

## **Incentives Available for Investors in Madhya Pradesh**

### **1 Investment Promotion Assistance –**

- Large Scale Industrial Unit with investment in Plant and machinery more than Rs. 10.00 Crore will be eligible.(P&M means Investment in building and machinery)
  - Basic IPA shall vary from 40 to 10% based on formula.
  - 1.5 times additional incentives for food processing units.
  - Basic IPA shall be limited to maximum Rs.150 Crore.
  - Unit will have to utilize minimum 40% of their installed capacity for the 1<sup>st</sup> Year. For subsequent year unit will have to utilize 75% of peak previous year gross supply value.
  - Export unit on export of atleast 25% to 75% of their total sale shall be eligible for 1.0 to 1.2 times over and above basic IPA.
  - Based on employment generation by the unit in range of 100 to 2500 unit can get 1.0 to 1.5 times over and above basic IPA.
  - Unit established on priority blocks will be eligible for 1.2 times over and above the basic IPA (except cement unit).
2. **Green industrialization subsidy** – 50% up to a maximum limit of Rs. 1.00 crore capital subsidy for investment made in setting up of ETP/STP.
  3. Private industrial Park with minimum area 10 acre can get the assistance of 15% of the expenditure made on development of industrial park subject to maximum limit of Rs. 5.00 crore.
  4. **Infrastructure development subsidy**- 50% assistance subject to maximum of Rs. 1.00 crore, for each, shall be provided for developing power, road and water infrastructure.
  5. 100% reimbursement subject to maximum limit of Rs. 5 lacs for expenses made on getting patent/IPR registration.
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6. **Special textile package (Interest subsidy)**-

- For new unit with an investment of up to Rs. 25.00 crore- 2% interest subsidy for 5 years on term loan taken for TUFs approved P&M subject to ceiling of maximum Rs. 5.00 crore.
- Stand alone textile unit with investment more than Rs. 25.00 crore - 5% interest subsidy for 5 years on term loan taken for TUFs approved P&M.
- Composite textile unit with investment more than Rs. 25.00 crore - 7% interest subsidy for 5 years on term loan taken for TUFs approved P&M.

## 7. Special Package for large scale Garment Industries-

- **Investment Promotion Assistance:** A tax delinked investment assistance is offered to large scale industries ranging from 40% to 10% of investment in plant and machinery with an investment ranging from INR 100 million to INR 15 billion respectively
  - a. Impetus on **employment generation** (100-2500 employees): 1.0–1.5 times
  - b. Benefits to **Export oriented units**(25% - 75%): 1.0–1.2 times
- Garment Units can avail maximum incentives to the tune of 200% of their investment in plant and machinery
- **Interest subsidy** of 5% for 7 years on term loan taken for Plant & Machinery approved under Amended Technology Up-gradation funds (ATUFs) scheme of Govt. of India, Ministry of Textile
- Green Industry Subsidy for establishing ETP/STP @50% with a maximum limit of 1.00 Cr.
- **Employment Generation Assistance:** Assistance of INR 5,000 per employee per month for a maximum period of 5 years for new employees from the date of commercial production applicable for 10 years

### Eligibility –

S.No	Duration	Madhya Pradesh domicile employees
1	Within one year from the COD	50%
2	Within three year from the COD	75%
3	Within five year from the COD	90%

- **Skill development and training expenses** reimbursement assistance of INR. 13000 per new employee shall be provided for 5 years for MP domicile employees

- 50% discount in the development fee in case of taking lease land in the industrial area
- **Reimbursement of Stamp Duty and Registration Fee** on execution of land lease documents
- **Electricity duty exemption** for a period of 7 years from the date of taking new electricity connection
- **Concession on Power tariff:** Power supply at a fixed rate of INR 5 per unit on new electrical connection, for 5 years from the date of commercial production.

## **8. Incentives Package Logistics & Warehousing Industries -**

- **Investment assistance** to the tune of 15% (maximum of INR 15 crore) on Gross Fixed Capital Investment (except land and residential buildings)
  - **Infrastructure development assistance** to the tune of 50% (maximum of INR 1 crore) to construct access infrastructure to the site
  - **100% reimbursement of stamp duty and registration fee** on Instrument of Mortgage executed in connection with obtaining loan from banks/financial institutions taken for logistic & warehousing hub/park and on purchase of land
  - **Electricity duty exemption** for 5 to 10 years for new High Tension (HT) connection by a DISCOM
  - **Relaxed Floor Area Ratio (FAR)** of 1: 0.60 and maximum ground coverage of 60%
  - Logistic & Warehousing hub/ parks will be allotted land in developing / developed industrial areas under Department of Industrial Policy and Investment Promotion on 'first come first serve' basis at the prevailing land rate
  - **Land requirements:**
    - Land should be within the approved layout plan of town planning
    - Minimum size of land should be 1 hectare in Industrial area and 2 hectare in agriculture area (within the planning area) and 2 hectare outside the planning area
- 9. Additional benefit for Pharma units –** Investment made by unit in P&M up to 2 years after the date of commencement of commercial production shall be considered for the calculation of IPA.
- 10. Assistance for Apparel Training Institute -** 25% assistance subject to maximum limit of Rs. 50 lacs shall be provided for the establishment of apparel training institute.
- 11. Customized package -** Mega scale industrial units with an investment above Rs. 100 crores in plant and machinery and Rs. 25 crores in plant and machinery in sector including Food Processing, Bio-technology, Herbal & Minor Forest Produce, Tourism, IT and Garmenting sector can apply for Customized package, as per their requirement. CCIP will take suitable decision.