebration, exhibitions, workshops, seminars and presentation of District Awards for MSMEs will be organized. The District Advisory Committee under the Chairmanship of District Collector, will coordinate and monitor planning and execution of this programme. The celebration will seek to project the industrial potential of the district, emerging opportunities for industrial development and bring the entire industrial fraternity together on a common platform. To further the economic progress of the district, opportunities and schemes for self-employment will also be an important part of this Programme. The District Awards Scheme will be suitably recast to encourage the MSMEs.

STRENGTHENING OF DISTRICT INDUSTRIES CENTRES

District Industry Centres (DICs) play a pivotal role in the promotion of MSMEs at the district level. The Prime Minister's Task Force has outlined a need to strengthen the DICs to enable them to provide comprehensive information on policies and schemes, as well as to support MSMEs in marketing, skill development, entrepreneurship development, and in the revival and/or exit of sick MSME units. In this endeavour, the DICs will be strengthened by improving infrastructure (including IT infrastructure) and undertaking capacity building measures for the manpower. The Prime Minister's Task Force proposes to assist the States by providing funds to strengthen the DICs. The State Government will provide matching grants for the provisions made by the Government of India in this regard.

OTHER INITIATIVES

Special Incentives for Industries in Naxalism-affected Talukas

The Government recognizes the effect of Industrial development in Naxalism-affected areas. With the aim of attracting industrial investment to the Naxalism-affected Talukas, special incentives are being offered to micro, small, medium, large and mega projects manufacturing units eligible under PSI, 2013.

It is imperative to unlock the precious assets including land, within unviable and closed units. Such units that fulfill the following criteria will be offered a convenient exit through the Special Amnesty Scheme.

- Closure for more than 1 year or declaration of insolvency by a court, and
- Unit is unviable according to RBI guidelines.
- There should be change in Management and the unit should be further run successfully

Eligible units will be offered complete waiver of



interest and penalty provided that the principal amount is repaid in one single installment. The scheme will be applicable to all relevant Government dues, and will be offered to semi-government institutions/companies/bodies as well. The scheme will be open for a period of 1 year. The scheme will be extended for such further period as deemed fit.

AMENDMENTS TO BOMBAY TENANCY AND AGRICULTURAL LAND ACT, 1948 (BT & AL ACT)
 Government will review and make the following amendments to the Bombay Tenancy and Agricultural Lands Act, 1948 (BT & AL Act).

- The period within which the land acquired is put into bona fide industrial use, will be revised from 15 to 5 years.
- The minimum land area for bona fide industrial area covered under BTAL Act will be revised to 5 Hectares from 10 Hectares.

INDUSTRIAL LOCATION POLICY IN MUMBAI METROPOLITAN REGION (MMR)

In the MMR Industrial Location Policy, a list of non-polluting, high tech or high value added industries permitted within MMR region is given in Schedule I. The State Government will review the policy and make suitable amendments, keeping in view the changing needs of enterprises in the MMR areas.

PROPORTIONATE RECOVERY FROM CLOSED UNITS

The recovery of incentives proposed from the units which have availed of benefits under Package Scheme of Incentives and closed during EC period / Operative period, shall be proportionate to the total period (E.C. period plus Operative period) and the closure period.

ROYALTY AND NA EXEMPTION

Exemption of royalty on excavation of minor minerals in industrial areas for development of land and NA tax is proposed to be continued.

SECTOR-SPECIFIC POLICIES OF STATE RELATED TO INDUSTRIES

The State Government has formulated and amended policies for different sectors such as IT, BT, Agro Processing industries etc. The existing policies of State Government related to industrial and infrastructure development are as below:

- a) Information Technology Policy: The State Government formulated the IT and ITES Policy 2009 in continuation of its efforts to attract IT investment and retain Maharashtra's leadership position in this sector. This policy has attracted substantial investment in IT and ITES sector and was instrumental in creating IT hubs in cities such as Pune, Pimpri-Chinchwad and New



Mumbai. The IT /ITES policy is valid till August 14, 2014.

- b) Bio Technology Policy: The BT Policy 2001 aspires to develop the entire value chain from farmers to the biotech industry houses by providing infrastructure support, facilitation, incentives etc. The BT Policy offers a range of incentives to private BT Parks.
- c) Grape Processing Industry Policy: The State Government has formulated the Grape Processing Industry Policy, with a view to supporting grape production and infrastructure for wine parks across the state.
- d) New policy for Power Generation from Non-conventional Energy Sources, 2008: This policy applies to wind power projects of more than 2000 MW capacity, cogeneration power plants of 1000 MW capacity, biomass based power plants of 400 MW capacity and small hydro projects of 100 MW capacity.
- e) Maharashtra State Policy for Investment in the Power Generation Sector for Capacity addition of 500 MW and above.
- f) Textile Policy 2012.

The State Government is also in the process of formulating progressive policies in the areas of PPP, agro processing, handicrafts, and labour.

COMMITTEE FOR MONITORING AND REVIEW

In order to ensure effective implementation of the Policy and also to provide necessary clarifications/ interpretation and to monitor progress of the implementation, a committee headed by Principal Secretary (Industries) consisting of members of Finance, Planning and Labour departments, CEO (MIDC) and Development Commissioner (Industries) is proposed. ■

Source: Department of Industries

Opening Doors to New Opportunities

MIDC is the single nodal agency to cater all types of industries

As the State Government has launched its Industrial Policy 2013 setting an ambitious target of creating two million new jobs and an investment of Rs. 5 lakh crore over the next five years, it will be the Maharashtra Industrial Development Corporation that will play the lead role in driving industrial growth within the State. In an exclusive interview to Clara Lewis for Maharashtra Ahead, Chief Executive Officer, **Bhushan Gagrani** details the ground work being undertaken by MIDC to help the State achieve the targets.

How has MIDC benefitted from the last industrial policy?

It cannot be an isolated view. MIDC is an implementing agency with a focus on infrastructure development that helps industries to set up base and grow. Their growth is reflective of MIDC's growth.

Under the last policy 354 mega projects were set up in the State which resulted in an investment of Rs.2.28lakh crore or US\$50bn. Besides this there was investment in SMEs and large industries. Approximately 22 lakh jobs were created. Whenever these projects come they will try to locate in an MIDC because that is where the infrastructure is and this benefits MIDC.

There are 276 industrial estates across the State. How good is the infrastructure in these estates? The complaint is that in several estates basic infrastructure such as road, water, electricity is absent?

MIDC was created under the Maharashtra Industrial Development Policy. Statutorily we are a special planning authority for the industrial estates. Our job is to acquire land, develop the land and build

infrastructure upon it so that industries can be set up here. While it is a fact that there are a few industrial estates where the infrastructure is crumbling, it is not true of the majority.

Whenever investments come to the State, the industries come to MIDC as it is the single nodal agency and caters to all types of industries and we have not had a single complaint where an industry has not found what it has been looking for.

Often we show three different sites to a client depending on the nature, type of industry and there has not been a single case where they have rejected all three.

Our industrial estates at Hinjewadi, Chakan, Talegaon, Butibori, Kagal, Shendra, Deoli, Lote-Parshuram, Patalganga and several others are held up as model estates. Other States come and visit our estates to see and learn how to lay infrastructure and have gone back and replicated it.

Building infrastructure is a continuous process and we constantly need to improve and add value. Today industrial activity too is changing. We need to plan and increase water supply to these estates. Once upon a time there were no Common Effluent



Treatment Plants. Today the CETPs at Mahad, Roha, and Tarapur are over-burdened. We are sending our engineers to Germany to study new technologies for effluent disposal without harming the environment.

How will the new industrial policy affect the working of the MIDCs?

We were actively involved in framing the policy and are now fully geared to implement the Integrated Industrial Policy. We are governed by the MID Act under which 80% of the land is exclusively for industrial activity and 20% for supporting activities.

It is only where we are in a public private agreement where the land has been acquired by the private

party that the 60-40 formula (60% industries, 30% residential and 10% commercial) will be applicable.

What about the MIDC-developed SEZs.

MIDC has two SEZs one at Sinnar which is being developed jointly with India Bulls and the other at Khed which is a joint venture with Bharat Forge. In both cases the Integrated Industrial policy will apply (60:40 ratio for development) and in case of 14 other SEZ being exclusively developed by MIDC, the MID Act will apply. We are in the process of framing Development Control Regulations for the SEZs where MIDC has acquired land.

Land Acquisition is proving to be increasingly difficult in the State? How does MIDC plan to tackle this issue?

As compared to any other public land acquisition we are in a comfortable position. We have had instances where public representatives have asked us to acquire land in a particular area. For a MIDC to be viable we need a minimum of 200-300 acres.

The attraction for MIDC is on three counts: we offer reasonably good rates or as good as the market rates. The second important factor in our favour is the general community



feeling that an MIDC will bring in economic growth as it leads to growth in small jobs and triggers economic prosperity in the region. Whenever MIDC comes the price of land goes up overnight by Rs 50000 to Rs 100,000 per hectare.

