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Govt. of M. P.

Industrial Promotion Policy, 2014

(Updated upto 22.08.2016)

**Government of Madhya Pradesh
Department of Commerce, Industry & Employment**

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मध्यप्रदेश शासन
सूक्ष्म, लघु और मध्यम उद्यम विभाग
मंत्रालय, भोपाल

/ /आदेश/ /

भोपाल, दिनांक : 16.08.2016

क्रमांक एफ 05-03/2016/अ-तेहत्तर: राज्य शासन एतद् द्वारा नवगठित, सूक्ष्म, लघु और मध्यम उद्यम विभाग के पृथक नीति, नियम, आदेश एवं निर्देश जारी होने तक, संलग्न परिशिष्ट अनुसार वाणिज्य, उद्योग और रोजगार विभाग द्वारा जारी नीति, नियम, आदेश एवं निर्देश समस्त सुसंगत नियमों आदि सहित यथा आवश्यक यथा स्थान के नाम के उल्लेख सहित विभाग (सूक्ष्म, लघु और मध्यम उद्यम) द्वारा अंगीकृत किये जाते हैं।

संलग्न:- उपरोक्तानुसार।

मध्यप्रदेश राज्यपाल के नाम से
तथा आदेशानुसार
-सही-
(अजय सिंह गंगवार)
उप सचिव
मध्यप्रदेश शासन
सूक्ष्म, लघु और मध्यम उद्यम विभाग

पृ.क्रमांक एफ 05-03/2016/अ-तेहत्तर

भोपाल, दिनांक 16.08.2016

प्रतिलिपि:-

1. प्रमुख सचिव, मध्यप्रदेश शासन, वाणिज्य, उद्योग और रोजगार विभाग, मंत्रालय।
2. उद्योग आयुक्त, मध्यप्रदेश, भोपाल की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु।
3. प्रबंध संचालक, मध्यप्रदेश लघु उद्योग निगम, भोपाल की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु।
4. प्रबंध संचालक, मध्यप्रदेश ट्रेड एण्ड इन्वेस्टमेंट फेसिलिटेशन कार्पोरेशन लि. भोपाल।
5. नियंत्रक शासन, मुद्रण एवं लेखन सामग्री म.प्र., भोपाल को राजपत्र में प्रकाशनार्थ।
6. निज सहायक, मान. मंत्रीजी सूक्ष्म, लघु और मध्यम उद्यम विभाग की ओर सूचनार्थ।

-सही-

उप सचिव

मध्यप्रदेश शासन

सूक्ष्म, लघु और मध्यम उद्यम विभाग

सूक्ष्म, लघु और मध्यम उद्यम विभाग द्वारा अंगीकृत नीति, नियम, आदेश एवं निर्देशों की सूची

1. उद्योग संवर्धन नीति 2010, यथा संशोधित 2012 व 2014 तथा उनसे संबंधित समस्त आदेश व निर्देश
2. म. प्र. औद्योगिक भूमि एवं औद्योगिक भवन प्रबंधन नियम 2015 से संबंधित समस्त आदेश व निर्देश (म. प्र. औद्योगिक भूमि एवं औद्योगिक भवन प्रबंधन नियम 2015 का अंगीकरण विभागीय आदेश क्रमांक एफ 05-03/2016/अ-तेहत्तर, दिनांक 04.06.2016 से किया जा चुका है)।
3. अन्य

