

Incentive Agenda

Subject: For Determination of Eligibility of Investment Promotion Assistance (IPA) under Madhya Pradesh Nivesh Protsahan Yojna-2014 (as amended 2022) of M/s Unit A (Manufacturing)

Agenda Details

| No. | Field | Value |
|-----|--|--|
| 1 | Name of Unit | Unit A |
| 2 | Constitution of Unit | Type 1 |
| 3 | Sector | Sector 1 |
| 4 | Address / location of unit | Some address |
| 5 | Industrial Entrepreneur Memorandum No. | IEM Part-A 123 dated 15/04/2023 IEM Part-B 456 dated 16/04/2023 |
| 6 | Industrial Promotion Policy / Scheme | Madhya Pradesh Nivesh Protsahan Yojna-2014 (as amended 2022) |
| 7 | GST IN no. | GSTIN-12345 |
| 8 | Sanctioned Power Load | 100.50 KVA - 11KV |
| 9 | Type of unit | Manufacturing |
| 10 | Investment in Plant and Machinery | Rs. 1000000.00 Cr |
| 11 | Date of Commercial Production Date | 01/01/2024 |
| 12 | First Production Year | 2025 |
| 13 | Name of Block | Block A |
| 14 | Category of block | Priority |
| 15 | Date of filing of application | 01/05/2023 (Within prescribed time limit) |
| 16 | Eligible Investment in Plant & Machinery | Rs. 900000.00 Cr |
| 17 | Basic Investment Promotion Assistance | Rs. 150000.00 Cr |
| 18 | Eligible Period of Assistance | 2023-2025 |
| 19 | Yearly Basic Investment Promotion Assistance | Rs. 120000.00 Cr |

Product Details

| Sr. | Name of Product | Total Annual Capacity | Unit |
|-----|-----------------|-----------------------|--------|
| 1 | Product 1 | 1000 | Unit A |
| 2 | Product 2 | 2000 | Unit B |

Details of Employment

| Category | Count |
|--|--------|
| Permanent resident of MP | 50 |
| Out of MP | 100 |
| Total | 150 |
| Total Percentage of Employees permanent resident of MP | 50.00% |

Facts about the case

Some details

1. Commercial operation date under expansion of the unit is 22/10/2022. As per para no. 3.2.4 of the GoMP order dated 17/01/2018 unit has opted for 2023-24 as the first claim year.

2. The existing investment in Plant & Machinery (excluding building) is Rs. 190.34 Cr and the investment in Plant & Machinery (excluding building) under expansion is Rs. 93.17 Cr. The total investment made by the unit in Plant & Machinery (excluding building) consequent to expansion is Rs. 283.51 Cr.

3. Total investment made by the unit in Plant & Machinery and Building under expansion is Rs. 108.40 Cr and existing investment before expansion was Rs. 226.11 Cr. As per provision of para no. 2.3 of order dated 17.01.2018 the investment made by the unit under expansion is more than 30% of the existing investment as well as more than Rs. 50.00 Cr. also.

Unit has filed Intention to Invest and got proposal ID no. DIP23730 dated 9.12.2021. Unit has obtained the IEM Part-A & Part-B from Govt. of India, Department of DPIIT.

4. In accordance with the clause 3.2.1 of order dated 17.01.2018, on the basis of eligible investment made in Plant & Machinery i.e. Rs. 99.59 Cr. (after deducting invoices of items purchased before expansion, repeated invoices, print out, taxi charges, ticket bookings, stay bills, consultancy charges, food and laundry charges, inspection fee of DG set, manpower deployment charges, photocopy, scanning, binding, drone video charges, fire detection and alarm system, steam consumption, employee wages etc.) unit shall be eligible for the Basic Investment Promotion Assistance of Rs. 28.04 Cr. in seven years i.e. from date 1.04.2023 to 31.03.2030.

5. The Annual IPA shall be calculated on the basis of Gross Supply Value Multiple which shall be considered '1' only if unit utilize the minimum 40 % of their installed capacity for first year and for subsequent years it shall be considered '1' provided unit utilizes minimum 75% or more of the peak previous years Gross Supply Value. Upon the failure of this condition, Annual IPA shall be reduced proportionately. Total Installed Capacity of unit is 120000 MT.

6. Upon the export of 25% to 75% of its production, additional benefit to the tune of 1.0 to 1.2 times shall be provided to the unit as export based multiple.

Recommendation of MPIDC

On the basis of the above facts and eligible investment made in Plant & Machinery and Building of Rs. 99.59 Cr, the

unit shall be eligible for the Basic Investment Promotion Assistance of Rs 28.04 Cr. in seven years and the eligibility

period shall be from the date 01.04.2023 to 31.03.2030. Accordingly, yearly basic Investment Promotion Assistance

shall be $28.04/7 = \text{Rs. } 4.00 \text{ Cr.}$ For the calculation of Annual IPA export based multiple shall be considered, if the

unit fulfills the related terms and conditions.

The Annual Investment Promotion Assistance shall be calculated as follows:

Annual IPA = Yearly Basic IPA X Gross Supply Value Multiple X Export Multiple.

Proposal to be considered by SLEC

As per the para 2.4 and 6.1 of Madhya Pradesh Nivesh Protsahan Yojna-2014 (as amended 2022) and the provisions of Industrial Promotion Policy-2014 (as amended 2022), case of the unit is submitted before State Level Empowered Committee for determination of eligibility of Basic Investment Promotion Assistance.