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 1st Year. For subsequent year unit will have to utilize 75% of peak previous year gross supply value.
- Export unit on export of at least 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.

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 –

<table>
<thead>
<tr>
<th>S.No</th>
<th>Duration</th>
<th>Madhya Pradesh domicile employees</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Within one year from the COD</td>
<td>50%</td>
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<tr>
<td>2</td>
<td>Within three year from the COD</td>
<td>75%</td>
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<tr>
<td>3</td>
<td>Within five year from the COD</td>
<td>90%</td>
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• 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.