



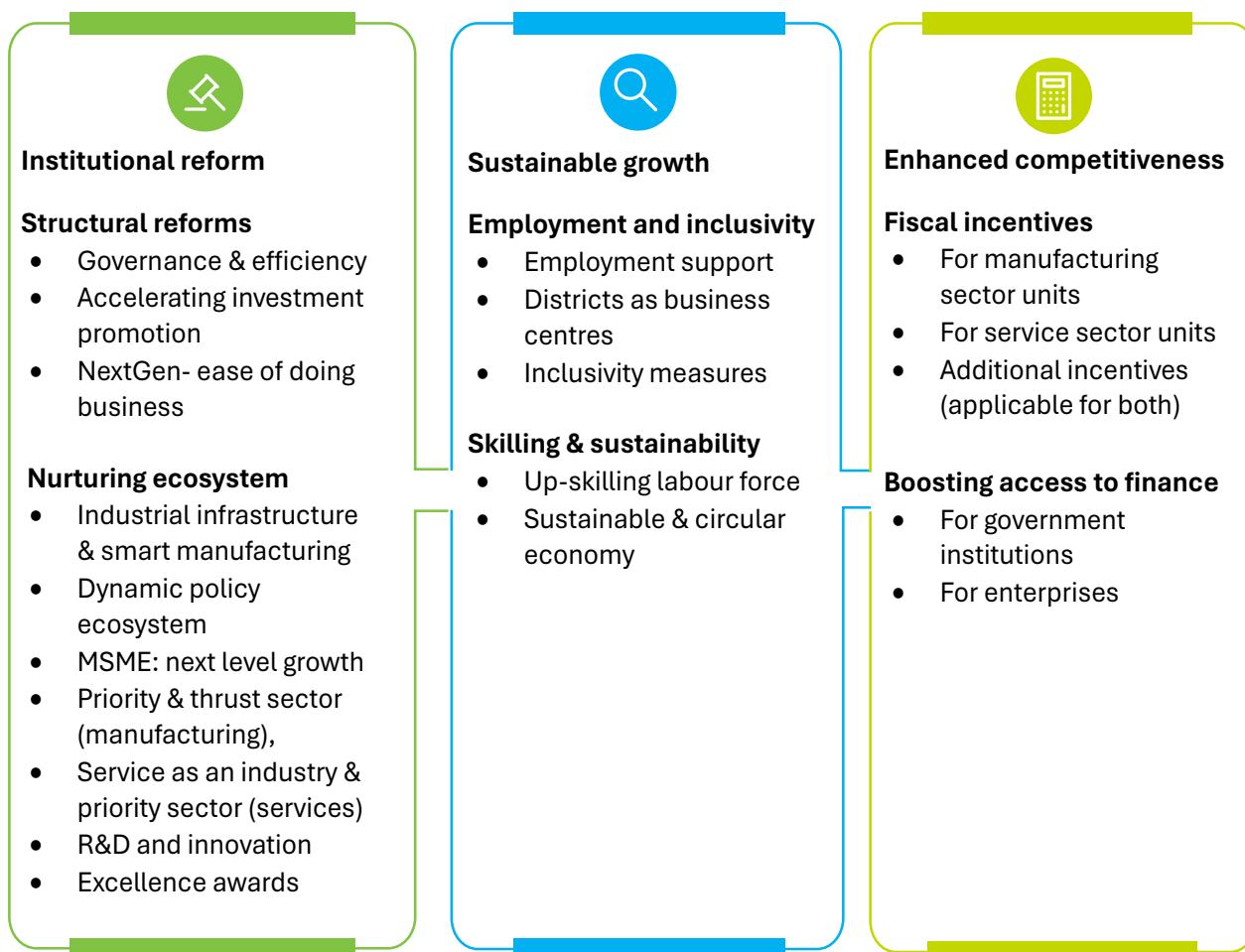
## Tax alert: Maharashtra Industries, Investment and Services Policy 2025 - A new blueprint for investment growth in Maharashtra