The third reason is, since 2009 MIDC adopted a policy of giving back 15% of the developed plots back to the farmers.

Which industry is the main thrust area for the current industrial policy?

The State's industrial base is highly diversified. Out of 26 sectors, Maharashtra is number 1 in 20 sectors.

This policy emphasises on agro-

processing considering the fact that the Government is opening up the sector for multi-brand retailing. So agro-processing needs some promotion.

Similarly around 40% of the pharma industry is in Maharashtra and we need to further promote it. It is the same with textiles for which we have an independent policy.

Despite the concessions offered industries shy away from areas such as Vidarbha and Marathwada.

Some industries by their very nature are export-oriented and hence need to be near ports. We cannot force them into areas that make them economically unviable. In other cases such as automobiles where a vendor base is required, it is already developed in areas such as Pune, Satara etc.

Under the Delhi-Mumbai Industrial Corridor, the developed areas have been excluded. The focus is on areas such as Shendra in Aurangabad, Dighi in Ratnagiri and in the next phase it is areas such as Dhule. This industrial policy like the previous one has categorised different regions of the State depending upon the development in the area. All of Vidarbha and Marathwada except Nagpur city taluka and Aurangabad taluka are in the D+ category and have the maximum incentives. ■



Promising Policy for Overall Development

The policy focuses to attract investment that would generate higher levels of employment

The new industrial policy is welcomed by industry and economic experts as it focuses on growth and providing incentives to the small and medium industries and also encourages industry to go to the backward areas of the State and set up projects there explains **Rohit Chandavarkar**.



should raise to 28% in State GDP in the next five years.

The State plans to attract domestic as well as international investors by giving them certain sops. Speaking about this agenda, the Chief Minister Prithviraj Chavan said, “During 11th plan period the State attracted 4630 projects, with total investments of more than Rs.6,50,000 crore and employment potential of above 22 lakh. We have received highest Foreign Direct Investment in the country. Under the Cluster Development Programme, the Government of India has approved the proposals of the State Government to set up 32 clusters of Micro and Small Enterprises, which will provide direct employment to nearly 1,00,000 persons during the next three years. In order to make more land available for the industrial activities in the State the Government has decided to permit the development of de-notified SEZs as Integrated Industrial Areas (IIA). This is expected to attract more investment.”

Announcing the key features of the new five-year industrial policy, which will be in effect from April 1,2013 to 31st March 2018, the Chief Minister Prithviraj Chavan said “The larger goal is to achieve faster economic growth specially in manufacturing sector by attracting investment and create new employment. Manufacturing sector is expected to grow at 28% by the end of

The Maharashtra Government has announced the much-awaited new industrial policy of the State just a few weeks ago. The policy envisages new investments of over Rs.5 lakh crore in the State in five years and hopes to create 20 lakh new jobs. Though the policy comes about a year behind schedule it is being welcomed by industry and economic experts as it focuses on growth and providing incentives to the small and medium industries and also encourages industry to go to the backward areas of the State and set up

projects there.

The Chief Minister Prithviraj Chavan officially announced the details of the new industrial policy in Mumbai. The main focus in this policy is to attract investment that would generate higher levels of employment. Another important aspect of this policy is to allow developers of Special Economic Zones (SEZ) to build industrial parks inclusive of residential townships. The Government wants to give a boost to the manufacturing sector and plans that the share of that sector



these five years. We are the first State in the country to initiate formation of Ultra-Mega Industrial Projects which will have an investment of more than Rs.15,000 crore and will employ more than 3,000 persons in each project.”

Talking about the focus in the policy Minister for Industries Narayan Rane said “Maharashtra’s growth has been fastest in the country. In the last policy we had planned to attract Rs.2,80,000 crore. Now in this policy that figure is Rs.5,00,000 crore. We are giving developers a chance to de-notify their SEZ and build IIA. This will allow developers to use 60% land within the SEZ for industrial purpose and 40% land for non-industrial purpose which includes building of townships and developing social infrastructure such as schools and hospitals.”

About 124 SEZs in the State have not really taken off. They are on about 29,000 hectare land. Out of this, about 16,000 hectares land is acquired privately so that can be part of the new Integrated Industrial Area, provided all the conditions set in the policy are met. Remaining 13,000 hectare land has been acquired through either MIDC or CIDCO so the de-notification of that land will go through a longer process.

The industrial policy provides many sops to investors. The Chief Minister Prithviraj Chavan said “The new policy offers some industries who invest in backward region, a waiver from electricity duty, stamp duty, local taxes like octroi until they recover their entire investment.” Besides this it also offers Micro, Small and Medium industries (MSM) 5% subsidy on capital investment in small towns which are classified as C and D for development purposes.

The Government’s initiative

HIGHLIGHTS OF STATE’S NEW ECONOMIC POLICY

- Targets to attract an investment of Rs. 5 lakh crore in Maharashtra
- To create 20 lakh new jobs
- Manufacturing sector in the State to grow at 13% per annum
- To initiate setting up of Ultra-Mega Industrial Projects which invest Rs.1,500 crore and employ more than 3,000 people
- Allow developers of SEZs to de-notify the land acquired for SEZs and create Integrated Industrial Areas (IIA) in that land IIA to have 60% land under industry and 40% for non-industrial use
- VAT sops to investors who go to backward areas of Vidarbha and Marathwada to set up new industrial projects.
- Concession in power tariff for industry that operates in backward region
- Micro, Small and Medium industries (MSM) offered 5% subsidy on capital investment in small towns which are classified as C and D

is being praised by industry in general. The Confederation of Indian Industry (CII) has welcomed the announcement of the New Industrial Policy for the State. According to Pradeep Bhargava, Chairman, CII WR one of the main stays of the policy is creation of integral industrial townships and the SEZ Exit plan which envisages release of de-notified SEZ land which is proposed to be converted into integrated industrial townships. He said that “this addresses one of the most crucial issues of land availability for industry.”

Satish Jamdar, Chairman, CII Maharashtra State Council, appreciated the aim of this policy to boost the growth of the industrial production sector. He said, “The policy endeavours to increase the share of the industrial sector in the GSDP from 18 to 28 percent. He also complimented the State Government for offering special rebates, waivers in electricity and stamp duty and relaxation in VAT for units planning to set up shops in under-developed areas of Marathwada, Vidarbha. These steps will bolster development in these areas and will pave the way for more industries to consider setting up establishments in the near future”. ■

Integrated Industrial Areas-an Option to SEZ

MSMEs plays a crucial role in employment generation across the State

The New Industrial Policy of the State which is welcomed by many and will give positive impetus for the growth of the industry. Issues addressed in the new policy are certainly welcome and will pave the way for further growth of the State. The aim of this policy is to boost the growth of the industrial production sector to 11-12 percent every year. **Sanjay Jog** has conducted exclusive interviews of **Sushil Jijwarajka**, Chairman, FICCI's Western Region; **Shriram Dandekar**, Chairman, KOKUYO Camlin Ltd., Cdr. **Deepak Naik**, President and **Meenal Mohadikar**, Vice-President, Maharashtra Economic Development Council and **Dr. C.S. Deshpande**, Economist and Director, Research & Trade Promotion, World Trade Centre to know about their views about the new policy.

How the New Industrial Policy is crucial to keep Maharashtra's pre-eminence in attracting investments?

Maharashtra, despite competition from other States, is still the leading industrial State and receives the highest FDI (33%) of the total FDI in India. The biggest change from earlier policy to this is the conversion of Special Economic Zones into integrated industrial areas wherein

60% of the land will have to be used for industrial purpose, 30% for residential and 10% for commercial purpose. Other incentives remain similar such as promoting MSMEs by providing special incentives in the form of VAT exemption, waiver in electricity duty, cut in power tariff etc and special incentives for Mega Industrial Projects of Rs. 1500 Crore. The key challenge within the policy framework is of execution. If



Sushil Jijwarajka,
Chairman FICCI

single window clearance clause for investment gets implemented in real terms, that itself would be big plus for attracting investment in the States it is the big differentiator between Maharashtra and Other States giving similar policy incentives.

Q: How the policy differs from other competitive States? What are key features that outpace others?

The new incentives announced for the



textile sector is a welcome step. There are very few other differentiators when compared with other State's industrial policies such as conversion of SEZs into Integrated Industrial Areas, e-governance etc. Therefore the key challenge for the Government will remain on its execution in real terms. Speedy clearance of pending projects, New Investment proposals and reducing infrastructure bottlenecks will help Maharashtra outpace other States trying to catch up with Maharashtra's growth. State's priority for MSME sector is a crucial step in helping generating more employment.

Do you think policy is enough to step up investments? What is further required from the Government and its agencies for hassle-free investments?