क्र.	विषय	वाणिज्य, उद्योग और रोजगार विभाग द्वारा जारी आदेश/निर्देशों का क्रमांक तथा दिनांक
1	जिलों का वर्गीकरण	एफ-20-14/05/बी-ग्यारह, दिनांक 09.06.2005
2	उद्योग विहीन विकासखण्ड	एफ-20-14/05/बी-ग्यारह, दिनांक 29.08.2011
3	जिला स्तरीय निवेश संवर्धन साधिकार समिति की नोडल ऐजेन्सी	एफ-20-32/08/बी-ग्यारह, दिनांक 13.12.2011
4	जिला स्तरीय निवेश संवर्धन साधिकार समिति का गठन	एफ-20-32/08/बी-ग्यारह, दिनांक 11.02.2009
5	जिला स्तरीय निवेश संवर्धन साधिकार समिति की वित्तीय सीमा	एफ-20-32/08/बी-ग्यारह, दिनांक 27.07.2009
6	औद्योगिक क्षेत्रों की अधिसूचना (मुख्य)	एफ-11-90/10/बी-ग्यारह, दिनांक 17.01.2012
7	लेमा गार्डन, जबलपुर की अधिसूचना	एफ-11-99/07/बी-ग्यारह, दिनांक 29.03.2012
8	औद्योगिक क्षेत्र, सांवेर रोड, इंदौर के विस्तार की अधिसूचना	एफ-11-5/13/बी-ग्यारह, दिनांक 04.10.2013
9	औद्योगिक संस्थान, राउ, इंदौर के विस्तार की अधिसूचना	एफ-11-107/13/बी-ग्यारह, दिनांक 04.10.2013

क्र.	विषय	वाणिज्य, उद्योग और रोजगार विभाग द्वारा जारी आदेश/निर्देशों का क्रमांक तथा दिनांक
10	विभिन्न स्वरोजगार योजनाओं का युक्तियुक्तकरण	एफ-2-6/14/अ-ग्यारह, दिनांक 21.07.2014
11	स्वरोजगार योजनाओं के युक्तियुक्तकरण के अंतर्गत योजनाओं की मार्गदर्शिका	आर-1514/14/अ-ग्यारह, दिनांक 30.07.2014
12	पॉवरलूम उपभोक्ताओं को रियायती दरों पर विद्युत प्रदाय	एफ-9-1/08/बी-ग्यारह, दिनांक 29.08.2011
14	लोक सेवा क्र. 20.2 परियोजना प्रतिवेदन व्यय की प्रतिपूर्ति के संबंध में	एफ-20-18/10/बी-ग्यारह, दिनांक 19.02.2014
15	लोक सेवा क्र. 20.3 टर्म लोन पर ब्याज अनुदान के संबंध में	एफ-20-18/10/बी-ग्यारह, दिनांक 19.02.2014
16	एमएसएमई को म. प्र. लउनि के माध्यम से कोल वितरण प्रक्रिया	एफ-13-3/05/अ-ग्यारह, दिनांक 04.07.2008
17	म. प्र. भण्डार क्रय तथा सेवा उपार्जन नियम 2015	एफ-6-14/12/अ-ग्यारह, दिनांक 28.07.2015
18	म. प्र. भण्डार क्रय तथा सेवा उपार्जन नियम 2015 का स्पष्टीकरण	एफ-6-14/12/अ-ग्यारह, दिनांक 07.01.2016
19	म. प्र. भण्डार क्रय तथा सेवा उपार्जन नियम 2015 की प्रक्रिया	एफ-6-14/12/अ-ग्यारह, दिनांक 10.09.2016
20	म. प्र. सूक्ष्म और लघु उद्यम फेसिटिलेशन काउन्सिल नियम 2006	एफ-6-12/98/अ-ग्यारह, दिनांक 10.01.2007
21	म. प्र. सूक्ष्म और लघु उद्यम फेसिटिलेशन काउन्सिल का गठन	एफ-6-12/98/अ-ग्यारह, दिनांक 10.01.2007
22	महिला उद्यमी की परिभाषा	एफ-20-20/05/बी-ग्यारह, दिनांक 24.07.2009
23	म. प्र. राज्य उद्योग (राजपत्रित) सेवा भर्ती नियम 1985	एफ-1(ए)-67-75/सी-ग्यारह, दिनांक 15.02.1985
24	म. प्र. राज्य उद्योग (राजपत्रित) सेवा भर्ती नियम 1985 में संशोधन	एफ-1(ए)-67-75/सी-ग्यारह, दिनांक 04.07.1989
25	म. प्र. राज्य उद्योग (राजपत्रित) सेवा भर्ती नियम 1985 में संशोधन	एफ-1(1)14-2012/सी-ग्यारह, दिनांक 28.08.2015