8 January 2026

The Maharashtra government has notified the Maharashtra Industries, Investment and Services Policy 2025 on 31 December 2025. The policy's vision centres on establishing Maharashtra as a premier global business destination, aiming to attract substantial investments, foster innovation and accelerate technology adoption. The key focus areas of the policy include promoting advanced manufacturing technologies, enhancing infrastructure development, fostering sustainable and green manufacturing practices, and strengthening the MSME sector. By enhancing the ease of doing business, strengthening the single-window system, and creating a favourable regulatory environment, the policy seeks to cement Maharashtra's position as a leading global business destination for smart manufacturing and industrial growth.

### In a nutshell

#### Policy objectives and its key enablers



## Background

### Industrial landscape in Maharashtra

Maharashtra remains a cornerstone of India's economic growth, contributing over 13.6% to the national GDP and charting a clear path toward becoming a trillion-dollar economy by 2029–30. In FY 2023–24, industry and services accounted for 25% and 64% of the state's GDP respectively, reflecting a strong and diversified economic structure.

A strategic focus on advanced manufacturing, green technologies, and sustainable practices continues to drive innovation-oriented growth. Maharashtra leads the country in attracting foreign investment, securing nearly 31% of India's total FDI inflows in FY 2024–25, supported by a progressive and investor-friendly policy ecosystem.

The dominance of the services sector—anchored by Mumbai and Pune—generates positive spillovers across Tier-II and Tier-III cities. Robust infrastructure, including extensive road and rail networks, major ports such as JNPA, and the upcoming Navi Mumbai International Airport, further strengthens the state's position as a premier investment destination.

### Key considerations

#### Taluka/area classification:

Konkan, Pune, Nashik, Chhatrapati Sambhajinagar, Amravati, Nagpur divisions are classified into groups ranging from Group A to D+ under Annexure 1 of the Policy. Key talukas are highlighted below:

Group A- Greater Mumbai, Thane, Panvel, Pune City, etc.

Group B- Murbad, Dahanu, Nashik etc.

Group C- Ratnagiri, Murud, Baramati, etc.

Group D- Vengurla, Ambegaon, Khandala, Koregaon, Chhatrapati Sambhajinagar, etc.

Group D+- Jawhar, Rajapur, Sangola, Kadegaon, Jalgaon, etc.

#### Policy coverage:

The policy extends benefits to manufacturing as well as service sectors subject to fulfilment of eligibility conditions.

Priority manufacturing sectors	Advanced materials, aerospace defence, space tech, nuclear tech and shipbuilding, agro and food processing (secondary and tertiary processing units, including meat processing), automotive and auto components (for EV, hybrid, and hydrogen fuel vehicles), battery and energy storage (including data centers and hydrogen fuel cells), chemicals and petrochemicals (including coal gasification initiatives), footwear and leather products, gems & jewellery (including lab-grown diamonds), machinery & equipment manufacturing (including renewables and telecom), mineral-based industries, pharmaceuticals, biotechnology, med-tech & life sciences, semi-conductors fabrication (fab), including display fab and electronics system design and manufacturing (ESDM), smart manufacturing (industry 4.0 & 5.0), sustainable manufacturing and circular economy (including recycling), textile & apparel (including technical textile, sustainable fabrics), solar wafers, green hydrogen and green ammonia
Thrust manufacturing sectors	Semiconductor, display for LCD & LED, mobile display & related glass manufacturing etc., hydrogen fuel cell manufacturing etc., laptop, computer & servers etc., lithium battery & cell manufacturing etc., solar panel, module & cell manufacturing etc., pharmaceutical, chemicals, polymers & other related products etc., aerospace & defence, coal gasification and downstream derivatives as well as

	green steel production
Service sectors	Computer & information, professional, scientific & business (including R&D), insurance & pension, trade & repair, education, financial, travel & tourism, health, personal, cultural, recreational, transport & logistics, audio visual related, telecommunication services