There is always room for improvements, however if the new industrial policy of Maharashtra gets fully implemented inspirit with various reforms envisaged on administrative side, such as governance initiatives, fast track clearances, lesser interface between Government employees and investors for clearing up various projects, then

I am confident that this policy will not only be able to attract investment but also step it up further. The Government must look at reducing the infrastructure bottlenecks such as connectivity of various industrial areas with ports, upgradation of existing infrastructure of various industrial parks etc to attract hassle-free investment.

What are your views on proposed integrated industrial areas by converting the SEZs? Will it work in the present format? What are your suggestions to make investments viable by investors?

The SEZs were conceived with an idea to promote exports and make export companies more competitive. Maharashtra had started 144 SEZs, however due to various reasons; the Centre introduced tax changes and imposed minimum alternate tax and dividend distribution tax on SEZ companies, which made this model non-viable as against its original idea of making export units competitive through various tax incentives. Therefore what does one do with the land locked in such SEZs, where business has become

unviable. Integrated Industrial Areas is one of the options to put the land locked in good industrial as well as housing/commercial use and give an option to existing stakeholders of such SEZs. It will only work in the present format if basic civic infrastructure like roads, drainage and other issues are taken care of properly by the State Government. The success of IIA will also be dependent on its location, size and nature of SEZs (Single/Multiproduct).

How the increasing demand for jobs can be addressed?

MSMEs play a crucial role in employment generation and generate most number of jobs across the State; however they also require handholding by State and other stakeholders to continuously generate employment opportunities. Therefore apart from providing tax incentives for MSMEs the policy also needs to focus on enhancing MSMEs competitiveness by way of supporting them in technology upgradation, skill development, enhancing soft skills of manpower etc, which will result into faster growth and further employment generation. ■

A Basket of Incentives to MSMEs

Brand "Magnetic Maharashtra Attraction Unlimited" should be made more illustrious with aggressive marketing efforts

How the New Industrial Policy is crucial to keep Maharashtra's pre-eminence in attracting investments?

The New Industrial Policy 2013 primarily focuses on less developed regions like Marathwada, Vidharbha and Konkan region to bring them at par with other developed regions like Mumbai, Pune and Nashik. This will ensure balanced investments across Maharashtra State.

Special incentives are given for ultra

mega and mega industrial projects. Government concentrates on hassle free environment for investors. This will ensure large investments flowing in the State. State Government is fully aware of the challenges like availability of sufficient land, crucial infrastructure like ports, airports, rail, roads and other supporting infrastructure. Industrial policy aims to simplify administrative procedures like obtaining labor NOC and other issues and multiple taxation



Shriram Dandekar,
Chairman, KOKUYOCamlin Ltd



interface also .

Computerization of entire package scheme of incentives which will enable online application, digital processing, status verification, electronic delivery of eligibility certificate etc is appreciable. Objective of the State Government to set up Investor facilitation portal to assist new investors is an added advantage. Government Intends undertake a periodic review of procedures relating to the provisions of all services, clearances, and licenses to industries.

In what way is our policy is different from other States?

Since its formation as a State in 1960 Maharashtra is always a leading industrial State in India. In the year 2013 Maharashtra has retained its Numero Uno position and I do not think that State of Maharashtra should compete with other neighboring States on this issue. State of Maharashtra should believe in Competing with itself for the overall progress of the State.

Does policy enough to step up investments? What role Government and its Agencies should play for hassle free

investments?

The Industrial Policy 2013 will certainly help to boost the industrial investment in the State provided on how effectively the policy is implemented especially where infrastructure is a big hurdle. We can see that how projects like Sewri – Nhava Sheva Trans harbour link and Navi Mumbai International Airport are examples of delay in implementing infrastructure projects.

Though facilities like Single Window Clearance and other Stated features like Online Application, SMS facilities, Barcode tracking services, backend processing platform through ERP are indeed positive steps taken by the Government for efficiently and effectively processing the documents. The only fear is that in practice should not remain on paper.

Brand “Magnetic Maharashtra Attraction Unlimited” should be made more illustrious than Vibrant Gujarat and ‘God’s own Country’ of Kerala at national and international level. This will require aggressive marketing efforts.

What are your views on proposed integrated industrial areas by converting the SEZs? Will it

work in the present format? What are your suggestions to make investments viable by investors?

I do not hold any for or against view on this step. We should appreciate the Government move on the proposal of creating integrated industrial areas since the land already notified for industrial purposes but due to some reasons are denotified can be reutilized for industrial purposes. MIDC and CIDCO will have to play important role in these areas to provide world class infrastructure to the occupants. The success of the integrated industrial areas depends on how Government organizations implement this whole process. One of the most important aspects is the cost of land. In the past few years land acquisition has been an important issue and cost of land is also on the higher side as compared to other States. This issue needs to be addressed. Improper use and politicizing this issue should be controlled. There also needs to be a level playing field for other intended industrial lands.

How the increasing demands for jobs can be addressed?

MSME sector plays major role in providing employment in India. The new Industrial policy has holistic approach towards development of this sector in the State. It has targeted to create 2 million jobs. The policy also gives weight age to unviable sick units. The State Government is keen to generate additional 45 million skill manpower by 2022 to bridge the gap between demand and supply. The State Government has formed the State management committee of skill development initiative for Maharashtra and sectoral skill committees under the department of higher and technical education. In order to implement these initiatives effectively, a coordinated effort is required between these committees.

To further promote MSME units Cluster Promotion is given preference which will assist MSME units by providing economies of scale, reduce transactions cost, development of market place, adequate supply of raw materials, manpower, technical knowhow etc.

Fiscal assistance to MSME by way of grant upto 70% on the cost of plant and machinery in approved Common



Facility Centres. Grant is enhanced to 80% in case of micro enterprises or enterprises having minimum 50% women employees.

To provide fillip to MSME sector a basket of incentives is provided by the State Government like power tariff subsidy for eligible new units in Vidarbha, Marathwada, Konkan region. Other subsidies like industrial promotion subsidy, interest subsidies on electricity, 10% incentives for food processing sector, incentives for

improving Quality competitiveness, research and development, technology up gradation and cleaner production measures.

In addition 100% exemption of stamp duty is offered within investment period for acquiring land and for term loan purposes respective of industrial areas.

Lastly the State Government must publish quarterly report with details of implementation actually done against Intended in the policy. ■

An Investment for Industrial Growth

Critical Industrial Infrastructure Fund will provide provide last mile infrastructure to MIDC areas.

How the New Industrial Policy is crucial to keep Maharashtra's pre-eminence in attracting investments?

Due to the changing economic scenario, the State Government wants to focus on the manufacturing sector. To cope with this, the new industrial policy aims to attract Rs 5 lakh crore in investments over the next five years for which the Government has made a separate category of ultra mega projects, which will bring over Rs 1,500 crore investments, for which customised incentive packages



Dipak Naik,
President, MEDC



Meenal Mohadikar,
Vice President, MEDC



would be provided.

Stressing on the manufacturing sector, the policy has set a goal of achieving 12-13 per cent growth rate a year and a 28 per cent share in the State's GDP. It further wants to accelerate industrial development in the underdeveloped regions of the State.

It has also decided to provide additional incentives to the Micro, Small and Medium Enterprises (MSME) by creating small clusters of such units and creating a common facility centre (CFC), where investments up to 70 per cent on the machinery in the CFC would be provided by the State Government.

Creating Integrated Industrial Areas by allowing conversion of Special Economic Zones (SEZs) that would be de-notified; Development of the existing Maharashtra Industrial Development Corporation (MIDC) Zones by granting them extra floor space index (FSI) of 0.5. This would substantially ease the constraint of lack of space in such MIDC Zones; Creation of Critical Industrial Infrastructure Fund with a corpus of Rs.500 crores, which will provide

last mile infrastructure for MIDC areas. Reservations of 10% of MIDC areas for Micro and Small Industries of which 5% will be reserved for women.

How the policy differs from other competitive States? What are key features that outpace others?

The policy is making an attempt to keep Maharashtra as the leading industrial State in the country. Maharashtra has an advantage of infrastructure i.e. Having the highest number of airports in the country; Development of new sea-ports ;Maharashtra has built up roads and highways and big markets.

Is this policy enough to step up investments? What is further required from the Government and its agencies for hassle free investments?

It opens a lot of new areas for industrial investment with appropriate set of incentives for large enterprise as well as for MSME sector. Some of the incentives are apparently linked with the creation of employment

opportunities.

Streamlining and rationalizing the tax structure in the State would also be a powerful incentive to enhancing business activity and investments.

The small fiscal incentives will not attract industries to lesser develop parts of the State unless the it sorts out the problems to support infrastructure that industry needs, like linkages to highways, airports, ports, and assured power and water supply at competitive rates.

If the State wants to attract investment it must also undertake steps on labour reforms; some small steps were taken during last industrial policy but after that nothing was seen

What are your views on proposed integrated industrial areas by converting the SEZs? Will it work in the present format? What are your suggestions to make investments viable by investors?