क्र.	विषय	वाणिज्य, उद्योग और रोजगार विभाग द्वारा जारी आदेश/निर्देशों का क्रमांक तथा दिनांक
26	म. प्र. राज्य उद्योग (तृतीय श्रेणी कार्यपालिक) सेवा भर्ती नियम 1985	एफ-1(ए)-25-83/सी-ग्यारह, दिनांक 28.09.1985
27	गोपनीय प्रतिवेदन हेतु निर्धारित चैनल	एफ-1(1)28-2009/सी-ग्यारह, दिनांक 20.10.2011

वित्त विभाग का समयमान आदेश

क्र.	विषय	आदेशनिर्देश/श क्रमांक
1	समयमान वेतन का परिशिष्ट-2	एफ 11/1/2008/नियम/चार, दिनांक 24 जनवरी, 2008

-सही-
उप सचिव
मध्यप्रदेश शासन
सूक्ष्म, लघु और मध्यम उद्यम विभाग

Government of Madhya Pradesh
Department of Commerce, Industry & Employment

Industrial Promotion Policy, 2014
(Updated upto 22.08.2016)

1. Madhya Pradesh as a favoured industrial destination

Madhya Pradesh (MP) is amongst the leading states in India both in terms of area and population. The state has gained a significant position in the country based on investment and economic growth. Over the years, the state has developed a robust infrastructure, favourable policy environment & industrial growth centres, which has expedited the growth of industrialization. As a result, Madhya Pradesh's state domestic product grew at a CAGR of 10.3% during 2007-08 to 2012-13 whereas India's GDP grew at a CAGR of 7.15% during the same period.

The state has been at forefront in promoting industrial growth by offering gamut of incentives to promote rapid industrialization, and is able to harness its strengths to expand its economy with the support of conducive policies. State has identified thrust sectors including Auto and auto components, Textiles, Tourism, IT/ITEs, Healthcare, Skill development, Pharmaceutical, Renewable energy, Biotechnology and Logistics & warehousing which provide the required impetus to the economic growth.

MP is centrally located and has excellent connectivity across major cities of the country. It has a total road network of 58,423 kms with 20 national highways passing through the state. The state is well connected with rail services to all major cities and also to international export markets via Jawaharlal Nehru Port in Mumbai and Mundra Port in Gujarat. The Delhi Mumbai Industrial Corridor (DMIC) passes through 10 districts of the state, which enhances high-speed access to ports and Northern & Western markets of India.

MP provides a peaceful labour force and stable industrial environment. The state has large number of engineering colleges (224), polytechnics (114), ITIs (415), and other vocational training institutes to ensure availability of skilled manpower across various sectors in different regions of the state.

The state has developed a strong pipeline of investments during the last five years and would continue to attract more investors by developing an enabling industrial eco system which would lead to sustainable industrialization and ensure economic prosperity of the state

2. Vision

To achieve inclusive growth and bring economic prosperity to the people of Madhya Pradesh through sustainable industrialization, employment generation and skill set enhancement.

2.1 Objectives of Industrial Promotion Policy

The key objectives of the Industrial Promotion Policy 2014 are :

- i. Rationalization and simplification of procedures to ensure effective implementation of policy
- ii. To improve investor facilitation and enhance ease of doing business
- iii. To create an enabling environment for robust industrial growth
- iv. To achieve higher and sustainable economic growth by accelerating the growth of manufacturing and service sectors through private sector participation
- v. To create an able and supportive regulatory and policy environment to facilitate private sector participation
- vi. To achieve inclusive industrial infrastructure development in the state
- vii. To promote environmentally sustainable industrial growth and balanced regional development
- viii. To enhance employment opportunities in all sectors
- ix. To encourage growth in Madhya Pradesh's thrust sectors (Agribusiness and Food processing, Textiles, Automotive and Auto components, Tourism, Pharmaceuticals, Bio-technology, IT/ITeS, Healthcare and Logistics & Warehousing)
- x. To encourage environment friendly practices in enterprise development
- xi. To provide a welcoming and facilitative atmosphere to entrepreneurs, industrialists and investors.