### **'Invest Maharashtra' initiative**

The Government of Maharashtra has launched 'Invest Maharashtra', a strategic initiative to strengthen investment promotion and enhance investor confidence. To be constituted as a statutory body under the MAITRI Act and structured as a Section 8 company or society, it will operate under the Department of Industries, Investment & Services. Backed by a INR 3,000-crore outlay, including a INR 1,000-crore Catalytic Fund for frontier and emerging sectors, the initiative aims to drive sustainable economic growth and position Maharashtra as a preferred destination for domestic and foreign investment.

### **Governance framework**

To ensure effective implementation, transparency, and timely decision-making under the policy, the state has instituted a robust, multi-tier governance framework. This framework comprises dedicated committees at various levels, supported by a Policy Monitoring Unit, to systematically monitor, review, and guide policy implementation and outcome

### **Manufacturing units**

#### **Eligibility criteria**

Under the policy, eligible manufacturing units need to fulfil the following minimum fixed capital investment (FCI) or minimum direct employment criteria:

Particulars	FCI	Employment
<b>MSME</b>	Up to INR 125 crores	OR
<b>Large scale industries (LSI)</b>	INR 125 crore and less than Special LSI	
<b>Special LSI*</b>	INR 150-750 crores	
<b>Mega*</b>	INR 200-1500 crores	
<b>Ultra-Mega*</b>	INR 750-4000 crores	

\* Incentives vary basis location of the unit

### **Fiscal incentives**

#### **A) MSME units**

##### **1. Industrial promotion subsidy**

100% of Gross SGST payable by the unit on the first sale of eligible product(s) billed and delivered within Maharashtra.

##### **2. Capital subsidy**

Applicable for thrust sectors under the following category:

- EOU with 50% annual export turnover; or

- Circular economy projects with minimum 50% recycled domestic/local raw material; or
- Units fully owned by women/SC/ST, or persons with disabilities and employing 50% women workforce
- Capital subsidy will be 20% of the following (capped at INR 25 crores) to be disbursed in equal annual instalments capped at INR 5 crores p.a.
- Group A & B units- 50% of cost of machinery
- Group C units- 80% of cost of machinery
- Others- 100% of cost of land, building and machinery

### **3. Interest subsidy**

Upto 5% p.a. capped at INR 1 crore p.a.

### **4. Stamp duty exemption**

- Group A & B units- 50%
- Others- 100%

### **5. Power tariff subsidy (only for new units in Group D and below)**

INR 1 p.u. for 3 years; capped at INR 1 crore

### **6. Electricity duty exemption (only for new units)**

- Group A & B units- 100% for DGFT certified EOUs with 50% export turnover, units fully owned by women, SC/ST, or persons with disabilities and employing 50% workforce from the said group for a period equivalent to incentive period
- Others- 100%

### **7. Employment linked subsidy (only for units in Group D and below)**

50% reimbursement of employer's EPF contribution for 5 years capped at INR 5 crores

### **8. Production linked incentives (PLI) (for units not covered under the industrial promotion subsidy)**

Incentive for 5 years capped at lower of 10% of FCI or INR 1 crore p.a.

- 100% EOUs- 1.5% of incremental turnover
- EOUs with more than 50% exports- 1% of incremental turnover

### **9. Key performance linked additional incentives**

- Technology upgradation assistance- 50% of incremental CAPEX capped at INR 25 lakhs; disbursed over 5 years
- Reimbursement of patent cost- Upto INR 2 lakhs and 10 lakhs for domestic and international patent respectively
- Incentive for quality certification- 50-75% of cost
- Incentive for energy and water audit- 50% of cost capped at INR 1 lakh and 2 lakh for water and energy audit respectively
- Incentive for energy efficiency- 50% of cost capped at INR 5 lakhs

### **10. One-time grant for scaling up MSME (for first 25,000 units)**

50% of the additional investment capped at INR 25 Lakhs

### **B) LSI units**

Eligible for incentives under the upcoming MSME policy of Maharashtra

## C) Special LSI units

### 1. Industrial promotion subsidy

100% of Gross SGST payable by the unit on the first sale of eligible product(s) billed and delivered within Maharashtra.