- NIP has proposed that the SEZs, which have failed to get off the ground after securing approval,

will be de-notified and converted into (Integrated Industrial Areas) IIAs. It, thus, allows the existing developers of SEZs to virtually exit their original projects and build industrial parks, including the residential townships. For a variety of reasons, but more particularly as an aftermath of global economic crisis in 2008-09 and withdrawal of some of the crucial tax exemptions (applicability of Minimum Alternate Tax), the economic/financial viability of all prospective manufacturing enterprises in the SEZs has been substantially vitiated.

- In the proposed framework of IIAs, 60% of land use will have to be exclusively offered for industrial activities, while another 10% can be used for commercial purposes and remaining 30% can be utilized for creating social infrastructure such as housing, hotels, hospitals, recreational centers, etc. Under the

existing SEZ policy, the land use dispensation provides 50% for core manufacturing activity. Thus, there is some incremental improvement in the land-use pattern for the core activity.

- There has to be a transparent regulatory and accountability mechanism in place to monitor and supervise the actual land use pattern. It is also necessary that there is a "conditionality" clause in suggested land use pattern such that there is a sequential release of land for non-core activities be it commercial or for social infrastructure like residential housing.
- Also, the State should promote integrated and efficient Industrial Township through the proposed mechanism of IIAs. The objective of this proposition is to create newer and newer industries to the existing metropolis of Mumbai and rapidly expanding industrial cities of Thane,

Pune, Nashik, Nagpur, Aurangabad, etc. The creation of such industrial townships would offload the current pressure of urbanization and urban infrastructure management in our existing large cities and create new industrial and urban growth poles or centers.

How the increasing demand for jobs can be addressed?

Unlike the previous policy that aimed to attract investment from big industrial houses, the new policy targets micro, small and medium (MSM) firms for employment generation. Maharashtra industrial policy announced 2 million jobs will be created for people across various sectors in next five years. However, this depends to large extent on the investor- friendly environment which is offered to the small and medium enterprise which has more potential for job creation. ■

A Strategy for Economic Growth

How the New Industrial Policy is crucial to keep Maharashtra's pre-eminence in attracting investments?

The New Industrial Policy has taken some significant steps in attracting Investments in Maharashtra – Mega-Project Policy extended by adding 'Ultra-Mega Projects' and by certain Governance Reforms relating to simplification of procedures.

Does policy enough to step up investments? What is further required from the Government and its agencies for hassle-free investments?

The policy could have done much more by integrating it with Labour Reforms, Infrastructure Development and State-specific Retail Policy Announcement. Maharashtra has a long way to go to erase its 'perception' as a high-cost

investment destination...We should also market our 'success stories' far more effectively and regularly...

What are your views on proposed integrated industrial areas by converting the SEZs? Will it work in the present format? What are your suggestions to make investments viable by investors?

The proposal appears reasonable, as it attempts to balance the interests of SEZ Developers and other stakeholders...but, for Maharashtra as a whole, the DMIC Regions, SEZs, IIAs and NMIZs – all need to be properly segregated, planned and executed...lot of overlapping which needs to be avoided and incentives to be rationalized...

How the increasing demand for jobs can be addressed?



Dr. C.S. Deshpande,
Economist & Director
Research & Trade Promotion, World
Trade Centre

Only by moving the labour into Service Sectors which are avenues for future Job Generation especially for the Youth – FINANCE-BANKING-INSURANCE; RETAIL; TELECOM, MEDIA, TOURISMthese sectors deserve policy attention. ■

Nurturing an Ideal Working Environment

The walk to work concept will help decongest existing business hubs

Integrated townships ease the pressure on the existing infrastructure and reserving land for economic activity will certainly foster the walk to work concept explains **Abhay Deshpande**.

Walk down to your workplace. After a hard day there walk back to your home. No frustrated and nail biting traffic navigations or long queues for already crowded public transport.

Sounds unrealistic? If the Maharashtra Government's new industrial policy is any indication then walking to work will be a hundred per cent reality in the future years.

The new trend which is fast catching on is the idea of living in an integrated township. The new age home buyer prefers living in a community close to the work place to do away completely with the stress of travel. In keeping with this new trend the Maharashtra Government has introduced some reforms in the township policy which will make the "Walk to Work" concept a viable option.

According to this new policy as approved by the Chief Minister Prithviraj Chavan the State Government has decided to make it mandatory for special township projects to set aside up to one-fourth of the land for economic activity. The idea is to create new economic centres and better employment opportunities. The walk to work concept will help decongest the existing business hubs. Experts believe that new economic centres are the need of the hour as more people are moving towards the suburban areas and opting for township projects.

Integrated townships ease the pressure on the existing infrastructure

and reserving land for economic activity will certainly foster the walk to work concept. An integrated township offers infrastructure essential conveniences and security. Unveiling the new industrial policy the Chief Minister had stated that the Government's proposed industrial areas focusing on all-round industrial development will boost the walk to work concept.

The walk to work trend is a concept wherein offices and residential complexes are designed in such a manner that office goers can walk to their places of work within minutes. This concept is a huge hit in the West as people who stay near their workplaces not only save on fuel and time but are less stressed due to no private or public transport travel.

The concept can only be successful if townships in the future provide for commercial hubs by way of allocating significant amounts of space for offices. Experts say that the two most successful townships in India, the Hiranandani Garden in Powai in the eastern suburbs of Mumbai and the Magarpatta City in Pune have large office spaces within the townships.

The Maharashtra Government's decision to give a fillip to this concept will have multi benefits. It will help employers and employees build regular walking into their daily routine. The health benefits are tremendous – walking to work will relieve feelings of depression, anxiety

and improve the heart rate, help build stronger muscles and lower the risk of long-term health conditions. Those living close to their workplaces will also get to spend more time with their families and have a social life beyond the call of work. It will help the environment by reducing car dependency and pollution. It will improve the health of the employees and boost their morale and loyalty to the place of work. It will also improve productivity as the staff would put in more work time.

The trend in the West is to locate residential areas abutting their workplaces. This would not only reduce the burden of travelling to and fro, but also increase efficiencies of the employees, feel real estate developers giving a thumbs-up to the state's decision to ring in such a significant change. They say that it holds the in the present situation of high stress life and rising fuel prices.

Walk-to-work, however, doesn't mean just providing residential space near to your workplace. It is also about providing a wide variety of amenities and services, such as hospitals, schools, retail malls, entertainment facilities and security.

In short, the walk to work concept has a two-fold benefit. On one hand there will be a work force which will be more relaxed and healthy, while on the other hand they will also be more beneficial to the business due to enhanced productivity.. ■

Classical Marathi

The oldest testimony of Marathi language dates back to 2220 years, written in Brahmi script found in Naneghat near Junnar

Marathi is not just the language of a region. People speaking it are holding key posts in 35 States and Union Territory of the country today. Spoken by 11.25 crore people, it ranks 10th in the world. Marathi-speaking people are presently spread in 72 countries across the globe. It was the State Language of rulers like Satvahanas, Rashtrakutas and Maratha whose regime was expanded much beyond today's Maharashtra. Their territories were spread in Pakistan, Bangladesh and Afghanistan of today explains **Prof. Hari Narke**.

The Central Government has been accorded the status of the Classical Language to Tamil, Telugu, Kannada and Sanskrit. The Government of Maharashtra has taken initiative to prove that Marathi too is the Classical Language and a study group has been constituted for the task under Prof. Ranganath Pathare. It's a very significant step taken up by the Chief Minister Prithviraj Chavan to give Marathi a status of the national language.

Marathi is not just the language of a region. People speaking it are holding key posts in 35 States and Union Territory of the country today. Spoken by 11.25 crore people, it ranks 10th in the world. Marathi-speaking people

are presently spread in 72 countries across the globe. It was the State Language of rulers like Satvahanas, Rashtrakutas and Maratha whose regime was expanded much beyond today's Maharashtra. Their territories were spread in Pakistan, Bangladesh and Afghanistan of today.

The Centre has ascertained norms to judge the archetypal of any language, they are:

1. High antiquity of its early texts/ recorded history over a period of 1500-2000 years.
2. A body of ancient literature/text, which is considered a valuable heritage by generations of speakers.
3. The literary tradition be original and not borrowed from another speech community.
4. The Classical language and literature being distinct from modern, there may also be a discontinuity between the Classical language and its later forms or its offshoots.

With due consideration to the antiquity, values, consistency, linguistic tradition, sovereignty as well as the pedigree of the modern version, there are strong proofs to substantiate that Marathi is classical language. There have been some premonitions and misunderstandings

about Marathi that put hurdles in its way of being Classical. It has been impressed upon the minds of the people that Marathi has been evolved from Sanskrit is not older than 1000 years.