2.2 Strategy for promotion of Industries

The state has prepared a strategic roadmap to achieve the policy objectives through a combination of both fiscal and non-fiscal

interventions. These policy interventions shall enhance the industrial competitiveness resulting in substantial increase of private sector investment in the state.

The key measures are aimed at:

- i. Creating level playing environment for all investors by enhancing the facilitation mechanism enabling them to conduct their business with ease;
- ii. Strengthening of the Single Window System to make it more effective under the provisions of the Madhya Pradesh Investment Facilitation Act 2008;
- iii. Providing competitive fiscal incentives and exemptions to attract investment;
- iv. Providing support to the investors in making government and private land available for industrial projects across different scales of investments;
- v. Upgrading of industrial infrastructure in existing industrial growth centres;
- vi. Promoting ancillarization to strengthen local vendors
- vii. Enhancing the employability of youth by focused skill development efforts;
- viii. Strengthening the MSME sector through an attractive package of incentives & concessions;
- ix. Ensuring harmony between private sector investors and local citizens through an enhanced dispute settlement mechanism;
- x. Promoting thrust sectors through sector specific promotion policies;
- xi. Establishing a 'Land Bank' bearing in mind future requirements of land for industries;
- xii. Developing world-class infrastructural facilities for industries with active participation of the private sector;
- xiii. Providing appropriate provisions for the protection of the environment and encouraging water conservation measures in industry through go-green strategies.

- xiv Promoting industrial parks for clusters development of similar micro and small scale industries in regions of the State which are rich in raw material being used in that particular industry.

3. Eligibility

- i. This policy shall come into effect on the date of its notification in the GoMP official gazette and will remain in force till it is amended or superseded by the Government.
- ii. Investors shall have to register their proposal with the Single Window System developed by MPTRIFAC and obtain a registration number to avail incentives under this policy. This registration number will be trackable online, so that investor will be able to locate the status of his proposal at any given time.
- iii. Units for which any package of incentives has already been sanctioned under IPP 2010 or earlier policies or for which the Commercial Production has commenced before the notification of this policy, shall not be eligible for benefits under this policy but will be entitled for benefits under IPP 2010 or earlier policies, as the case may be.
- iv. * Units commencing Commercial Production after notification of this policy, but within one year from the terminal date of Industrial Promotion Policy (IPP), 2010 (i.e. upto 31st Oct, 2016), shall be at liberty to choose a package of incentives under the current policy or IPP 2010. However, choice once made will be irreversible. For textile projects, provision for option/choice to take benefit, will not be applicable.
- v. Units which are not covered by clause 3(iii) and 3(iv) shall be eligible to avail benefits only under this policy.

4. Improving business climate by enhancing ease of doing business

The policy aims to improve the business environment in Madhya Pradesh by continuing to bring in regulatory reforms and simplify procedures across various departments in the state.

* Partially amended vide Commerce, Industry and Employment Department notification no. F 16-4/2015 /B-Eleven, Dated 31.07.2015.

