



Government of Madhya Pradesh

Salient Features of MP MSME Development Policy 2021



**Department of Micro, Small
& Medium Enterprises**

Focus Area



Enabling
framework:
Ease of doing
business



Procedural
reforms for
extending
concessions



Creation and
maintenance of
improved
infrastructure



Infrastructural
development
on PPP Model



Procedural
assistance
through online
services



Time bound
delivery of
services &
assistance

Fiscal Incentive to MSMEs

Investment upto ₹10 Cr in P&M:

- Industrial development subsidy @40% to MSMEs
- Additional concessions @8% for SC/ST/Women
- Additional incentives @12% for Exporting MSMEs
- Financial assistance upto ₹5 Lakhs for quality certifications (Upto ₹25 Lakhs investment in P&M)
- Financial Assistance upto ₹5 Lakhs for energy audit expenses
- Financial assistance upto ₹5 Lakhs for patents/IPR registration

Investment more than ₹10 Cr & upto ₹50 Cr in P&M :

- Industrial development subsidy/Investment Promotion assistance: up to 40% of Plant & Machinery and Building
- Financial assistance upto ₹5 Lakhs for patents/IPR registration

Fiscal Incentive for Infrastructure Development

- **Infrastructure Creation (Upto the Industrial Premises):**
 - ✓ Investment Up to ₹10 Cr in P&M : Max ₹25 Lakhs
 - ✓ Investment more than ₹10 Cr & upto ₹50 Cr in P&M: Max ₹3 Cr
- **Assistance for ETP set up :**
 - ✓ Investment Up to ₹10 Cr in P&M : Max ₹ 25 Lakhs
 - ✓ Investment more than ₹10 Cr & upto ₹50 Cr in P&M : Max ₹1 Cr
- Financial assistance up to ₹250 Lakhs for developing Industrial Area (less than 10 Acres) in private sector
- Financial assistance up to ₹ 500 Lakhs for developing Industrial Area (10 Acres or more) in private sector and for developing Industrial Area for Power loom, Pharma, Apparel sectors.

Additional Concessions for Specific Sectors

(Investment up to ₹10 Cr in P&M)



Power Loom Sector

- Subsidy @25% for upgradation of power loom.
- Electricity Concession @ ₹1.50 per unit for 20HP and @ ₹1.25 per unit for > 20HP and upto 150HP.



Pharma Sector

- 50% of expenditure incurred max ₹50 Lakhs for obtaining certificate of Good Manufacturing Practices (GMP) & USFDA
- Assistance @ 50% of the expenditure incurred for establishment of pharmaceutical labs with maximum limit of ₹25 Lakhs



Apparel Sector

- Salary grant @ ₹ 2500 pm per person to apparel units (max ₹5 Lakhs per Year for 5 years)

Special Package for Specific Sectors

(Investment more than ₹10 Cr & up to ₹50 Cr in P&M)



Textile Sector

Interest subsidy : Term loan for P&M (ATUFS)

- Investment Upto ₹25 Cr in fixed assets : @2% for 5 years, max of ₹5 Cr
- Investment more than ₹25 Cr in fixed assets : @5% for 5 years
- New Composite Units (Investment more than ₹25 Cr in fixed assets) : @ 7 % for 5 years



Food Processing Sector

- To Industrial Units having New High Tension Connection assistance @₹1 per unit or 20% whichever is less
- Mandi Fee Exemption: Max. 50% of Investment or up to 5 years
- Food Park : 15% of project cost (Max. ₹5 Cr)



Apparel Sector

- Interest Subsidy @5% on term loan for P&M (ATUFS) for 7 years
- Exemption on Electricity Duty for 7 years and Power Tariff fixed @₹5 per unit for 5 years
- Employment Generation Subsidy: Max. ₹5000 PM for every new employee for 5 years
- Reimbursement of Training expense and Stamp Duty & registration fee.