THE ORIGIN

L.R. Pangarkar has proved that the Marathi language that is being spoken and written has been evolved from Maharatti, Marahatti, Maharashtrai Prakrit and Apabrash Marathi. These three languages are not different but these are the three different forms of the Marathi language. Today's Marathi is the same as that is seen in the literature written by saints like Tukaram and Dnyaneshwar. Eknath calls it Prakrit and Dnyaneshwar named it Desi. The grammar named 'Desi Naammal' authored by Hemchandra was very famous treatise at the time of Dnyaneshwar besides Prakrit Prakash which is the oldest treatise on the Prakrit grammar authored by Vararuchi [Katyayan]. Even the epics like Ramayana and Mahabharata contain thousands of Marathi words. Sanskrit is a dialect whose roots are in the Vedic age. Similarly Marathi originates in Maharashtra, spread over much wider boundaries than that of today, and has it evolved from the dialects of Vedic period. It has adopted many



words from dialect of Arya's, Vedic, Sansrit, Prakarits and Dravidian. Therefore Marathi has words similar to that of other languages/dialects, words in perverted form and word picked up straight form aborigine local languages. Marathi is the much refined and developed version of Prakrit.

'Gathasaptashati' is the first book written in Marathi and is 2000 years old. Old literary works like the 'Leelacharitra', 'Dnyaneshwari'

and 'Viveksindhu' are not the books considered to be some of the best books written in Marathi that could compete with the best literature in the world, were written 800 years ago and the language existed 1200 to 1500 years even before that, epitomes and old manuscripts to corroborate this are available with archaeological department. The Bhandarkar Oriental Research Institute has around 80 Marathi books which are 1500 to 2000 years old. Among them

are Mrichchakatika by Sudraka (6th Century), Setubandh by Pravarsen (5th Century), 'Shakuntala' by Kalidas (4th Century) and Paumacariya by Vimalasuri (1st to 3rd Century).

'Brihatkatha' written by Gunadya 2000 years ago is in Paisachi language. The books in Buddhist literature such as 'Vinaya Pitaka', 'Dipvamsa' and 'Mahavamsa' written in Pali and Sinhalese languages have references of Maharashtra . There is a mention that Mogaliputtatishya had sent Buddhist preachers called 'Theros' to different countries and Theromahadhammarakhit was one amongst them sent to Maharatt.



Tirthkhamb, Paithan

THE FIRST EPITAPH

The oldest testimony of Marathi language dates back to 2220 years, written in Brahmi script. Found in Naneghat near Junnar in Pune is considered the first epitaph written in Marathi. 'Maharathino' is the word clearly inscribed therein refers to none other that people from Maharashtra. The content of the epitaph is given in the book written by Dr. V. V. Mirashi (The History and Inscription of Satvahanas and Western Kshatrapas). The language in which this epitaph is written must in existence for 200 to 300 years before the time it belongs to.

Maharashtri language is much older than the proper noun Maharashtra. Prakrit Marathi in existence in the regions of Ashmak, Kuntal, Apartant and Vidarbha. It is known to people in the regime of Satvahanas (Between 2 to 3 BC) that was spread over Kurukshetra and Peshawar. Manuscripts of the stories compiled by Haal Satvahanas called Gathasaptashati (Gahasattasai) are found at many places in India.

MAHARASHTRI TO MAHARATTHI

The name Marathi traversed from Maharatthi – Marahatti – Marhatti. Sanskrit transverse the name Maharatti to Maharashtri. This shows that Marathi existed much before Sanskrit got its identity



One of the oldest Marathi inscription at the base of Gomateshwar Statue of Shravanbelgol

and it was enriched at the time. The epics like 'Sattasai' by Haal Satvahanas, an anthology Vajjalagga by Jayavallabhas, Ravanavaho by Pravarsen Wakatak and Garudavaho by Vakpatiraja are written in Maharashtri Prakit. Of these Sattasai and Ravanavaho are definitely written in Maharashtra. References of Gathakosh are found in the prelude to Harshacharit (first half of the 7th Century) authored by Banabhata and after that in Gathasaptashati of Rajshekhar (880 to 920 BC). Geographical references like the names of rivers such as Girana, Godavari, Tapi, Narmada, Mula and places like Tryambakeshwar, Paithan, etc mentioned in this book are of Maharashtra for sure.

DESHI MARATHI

Dr. V. B. Kolte has corroborated that Marathi is derived from Apbhransh Marathi. In Dnyaneshwari 'Marhati' and 'Deshi' are the two

word used for Marathi. 'Deshi' word was much prevalent in the times of Dnyaneshwar. Marathi got evolved from Deshi, it means that the language that is more close to the people of the land where it is spoken. In Kuvalaymala of Uddyotanasuri (778 BC), 18 Deshi languages (dialects) are mentioned one of them is Marahatta. Features of the people speaking this language are also given in it as much patient, proud, complainant and dark complexioned. Similarly, the social atmosphere and environment mentioned in Gatha Saptashati is clearly Maharashtrian.

In the grammar treatise of Vararuchi written in the oldest reference of Marathi is found that goes back to the first century, where it says that Maharashtri was the Prakrit language. It was written at the time of Panini. In his book of grammar he has given some grammar rules for Shaurseni, Magadhi and Paisachi. At the end of the topic he mentions

one such rule is that "all other rules are similar to that of Marathi. Thus it is indisputable that Marathi was a major language.

In view of the fact that a language is known by the name of the State, on a foundation stone pillar at Eran (365 AD) in the message by a warrior of Shridhar Varma, Satyanam calls himself Maharashtrian. A reference of Maharashtra is also found in Brihat Samhita by Varahmihira. An inscription of Aihole (634 AD) says that one of the Chalukya King Sattayashray Pulakesi ruled over three States of Maharashtra.

Xuanzang, a voyager from China who travelled India (629 to 645 BC) has called Maharashtra as 'Moholash'. Evidence of the first sexologist (Kamasutra) Vatsayan, Sanskrit scholars Vararuchi and Dandi and ancient testimonies of epitaphs and other manuscripts will give a paradigm shift to the research and studies of Marathi language. ■

For Progressive Use of Marathi Language

Rajya Marathi Vikas Sanstha has undertaken various projects and initiatives for enhanced use of Marathi in various fields

The Maharashtra State Board for Production of Vishvakosh has been established on the lines of Encyclopedia Britannica as a book based movement to provide knowledge to the common man in Marathi. The main objective of this is to provide information of all the words of the World with their History, Geography, Philosophy and Science for whoever seeks the same.

The Marathi Language Department was established on the 29th November 2010. Presently the Directorate of Languages (Bhasha Sanchalanalaya), Maharashtra State Board for Literature and Culture, Maharashtra State Board for Production of Marathi Vishvakosh and Rajya Marathi Vikas Sanstha are working under this Department. Following projects are being implemented by the Marathi Language Department.

MARATHI BHASHA BHAVAN

For better coordination in work and accelerating the work processes in offices under the Marathi Language Department, a proposal to bring all these offices at a single location through construction of a Bhasha Bhavan in Mumbai is under consideration. The location at Rang Bhavan, Dhobitalao has been considered for this.

Financial assistance for enhancing Marathi Language and Culture in the border areas of Maharashtra-Karnataka...

This special scheme has been undertaken by the State Government from 2011-12. The Scheme includes Tourism and Cultural Affairs, Higher and Technical Education, School education and Sports along with Marathi Language Department. During 2011-12 an amount of Rs. 94.00 Lakhs was spent by the Higher and Technical Education

under the Scheme. During 2012-13 an amount of Rs. 5 Crores has been reserved under the Plan expenses.

The control and coordination of this scheme has been entrusted to Marathi Language Department.

1. Dr. Nagnath Kotapalle has been appointed as Chairman of the Language Advisory Committee on the 9th April 2012.
2. A financial support of Rs. 50.00 lakhs was provided to the 3rd World Literature Conference held at Singapore.
3. A separate website for the Department has been created: (<http://marathibhasha.maharashtra.gov.in/>)
4. On the basis of resolutions received from the Language Advisory Committee regarding development of Marathi language, a dialogue has been started with other related departments.

PROPOSED INITIATIVES:

1. To create Regional Offices of the Language Directorate at Amravati and Nashik.
2. Creation of Bhasha Bhavan on the Revenue Divisional level.
3. Submitting proposal to Government for Marathi Typing exams conducted by Ad-hoc Board.



LANGUAGE ADVISORY COMMITTEE

This Committee has been constituted on a permanent basis for implementing the policies for Marathi as the State Language. The Committee has 22 non-government members and 5 Government members. Dr. Nagnath Kotapalle has been appointed as the Chairman of this Committee according to the Government Resolution dated the 9th April 2012. The following are the resolutions passed by the Committee for action:

The Resolutions passed by the committee

- Effective use of Marathi language in Religion, Politics, Judiciary, Business and Industries and Communication Media.
- To make it mandatory for all educational disciplines as well as Universities to complete at least one module of Marathi.
- Follow up to make Marathi syllabus mandatory in all CBSE and ICSE schools in the State.
- The question papers for Examination at the Industrial Training Institutes should be in Marathi instead of English.
- To establish an ideal Government School in every District of the State on the lines of Navodaya Vidyalaya to enhance the educational standards of State Language Marathi.
- To revive Maharashtra University Text Book Production Board.
- For progressive use of Marathi in State and Judicial correspondence.
- To establish a permanent system for translation from Marathi to other languages and from other languages to Marathi.
- To provide special Grants to Educational and Cultural institutions as well as Libraries in other States by Marathi speaking people.
- To create an effective strategy for Book distribution. To plan schemes such as publications at a concessional rate, book distribution

Literary Awards:

Previously the Literary Awards distribution was held by the Directorate of Cultural Affairs but from the year 2012-13 the responsibility for the same was transferred to the Marathi Language Department. The number of Awards has been reduced from the earlier but the amount of Award has been substantially increased from the financial year 2012-13.

