



MADHYA PRADESH **MSME** DEVELOPMENT POLICY 2021

GRS Advisor LLP

MADHYA PRADESH MSME DEVELOPMENT POLICY BRIEF

Major Benefits

- Incentives up to 40% of Capex*
- Additional incentives up to 12% for certain categories
- Incentives for public Infrastructure development
- Financial assistance for Quality certifications, Energy audit, Patents/IPR registration, and Effluents treatment plant
- Additional attractive benefits for specific industries like Power Loom, Textile, Pharma, Apparel, Textile, Food processing, Mega food park, Furniture, Toys, and Ethanol.

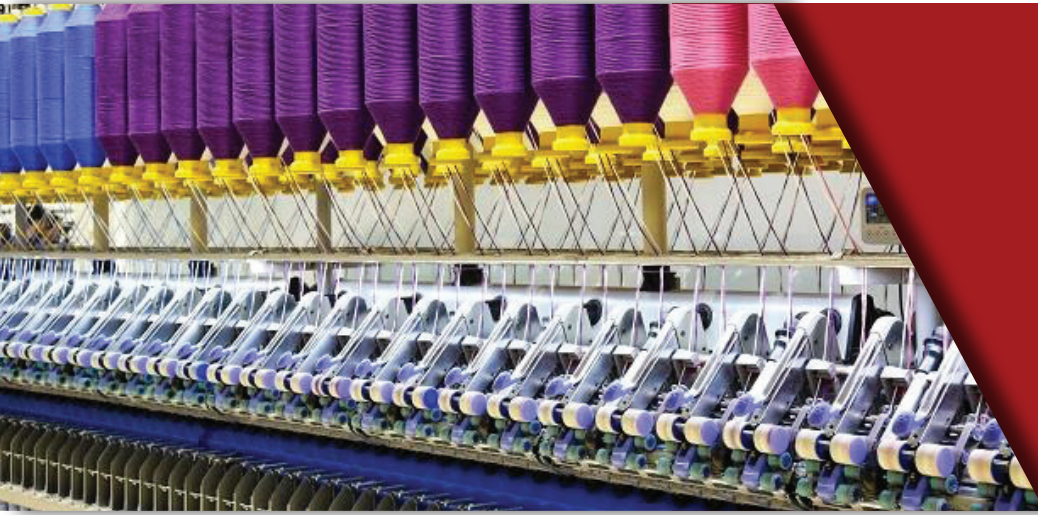
**TEXTILE
UNIT**

**FOOD
PROCESSING
UNIT**

**ETHANOL
BLENDING**

**POWER LOOM
UNIT**

MADHYA PRADESH MSME DEVELOPMENT POLICY BRIEF



TEXTILE UNIT

- Incentives on Capex* up to Rs. 50 Cr
- Incentives for public Infrastructure development
- Interest incentives up to Rs. 5 Cr
- Financial assistance for Patents/IPR registration, and Effluents treatment plant



ETHANOL BLENDING

- Incentives up to 100% on P&M cost
- 100% exemption from Electricity Duty
- 100% reimbursement on Stamp Duty and Registration charges
- 100% reimbursement on Mandi Tax
- Incentives for public Infrastructure development up to Rs. 1 Cr

*Capex as explained in the policy guidelines.

MADHYA PRADESH MSME DEVELOPMENT POLICY BRIEF



POWER LOOM UNIT

- Lower of 25% of upgradation cost or 100% remaining of Govt's financial support after adjustment (if any)
- Additional incentives up to 12% for certain categories
- Concession up to Rs. 1.50 per unit on electricity tariff
- 100% reimbursement of fixed charges and difference in minimum charges & actual consumption in electricity supply
- Financial assistance for Quality certifications, Energy audit, Patents/IPR registration, and Effluents treatment plant



FOOD PROCESSING UNIT

- Incentives on Capex* up to Rs. 50 Cr
- Incentives for public Infrastructure development
- Concession up to Rs. 1 per unit on electricity tariff
- Financial assistance for Patents/IPR registration, and Effluents treatment plant

*Capex as explained in the policy guidelines.

