

## Automobile in Madhya Pradesh

### One Time Incentives

#### 1. Land Cost Rebate

- MP provides rebate on land premium depending on the land size requirement for MPIDC developed industrial areas;
  - Up-to 1 Hectare – 75% Rebate
  - 1 – 20 Hectare – 50% Rebate
  - Above 20 Hectare – NIL
- Rebate is also offered if undeveloped land parcel is leased from MPIDC - Maximum up-to 40 Hectare - 50% Rebate on land premium. 50% rebate will be offered upto a fixed land size on the basis of investment categories given as follows -
  - INR 10-100 Crore - Upto 10 Hectare
  - INR 100-500 Crore - Upto 20 Hectare
  - INR 500 Crore and above - Upto 40 Hectare

#### 2. Fixed Capital Rebate

- Investment Promotion Assistance (IPA): A tax delinked investment assistance is offered to large scale industries ranging from 40% to 10% of investment in plant and machinery with minimum investment of INR 10 Crore. Basic Investment Promotion Assistance is divided by 7 (years) which is further multiplied by following multiples to arrive at Annual Yearly Investment Assistance
  - Multiple for Food processing Industries: 1.5 times
  - Employment generation (100-2500 employees): 1.0–1.5 times
  - Benefits to Export oriented units (25% - 100%): 1.0–1.2 times
  - Benefits to industries setting up in Priority Block: 1.2. times
- Industries availing incentives in MP will know beforehand the total exact amount of IPA assistance they will receive based on their plan for employment, investment, export and the location that they choose for investment. IPA will be disbursed in 7 annual installments
- An online calculator is developed to enable industries in calculating exact amount of the subsidy - Click on link for calculator <https://invest.mp.gov.in/incentivecalculator>

### 3. Stamp Duty Exemption

- Investor can demand stamp duty exemption under customized package for mega projects with an investment of more than INR 100 Crore

### 4. Other Incentives

- Investor can demand for any other incentives under customized package for mega projects with an investment of more than INR 100 Crore

### 5. Green Industrialization

- **Green Industrialization** for establishing ETP/STP @50% with a maximum limit of INR 1.00 Cr.

### 6. Patent Charges

- **Patent Charges** Reimbursement @100% up-to INR 5 lacs.

### 7. Infrastructure Development Subsidy

- **Infrastructure development subsidy** @50% with a maximum limit of INR 1.00 Cr each for developing Water, Power and Roads infrastructure for Private or Undeveloped Govt. Land.

### 8. Definition - Plant & Machinery, Expansion/Diversification/Technical Upgradation

#### **Plant and Machinery (P&M)**

- For the purpose of determining eligibility for financial assistance/incentive, the P&M means the investment made by the unit in the plant, machinery, buildings, shed, quality certification and testing

laboratories accredited by National Accreditation Board for Testing and Calibration Laboratories excluding investment made in land and dwelling units. It is clarified that 25% or maximum INR 50 Lacs (whichever is less) of the investment made in accredited quality certification and testing laboratories shall be considered in the calculation of eligible investment amount for financial assistance/incentive

## Expansion

- Established large and medium industrial units, which invest 30% of existing investment in plant & machinery or INR 50 crore (whichever is less) on expansion/diversification/technical up-gradation, will be eligible for assistance/facilities at par with new industrial units.

## Recurring Incentives

### 1. SGST Reimbursement

- MP has a tax-delinked policy. Investor can demand for Tax incentives under customized package for Mega projects with an investment of more than INR 100 Crore

### 2. Skill Development/ Training Incentive

- **Incentives to provide employment to person with Disabilities** (minimum 5% of Total workforce)
  - 100% reimbursement of skill development
  - Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum Rs. 6000/- per month for 5 years
  - Medical insurance premium reimbursement

### 3. Interest Cost Subvention

- Investor can demand the interest rebate under customized package for mega projects with an investment of more than INR 100 Crore

#### 4. Power Tariff Rebate

- **Tariff Rebate** on new HT connection @Rs. 1/- per unit for a period of 5 years for green field projects.

#### 5. Electricity Duty Rebate

- Investor can demand for electricity duty exemption under customized package for mega projects with an investment of more than INR 100 Crore

#### 6. Other incentives

- Investor can demand for any other incentives under customized package for mega projects with an investment of more than INR 100 Crore