### 2. Stamp duty exemption

- Group A & B units- 50%
- Others- 100%

### 3. Power tariff subsidy (*only for new units in Group D and below*)

INR 1 p.u. for 3 years; capped at INR 1.5 crores

### 4. Electricity duty exemption

- Group A & B units- 100% for DGFT certified EOUs with 50% export turnover, units fully owned by women, SC/ST, or persons with disabilities and employing 50% workforce from the said group for a period of 7 years.
- Others- 100%

### 5. Employment linked subsidy (*only for units in Group D and below*)

50% reimbursement of employer's EPF contribution for 5 years capped at INR 10 crores p.a.

## D) Mega and Ultra-mega units

Mega and Ultra-mega projects are eligible for customised package of incentives.

## Service units

### Eligibility criteria

Under the policy, eligible service units need to fulfil the following minimum direct employment criteria:

Particulars	Employment
MSME*	50-350
Large*	125-750
Mega*	250-1500
Ultra-Mega*	350-3000

\* Incentives vary basis location of the unit

### Fiscal incentives

#### 1. EPF reimbursement (for first 500 units only)

50% of the employer's EPF contribution for 5 years; capped at INR 10 crores

- Group A & B units- salaries above INR 1 lakhs p.m.
- Group C units- salaries above INR 75,000 p.m.
- Others- salaries above INR 50,000 p.m.

#### 2. Rental lease subsidy (*for first 20 units in each district*)

Subsidy upto 50% of rental lease for 5 years capped at:

- Group A & B units- INR 20 crores

- Group C units- INR 10 crores
- Others- INR 1 crore

### **3. Stamp duty exemption (for new Mega and Ultra-mega units only)**

- Group A & B units- 50%
- Others- 100%

### **4. Electricity duty exemption (for new units only)**

- Group A & B units- 100% for 3 years
- Others- 100% for 5 years

### **5. Skilling subsidy (for Mega and Ultra-mega units only)**

50% of training cost for 5 years for first eligible 20 units capped at:

- Group A, B & C units- INR 1 crore
- Others- INR 2 crores

### **6. R&D and innovation subsidy (for Mega and Ultra-mega units recognised by DSIR with minimum R&D investment of 2% of total annual turnover)**

50% of R&D cost capped at INR 10 crores; disbursed in 10 equal instalments

#### **Way Forward:**

The Maharashtra Industries, Investment & Services Policy 2025 provides a comprehensive framework to strengthen the state's industrial and services ecosystem through a combination of fiscal incentives, infrastructure-led development and institutional reforms.

As the policy moves into implementation, businesses should evaluate their expansion and investment plans in the context of priority sectors, district-wise classifications and emerging industrial corridors, which are expected to play a key role in shaping manufacturing and services growth. MSMEs, in particular, may benefit from targeted support measures covering capital assistance, employment generation and access to infrastructure, while large and anchor investors can leverage scale-linked incentives and facilitation mechanisms. From a project viability perspective, early planning around eligibility conditions, timelines and compliance requirements will be critical to maximise benefits under the policy. Moreover, with the rollout of the unified "Invest Maharashtra" digital platform and establishment of international Country Desks aimed at facilitating investment engagement and ease of doing business, organisations should align their investment planning with the state's digital and global outreach initiatives.

As multiple states compete to attract investments, businesses will need to assess which location best aligns with their strategic objectives, talent requirements, and long-term expansion plans, before making a decision.

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