The Categories and format of the Awards is as follows:

1. Vinda Karandikar Lifetime Achievement Award to a Litterateur with Valuable work and eminent contribution in Marathi Literature: Rs. 5,00,000/-
2. Shri. Pu. Bhagwat Award for a Publication House for valuable work in creation of literature: Rs. 3,00,000/-
3. Best Marathi Literature Creation State Award for encouraging authors for creation of Best Marathi literature: Rs. 2,00,000/-
 - Adult Literature (Total 22) : Rs. 1,00,000 each
 - Children Literature (Total 6) : Rs. 50,000/- each
 - First publication (Total 6) : Rs. 50,000/- each
 - Brihan-Maharashtra (Total 1) : Rs. 1,00,000/-

Apart from this, various other Awards instituted by the Maharashtra State Board for Literature and Culture in the field of Literature are as follows:

1. **Fellowships (Total 2):** Two senior personalities with valuable contribution to the Literature and Folk Arts are felicitated with these Fellowships. So far 58 personalities have been felicitated. The Award is Rs. 50,000/- each
2. **Yashwantrao Chavan Literature Award (Total 1):** This is awarded to the best books in 6 categories such as Poetry, Stories, Play/One Act Play, Novel, Semi-literary prose and Children's literature by new authors. Award Rs. 2,000/- each.
3. **Sarfoji Raje Bhosale Award (Total 1):** This is awarded to the Publisher of the best literature from new authors. Award Rs. 2,000/-

and Book Exhibitions.

- To prepare encyclopedias for newly developed knowledge streams.
- To update the Dictionaries created

by the Language Directorate so far.

- To convene division wise meetings to decide the Language Policy of the State based on the views of public and experts.

CONSULTATIVE COMMITTEE FOR LEGAL TRANSLATION AND TERMINOLOGY

With a view to use Marathi language in the State Judiciary and to make available Marathi translations of the Acts and Rules passed by the Central and State Governments, a Committee has been established under the Chairmanship of Retired Justice Hon. Chandrashekhar Dharmadhikari. The Committee has 19 Government and non-government members. The Committee has conducted 228 meetings so far and has finalized 20 Central and 5 State Acts as well as Revised Judicial Correspondence Manual.

STATE BOARD FOR LITERATURE AND CULTURE

In order to preserve and enhance Marathi Language, Literature, Culture and Arts, the Maharashtra State Board for Literature and Culture was established on the 19th November 1960.

1. To establish an Academy for Dialect Marathi
2. To prepare E-Books
3. A Committee has been established for projects such as History of Socio-cultural transitions and encouragement for Marathi Books translation.
4. The work on the following proposed projects has been entrusted to concerned experts:

Marathi Vyutpatti Kosh – Prof. Ramdas Dange, Santvachananche Anuvad – Ramdas Bhatkal, Aantarbharati Anuvad Kendra, Vachan Kosh – Dr. Ashok Kelkar, Alankar va Veshbhoosha Kosh – Dr. Varsha Joshi, Khadya Sanskriti Kosh – Shrimati Anupama Ujgare, Marathi Vangmay Kosh – Prof. Dilip Dhondge, Marathi Natak ani Rangabhumicha Itihaas – Prof Datta

Bhagat, Aadhunik Maharashtracha Itihaas – Dr. K. K. Chaudhary

VISHVAKOSH [MARATHI ENCYCLOPEDIA]

The Maharashtra State Board for Production of Vishvakosh has been established on the lines of Encyclopedia Britannica as a book based movement to provide knowledge to the common man in Marathi. The main objective of this is to provide information of all the words of the World with their History, Geography, Philosophy and Science for whoever seeks the same.

NEW INITIATIVES

1. Publication of Marathi Encyclopedia Volume 20 and dedicating Vol. 14 to Vol. 18 to the people on the INTERNET.
2. Creating a new Index for Marathi Encyclopedia, updating the notes and writing of new materials.
3. The writing, editorial work and DTP for Children's Encyclopedia (Kumar Vishwakosh) Vol. 2 Part-2.
4. The writing and editorial work for Children's Encyclopedia (Kumar Vishwakosh) Vol. 3 (Universe and Earth).
5. The writing and editorial work for Children's Encyclopedia (Kumar Vishwakosh) Vol. 4 (Ancient Culture)



6. The writing and editorial work for Children's Encyclopedia (Kumar Vishwakosh) Vol. 9 (Liberal Arts)

initiatives for planned enhancement and progressive use of Marathi in various fields.

RAJYA MARATHI VIKAS SANSTHA

The State Marathi Development [Rajya Marathi Vikas Sanstha] Institute has been established on the 1st May 1992. Hon. Chief Minister is the Ex-officio Chairman and Hon. Minister for School Education is the Ex- Officio Vice Chairman of the Institute. The Institute works under the advice of its regulatory board.

Rajya Marathi Vikas Sanstha has undertaken various projects and

1. Free availability of UNICODE FONT.

2. To publish an informative booklet on various organizations working for Marathi in India and abroad in Marathi, Hindi and English languages.

3. To create a booklet and an Audio CD 'Conversational Marathi' in order to facilitate a dialogue between the people arriving from other States and abroad either for employment or Tourism and the locals.

4. To implement Translation Training Project for receiving training in Translation.

5. A proposal for transcription of Modi in Devanagri script.

6. To transform DASBODH in to an Audio Book and place the same on the Government website.

7. Marathi in Medical correspondence, Textile Encyclopedia Volume 4, Marathi Book Index, Marathi Language evolution – CD, Reprints of the books published by the Institute and E- Books, Translation of books related to Humanities knowledge stream.

8. To organize a stage show on the occasion of Birth Centenary year of Late Shri. Yashwantrao Chavan. Creation of Audio Books based on the books on his life and placing them on the Government website. ■

- Lalita Dethé

Classical Language Status to MARATHI

The Government of India has decided upon certain criterion for provision of Classical Language Status to languages. The State Government has set up a committee under the Chairmanship of Prof. Shri. Ranganath Pathare to explore the possibilities whether Marathi language could attain this status within the criterion set up for the same. The committee is constituted with 16 Government and Non-government members. The Committee had 5 meetings so far. Apart from this the Sub-committee of Experts set up for drafting the proposal has met 16 so far. The drafting of proposal is in the final stages and shortly the draft proposal has been put up before all the members of the Committee. After finalization of the draft the same would be put up to the Government of Maharashtra. After the Report has been received from the committee and approved by the Government, action would be initiated for submitting the proposal to the Government of India.



Determined Decisions... Innovative Schemes

Bharat Ratna Pandit Bhimsen Joshi Classical Music Encouragement Scheme

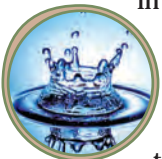
Maharashtra cabinet approved a classical music Encouragement scheme named after the legendary exponent of Hindustani Classical Music, Pandit Bhimsen Joshi.



In accordance with the State Cultural Policy, this scheme has been launched to encourage upcoming artists in the field of Classical Music. The scheme comprises of five sub-schemes which are Bharat Ratna Pandit Bhimsen Joshi Lifetime Achievement Award, Bharat Ratna Pandit Bhimsen Joshi Youth Scholarship Scheme, Bharat Ratna Pandit Bhimsen Joshi Classical Music Festival, Bharat Ratna Pandit Bhimsen Joshi Gurukul Yojana [Residential School for Classical Music] and Bharat Ratna Pandit Bhimsen Joshi Assistance Grant Scheme for Registered Classical Music Institutions.

The State Reservoirs Have 42% Water Stock

There are 2,468 reservoirs and dams in the State with total water stock of 15,653 billion cubic meters which is 42% of the total capacity of the reservoirs. Last year in the month of January, the reservoirs had 49% of the water stock.



Situation of reservoirs in Konkan is quite better with highest water stock at 80% while it is only 14% in Marathwada. Situation in other divisions: Nagpur – 53 per cent,

Amaravati – 56 per cent, Nashik 60 per cent, Pune – 69 per cent.

Rs. 214 crore 13 lakh for Cattle Camps

The State has spent Rs. 684 crore 29 lakh on fodder distribution and Rs. 214 crore 13 lakh for running cattle camps where nearly 3,46,847 cattle are sheltered. Till date 395 cattle camps have been opened -176 in Ahmednagar, 2 in Osmanabad, 7 in Beed, 1 in Pune, 89 in Satara, 20 in Sangali and 109 in Solapur district.



