

— State Incentive

Textiles & Apparel in Madhya Pradesh

One Time Incentives

1. Land Cost Rebate

Land Premium related rebate for both Textile & Apparel Sector

- 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

Development Fee related subsidy for Apparel/Garment Sector

- 50% discount in the development fee in case of taking lease land in the industrial area

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/incentive-calculator/>

3. Stamp Duty Exemption

- **Apparel Sector** - Reimbursement of Stamp Duty and Registration Fee on execution of land lease documents
- **Textile Sector** -Investor can demand for Stamp Duty Exemption under customized package for Mega projects

4. Other Incentives

- Investor can demand for other incentives under customized package for Mega projects

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.

Ready-made garments and made-ups definition:-

- Wearable clothes or non-wearable stitched clothes, in which at least two-ends of clothes have been stitched using a sewing machine

Recurring Incentives

1. SGST Reimbursement

- MP has a tax-delinked policy. Investor can demand for SGST reimbursement under customized package for Mega projects

2. Skill Development/ Training Incentive

- **Apparel Sector** - Skill development and training expenses reimbursement assistance of INR. 13000 per new employee shall be provided for 5 years for MP domicile employees
- **Textile Sector** -Investor can demand for Skill development/training incentive under customized package for Mega projects

3. Interest Cost Subvention

- **Apparel Sector** - 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
- **Textile Sector** -
 - For new units with an investment up to Rs. 25 crores – 2% interest subsidy for 5 years on term loan taken for TUFS approved P&M subject to ceiling of maximum Rs. 5 crores
 - Stand-alone textile unit with an investment more than Rs. 25 crores – 5% interest subsidy for 5 years on term loan taken for TUFS approved P&M
 - Composite textile unit with an investment more than Rs. 25 crores – 7% interest subsidy for 5 years on term loan taken for TUFS approved P&M

4. Power Tariff Rebate

- **Apparel Sector** - Power supply at a fixed rate of INR 5 per unit on new electrical connection, for 5 years from the date of commercial production
- **Textile Sector** -Investor can demand for power tariff rebate under customized package for Mega projects

5. Electricity Duty Rebate

- Investor can demand electricity duty rebate under customized package for Mega projects

6. Other incentives

- Investor can demand for other incentives under customized package for Mega projects

7. Employment Generation Assistance

- **For Apparel Sector** - 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 - subject to following conditions
 - 50% employees should be Madhya Pradesh domicile within one year from the COD
 - 75% employees should be Madhya Pradesh domicile within three year from the COD
 - 90% employees should be Madhya Pradesh domicile within five year from the COD