Madhya Pradesh MSME Development Policy 2021

S.No.	Government Assistance	Unit with Investment in P&M & Building upto Rs. 10 Cr		Unit with Investment in P&M more than Rs. 10 Cr & upto Rs. 50 Cr		
		New Industrial Unit	Power Looms Unit	New Industrial Unit	New Food Processing Unit	Textile Unit
1	Capital Investment Incentive/ Financial Assistance/ Industry Development Assistance:					
	40% in P&M & Building (4 equal annual instalments) (cost of Building ≤ 100% cost of P&M)	Yes	N.A.	N.A.	N.A.	N.A.
	48% in P&M & Building (Women/SC/ST ownership) (4 equal annual instalments)	Yes	N.A.	N.A.	N.A.	N.A.
	Annual Assistance = Yearly basic assistance * GSM * EYM * EM * GM (Seven equal annual instalments)	N.A.	N.A.	Yes	Yes	Yes
	Lower of 25% of upgradation cost or 100% remaining of Govt's financial support after adjustment (if any) (Maximum 10 looms in a unit)	N.A.	Yes	N.A.	N.A.	N.A.
2	Exports Incentives:					
	Additional industrial development subsidy: @2%/Year exporting more than 25% and upto 50% of total sales	Yes	Yes	N.A.	N.A.	N.A.
	Additional industrial development subsidy: @3%/Year exporting more than 50% of total sales	Yes	Yes	N.A.	N.A.	N.A.
3	Infrastructure Development:					
	Upto Industrial area (Power, water and road) Small unit: 50% of expenditure (Maximum Rs. 25 Lakhs)	Yes	N.A.	N.A.	N.A.	N.A.
	Upto Industrial area (Power, water and road) 50% of expenditure (Maximum Rs. 1 Cr.)	N.A.	N.A.	Yes	Yes	Yes
4	Effluents Treatment Plant (ETP):					
	ETP: 50% of expenditure (Maximum Rs. 25 Lakhs)	Yes	Yes	N.A.	N.A.	N.A.
	CETP: 50% of expenditure (Maximum of Rs. 1 Cr.) (Minimum 5 units)	Yes	Yes	N.A.	N.A.	N.A.
	ETP: WM, PCD, H&SS, WCM 50% of expenditure (Maximum Rs. 1 Cr.)	N.A.	N.A.	Yes	Yes	Yes
5	Energy Audit:					
	50% of cost of EA (Maximum of Rs. 50K) and 25% of cost for adoption of equipment and machinery (Maximum of Rs. 5 Lakhs)	Yes	Yes	N.A.	N.A.	N.A.
6	Patents/ IPR Registration:					
	100% of expenditure (Maximum of Rs. 5 Lakhs)	Yes	Yes	Yes	Yes	Yes
7	Electricity Assistance:					
	Electricity Tariff:					
	Concession @ Rs. 1.50 per unit (upto 20HP capacity) and @ Rs. 1.25 per unit (capacity above 20HP upto 150HP) 100% reimbursement of fixed charges and difference in minimum charges & actual consumption in electricity supply (capacity upto 150HP)	N.A.	Yes	N.A.	N.A.	N.A.
	Subsidy lower of Rs. 1 per unit or 20 per cent, for period of 5 years from production/ business operation date. In off season higher of 10% contract demand or actual recorded demand	N.A.	N.A.	N.A.	Yes	N.A.
8	Interest Subsidy:					
	Investment up to Rs. 25 Cr in fixed assets: @2% for 5 years of invest in FA (Maximum Rs. 5 Cr)	N.A.	N.A.	N.A.	N.A.	Yes
	Investment more than Rs. 25 Cr and upto Rs. 50 Cr in fixed assets: @5% for 5 years of invest in FA Invest at least 30% of existing investment in FA (not less than Rs. 25 Cr) or Rs. 50 Cr, whichever is less (Applicable on existing units with substantial expansion)	N.A.	N.A.	N.A.	N.A.	Yes
	Investment more than Rs. 25 Cr and upto Rs. 50 Cr in fixed assets: @5% for 5 years of invest in FA	N.A.	N.A.	N.A.	N.A.	Yes
	Composite units: @7% for 5 Years of invest in FA (Applicable on both new units and existing units with substantial expansion)	N.A.	N.A.	N.A.	N.A.	Yes
9	Many More Attractive Benefits.					

Abbreviation:

1. GSM: Gross Supply Value Multiple 2. EM: Export Multiple. 3. EYM: Employment Multiple. 4. GM: Geographical Multiple. 5. P&M: Plant and Machinery. 6. SC: Schedule Cast. 7. ST: Schedule Tribe. 8. CETP: Common Effluents Treatment Plant. 9. WM: Waste Management. 10. PCD: Pollution Control Device. 11. H&SS: Health and Safety Standard. 12. WCM: Water Conservation Measures.

Food processing:

Food Processing industry means such value-added products prepared after agricultural/horticultural products' processing (using plant and machinery) being different from their previous physical form, they also have commercial utility and can be used as food items. Such as - Ready to Eat or Ready to Cook Foods, Food Additives, Preservatives, Colours & Fragrances and Milk Based Value Added Products.

COMPANY PROFILE

GRS Advisor is a renowned firm of professionals specializing in providing comprehensive end-to-end support for businesses aiming to capitalize on government incentives and maximize their growth potential. With a track record of excellence, GRS Advisor assists clients throughout the entire process, from initial land allotment to successfully obtaining government incentives.

At GRS Advisor, our team of experienced experts understands the intricate landscape of government policies and incentives. We possess in-depth knowledge of various schemes and programs introduced by the government to promote industrial development and entrepreneurship, including but not limited to the State Industrial Policies, MoFPI (Ministry of Food Processing Industries), PMFME (Pradhan Mantri Formalization of Micro Food Processing Enterprises), PMEGP (Prime Minister's Employment Generation Programme), and more.

MISSION

Our mission at GRS Advisors is to empower businesses with the necessary tools and insights to leverage government incentives effectively. We recognize the immense potential that these programs offer in terms of financial support, tax benefits, infrastructure assistance, and market access. By carefully navigating the complex application and compliance procedures, we ensure that our clients are well-positioned to unlock the full benefits of these schemes.

Contact GRS Advisors today and let us help you unlock the full potential of government incentives for your business.



GAURAV GOYAL

FCA, LLB, Diploma in Anti money laundering, Diploma in Business valuations, Certified GST practitioner and trainer.

Mr. Goyal is a fellow member of The Institute of Chartered Accountants of India. He qualified as a Chartered Accountant in year 2010 and achieved All India Rank 10.

Since last several years, he along with his team is consistently working on Government incentive schemes and Goods and Service Tax to understand it utterly and subsequently simplify the work for his clients. Over a period of almost four years he has delivered more than 100 lectures in various branches of Institute of Chartered Accountants of India and Various business associations.

He is Co-chairman of Indirect Tax committee of Builder association of India since 1st April, 2021.



ANSHU BANSAL

ACA, B.Com.

Mr. Bansal is an Associate Member of Institute of Chartered Accountants of India.

Mr. Bansal is having knowledge in the field of availing Government incentives packages (Subsidies) schemes announced by states and central government, Project monitoring and controlling of various industry and various other matters.

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