To cope with the scarcity in some of the districts total 18660 works have been taken up under Maharashtra National Employment Guarantee Scheme providing employment to total 1 lakh 35 thousand 937 labourers. There are total 3 lakh 45 thousand 133 works on the shelf providing employment to 15 crore 17 lakh labourers

The District Collectors in the State recently have declared the final paisewari for the Kharif crop. Total 7064 villages are declared with the paisewari less than 50 paise for kharif crop besides there are 3905 villages where paisewari is less than 50 paise for rabbi crops.

67 % Subsidy in Electricity Bills of Water Supply Schemes



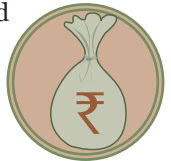
The State Cabinet has decided to provide 67 percent subsidy for the payment of electricity bills of the water supply scheme from

April 1, 2012 in the villages where final paisewari has been declared less than 50 paise. Out of which 50 percent subsidy would be provided by Water Supply Department and 17 percent would be given through scarcity funds of Relief and Rehabilitation Department. Remaining 33 percent will be paid by Gram Panchayat or concerned water supply agency. The State has already decided to allow the payment of bills issued before April 1, 2012 in 12 installments under Abhay Yojana.

Funds to Osmanabad and Jalna Districts for Removal of Water Scarcity

Osmanabad and Jalna districts of Marathwada region are facing severe drinking water scarcity.

The State has decided to provide funds to these two districts for execution of water supply schemes urgently.



According to this decision Jalna district will receive Rs 22 crore and Osmanabad will receive Rs 51 crore.

The water supply scheme for the Jalna district has been approved under Urban Infrastructure Development Scheme for Small and Medium Towns [UIDSSMT]. For the completion of the scheme there is need of Rs 22 crore which is now provided by the State Government. Earlier, State, Central Governments and Municipal Corporation of Jalna shared Rs 182 crore for the construction work, of which work of Rs 181 crore has been completed.

Osmanabad will also receive fund of

Rs 51 crore under the UIDSSMT. The water supply scheme of Osmanabad needs approximately Rs 7 crore 50 lakh for construction and Rs 22 crore expected annually for repairing, maintenance and payments against pending water bills.

Distribution of Crossbred Milch Animals

The State Government has recently decided to implement a scheme for distribution of group of 6 milch crossbred cow/buffalo to increase the milk production in 33 districts of Maharashtra. The scheme will be implemented under the 12th Five Year Plan.

Earlier, the scheme was implemented on pilot basis benefitting 1503 beneficiaries by increasing their monthly income by Rs. 9000 to Rs. 12000.

For the implementation of scheme on the State level, fund of Rs. 40 crore 16 lakh has been made available. This will benefit 2088 beneficiaries in the State. In the current year the scheme will not be implemented in the scarcity hit districts. The emphasis will be given on implementation of this scheme in the districts which are not self sufficient in the milk production.

Omnibus Genetic Improvement Programme for Milch Animals

To improve the production capacity in cows and buffaloes, an all inclusive programme will be implemented by the State Government. According to the cabinet decision, the Omnibus Genetic Improvement Programme



will be implemented in the State in the current year with the help of information technology.

The scheme includes genetic data collection of the milch animals, their production capacity and selection of animals on genetic merit. All this process will be carried out with the help of information technology. The animals with different breed characters,

productivity, and heritability will be selected for this programme. For the implementation of the scheme, the training will be given to the concerned officers, employees, farmers and cattle keepers. The frozen semen of bulls with documented heritable genetic traits will be used to carry out artificial insemination in cows and buffaloes.

Entertainment Tax Waiver for Single Screen Cinema Theatres

On the occasion of Centenary year of Indian Cinema, Maharashtra Government has decided to waive off the entertainment tax for single screen cinema halls under Gram Panchayat for seven years and for five years those situated in A, B and C grade Municipal Councils areas. The decision will encourage in improving condition of single screen cinema halls in the State through their modernization.



Presently there are 549 single screen cinema halls in the State, out of which approximately 100 are located in the rural areas. Of late, the villagers are found to be deviating from cinema halls. Owing to their disinterest, the State Government has decided to apply the waiver in order to revive falling movie business in rural areas.

Besides this, to encourage Marathi movies in the State, the Government has limited tax levy for the single screen cinema halls and multiplexes exhibiting Marathi movies. This would result in increasing the viewers of Marathi cinema.

The cinema halls using digital medium would be levied additional service charge of Rs 4 per ticket and those exhibiting through satellites would have to shell out Rs 2 on each ticket. Besides the duty, the Government has permitted single-screen theatres to charge an additional Rs 1 service tax if they upgrade their technology, computerize ticketing and show Marathi cinema during

prime time.

If the exhibitors choose to run shows for Marathi movies during prime time, then he would also be relieved from paying additional service charge.

Also, Rs 200 has been fixed as maximum entry rate for multiplexes and Rs 100 for single screen theatres.

Approval to MSEDCL's INFRA-2 Project

The State Government approved the proposal to launch the second phase of Infrastructure Development Plan [INFRA-2]. The total expenditure for the project is Rs 6,500 crore out of which 80 percent of total share capital i.e. Rs 5,200 crore will be raised from Maharashtra State Electricity Development Corporation Ltd and 20 percent which is Rs 1300 crore will be provided by Government.



This project will help in providing electricity connections to approximately 4,88,000 agricultural pumps, 23,48,000 household connections, 2,64,000 commercial and 58,200 industrial consumers from the year 2013 to 2016. Total 31,58,000 consumers will receive electricity connections under this project.

Rs 2 Crore to District Collectors as Emergency Funds

The State Government is paying attention to provide employment to every person from the scarcity hit areas of the State. For this State Government is carrying out a number of construction works in these areas.

For effective implementation of water supply schemes in these areas, till now the State Government had disbursed Rs 413 crore 98 lakh to the Water Supply Department. Besides this, power has been given to the District Collectors for spending Rs 2 crore as emergency fund to tackle water scarcity situation in the different parts of the State. ■



Maharashtra Honoured

Delhi and the areas around experience a blending of a thick fog and extreme cold on the streets during the months of December and January. However the same months in Delhi are marked by extremely important chain of meetings after the Parliament session. Hence all the Delegations of various State Governments and Senior administrative officers from all around the country are full of stories of the Delhi cold wave while they attend these important meetings. During these two winter months the earnest Rajpath has witnessed many warm decisions that have gone in favor of Maharashtra. One of the most heartwarming of these decisions was the announcement for transfer of land held by Indu Mills in Mumbai. While a heated debate on the issue of Foreign Direct Investment was taking place in both the houses of Parliament, a unanimous decision was taken and announcement was made for transfer of Indu Mills land for proposed Memorial to Bharat Ratna Dr. Babasaheb Ambedkar. Over the last whole year the Chief Minister Prithviraj Chavan had made efforts for this with a passionate emotional appeal on many platforms in the Capital. He has succeeded in providing a practical example of how an emotionally disturbing question can be resolved unanimously, peacefully and patiently with a consensus and support obtained at the national level. At the same time the State Government has also undertaken the responsibility that this Memorial would be of a Global stature. The event would be noted in the history of Maharashtra for the successful

mediation achieved by Chief Minister on an issue connected to emotional sentiments of millions of people.

The Chief Minister also got an opportunity to present the progressive economy of the State on a National level. The event was National Development Council Conference. During the Conference all the Chief Ministers presented details on the economic status of their respective State. At the same time they also demanded for a better deal in terms of sharing of the national growth and a higher financial support from the Centre. The progress achieved by the State of Maharashtra dominated the entire Conference. On the backdrop of statistics and announcements from various states about their industrial development, Maharashtra Chief Minister presented an account of the economical stature of Maharashtra. Adding forcefully that Maharashtra is the only leading State of the Nation, he affirmed the resolve to be able to achieve development rate of 10.5 % by the end of the 12th Five Year Plan. He also provided details of the planning

that the State had undertaken in the agriculture and irrigation sectors while facing the fierce drought situation for the last two years.

He informed that 105 projects were being implemented successfully in the 145 drought affected Talukas of the State. He also called the attention to the fact of an amount of Rs. 2270 crore would have to be spent for these areas. He informed the gathering that the new Maharashtra Groundwater Regulations and Act, Textile policy, State Nutrition Mission, Establishment of Maha E-Seva Centres and other projects were being implemented effectively. While promising to implement the Central Schemes with total efficiency he requested the Central Government to consider the demands of the State in terms of delayed railway projects in the State, port development, regular supplies of coal and gas, flexibility in Rajiv Awas Yojana Rules as well as a greater financial support from the Centre for Slum Rehabilitation. He said that the Centre should consider these demands seriously.



