

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. DIPIP23730 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.

Managing Director

MP Industrial Development Corporation Ltd.