During the last two months the progress by the State of Maharashtra was honored by major media houses. The first of these programmes was organized by INDIA TODAY Group. The Most Improved States Award for best performance in the field of Basic Infrastructure and Consumer Facilities was received by the Chief Minister Prithviraj Chavan by the hands of the Union Minister for Agriculture, Sharad Pawar. The Chief Minister was invited at this coveted platform of India Today State of the States Conclave to speak on the subject whether a large State can provide opportunity for balanced development for all areas of the State? He said that while deciding the policies for the State, taluka should be considered as a unit for development. The State has already initiated steps in this direction. His statement turned out to be the banner for the entire event. The new direction provided by Chief Minister Prithviraj Chavan for decentralization of development in the presence of most of the State Chief Ministers was upheld by everyone else.

NATIONAL WATER RESOURCES COUNCIL

6th meeting of National Water Resources Council was held on the next day of the National Development Council meeting. During this meeting Prime Minister Dr. Manmohan Singh obtained first hand information on the measures undertaken by individual States while deciding on their Water Policies. He called on Maharashtra at the outset and invited Chief Minister to speak about the State. The major problem faced by the drought affected areas of the State is Drinking Water. The State Government is handling both the issues of irrigation and drinking water with total seriousness. On this occasion of 6th National Water Resources Council the Chief Minister appealed to the Central Government to plan for next many years while deciding on the National Water Policy. He informed the gathering that the State Government has enacted Maharashtra Groundwater Development and Management Act for regular and balanced distribution of water in the entire State.

In order to bring more financial support from the Centre to overcome withering situation at the drought affected areas he had continued meetings and follow up with Prime Minister Dr. Manmohan Singh and Union Minister for Agriculture Sharad Pawar.

On 22nd December, Maharashtra was honoured by IBN7 Diamond State Award in a grand celebration organised by IBN News Channel.



The rich background experience and the relationships developed by the Chief Minister in Delhi proved to be worthy to a great extent. Empowered Group of Ministers on Drought was able to gauge the severe situation being faced by the State. In the mean time the Chairman of the EGoM Drought and Union Minister for Agriculture Sharad Pawar had made a presentation on the drought situation before the members of this Committee. Therefore the Empowered Group of Ministers could get to know the drought situation to the fullest extent. This Committee of Ministers announced a grant of Rs. 778 crore for drought relief on the 10th January 2013. Out of this Rs.563.29 crore was for agriculture, 91.29 crore for horticulture, Rs. 72.88 crore for animal husbandry and Rs. 55.63 crore was for water supply. The total drought package announced amounts to Rs. 778.9 crore.

The Award is bestowed Every year the awards are given to the States for their better performance in the various categories such as infrastructure, security of the citizens, education, employment generation, health facilities, poverty eradication, drinking water and water supply and women empowerment. Maharashtra State was awarded as most efficient State in Employment Generation and drinking water and cleanliness. The Award was received by Maharashtra Resident Commissioner in Delhi Bipin Mallick on behalf of the Chief Minister of Maharashtra.

DOMINANCE CONTINUED...

Apart from this Maharashtra State which has been a pioneer in cooperative sugar factories continued

its dominance during the month by bagging 9 out of 17 Annual Awards bestowed by Cooperative Sugar Factories Federation. The National Award from Agriculture Department was bagged by the Samartha Sahakari Sakhar Karkhana, Jalna for the best financial management and was handed over by President of India Hon. Shri Pranab Mukherjee. During the same month Wardha District bagged the Skoch Foundation Award under the category of "Access to Banking and Financial Services" for their UID linked financial inclusion project being executed in Wardha. Author Jayant Pawar was honoured with Sahitya Academy Award and the Sahitya Academy Yuva Puraskar was bagged by young playwright Dharmakirti Sumant and the Award for translation was bagged by Sharada Sathe. All these underlined Maharashtra in the National Capital and brought laurels to the State. During this month alone the Maharashtra Information Centre in Delhi organized an event on the occasion of Patrakar Din and felicitated some of the veteran journalists who created a niche for themselves among the journalists in the capital. This was a totally memorable moment for one and all... ■

- Mohan Rathod



During the month of November an International Trade Fair was organized at Pragati Maidan. The State had participated in this event. The Maharashtra Food Pavilion won the coveted GOLD AWARD at this event. The Chief of Maharashtra Food Mrs. Vibha Chiplunkar was felicitated at the hands of Mrs. D. Purandeswari, Union Minister of State for Commerce and Industries.

Maharashtra -Key Statistics



ROAD

- Maharashtra has a high road network connectivity in the country.
- 97.5 percent of the villages are well connected with all weather roads in the State.

RAILWAY

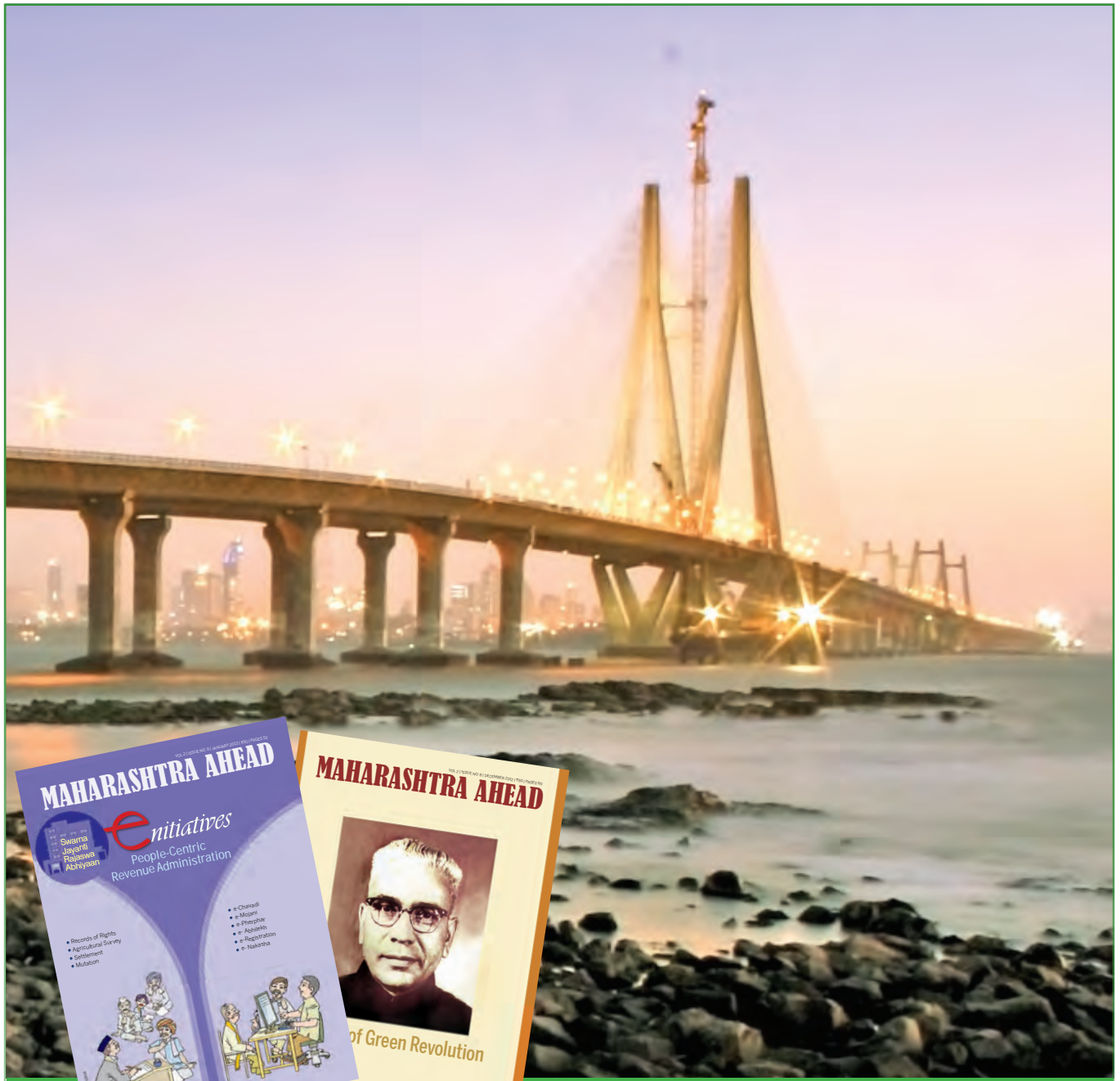
- The State encompasses two major railway zones ;the Central and Western
- 9.2 percent off the total railway network in the country
- The railway route length per 1000 sq km of geographical area is 19.42 km in the State as against 19.70 km in the country [as on 31st March 2009]

AIRPORT

- Maharashtra is well connected to major cities in the USA ,EU , Asia and other Indian metropolitan cities.
- The State has the highest number of airports in the country.

PORT

- 21.76 percent of the total cargo traffic of the major ports in India is handled by JnPT and MbPT ports of Maharashtra
- Traffic handled at major ports
- JnPT- 65.75 million tones
- MbPT-56.18million tones



O.I.G.S. Presented by The Government of India

MAHARASHTRA AHEAD

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