4.1 Strengthening the Single Window System

- 4.1.1 ‘Investment Relationship Managers’ shall be appointed for speedy implementation of investment proposals. These Investment Relationship Managers will be specifically designated to individual investors on case by case basis depending on total quantum of investment and nature of the project. This facility will not be applicable to the projects under Negative List.
- 4.1.2 Madhya Pradesh’s Single Window System will be further strengthened and made more effective to facilitate private sector investments
- 4.1.3 An online Investor Monitoring and Facilitation System shall be launched to provide a single point interface for investors and a time bound clearance mechanism for approvals.
- 4.1.4 Single Window System shall be a repository for information regarding state’s infrastructure, information about investment application processes and grievance redressal.
- 4.1.5 The Single Window System provides a transparent one stop solution for all investors by reducing the need to physically interface with various department authorities
- 4.1.6 To ensure effective implementation of Single Window System, District Trade and Industry Centre (DTIC) shall be strengthened by modernization of technology, and capacity building for the staff.
- 4.1.7 18 services from various departments have been automated for which clearance/permission can be given from the system itself.
- 4.1.8 The state single window clearance mechanism will inter-alia incorporate the following features such as
- SMS/email alert to the investors
 - Linking with Labour Department, MP Power distribution companies, Water resources department, Revenue Department and District Collectors.
 - Payment gateway
 - MIS dashboard

4.1.9 The portal will also act as a platform for information dissemination and will provide all information relating to rules, regulations and orders that effect investment decisions or investment implementation in the state

4.2 Cabinet Committee on Investment Promotion (CCIP)

4.2.1 CCIP has been constituted with Chief Minister as Chairman and Ministers of Finance, Commercial Taxes and Industries Department as members. The CCIP has authority to deal with all issues relating to Industrial promotion. The CCIP is fully empowered to sanction a customized package of assistance beyond what has been explicitly provided in this policy. Such packages shall be available only to Mega Scale Industrial Units.

4.2.2 As part of the special package, CCIP can sanction fiscal concessions, tax exemptions, government dues and royalty deferrals and any other incentives.

4.2.3 CCIP is also empowered to remove difficulties in the implementation and interpretation of this Policy.

4.2.4 On the request of Investors or on its own motion, CCIP may review incentive packages sanctioned to any Mega Scale Industrial unit.

4.2.5 TRIFAC will act as the Secretariat for CCIP and will be the nodal agency for providing these incentives.

4.3 State Level Empowered Committee

4.3.1 SLEC will be headed by the Chief Secretary and shall consist of Principal Secretary Commercial Tax department, Principal Secretary Commerce, Industry & Employment department, Principal Secretary Finance department. Managing Director Madhya Pradesh Trade and Investment Facilitation Corporation Limited shall be the ex-officio Secretary of the Committee.

4.3.2 Inter departmental coordination, monitoring of investment proposals and approving incentive release within the over all customised packages sanctioned by CCIP for Large and Mega Scale Industrial Units shall be taken by the Empowered Committee. MD TRIFAC shall be empowered to disburse incentives once they have been approved.

4.3.3 For ensuring speedy implementation and timely approvals of investment proposals, the rules and procedures under the Madhya Pradesh Investment Facilitation Act, 2008 shall be streamlined.

4.3.4 The District Level Committee (DLC) shall be made more effective and empowered to decide on issues including the sanction and disbursement of incentives under approved policies for MSMEs in the state.

4.4 Regulatory Simplification

The state has already undertaken various initiatives to make the investment climate more investor friendly. Wherever necessary, effective action shall be taken for refining the business regulatory processes and strengthening the supportive institutional framework.

4.4.1 An inventory of legal and procedural requirements of various departments for doing business in the state has been consolidated.

4.4.2 The regulations, procedures, approvals, permissions, licenses shall be further rationalized to reduce redundancy.

4.4.3 Non-polluting SMEs shall be exempted from getting their units to be certified by the State Pollution control board.

4.4.4 The pollution control board shall issue the revised certificate once in every 3 years to polluting units.

4.4.5 The state shall ensure that all benefits of the State Investment Promotion Policies to be notified by various concerned departments within 3 months of policy notification date.

4.4.6 The state shall consider empowering the DTICs to approve clearance or changes in maps of factories/industries.

4.4.7 75% of the eligible amount against the total VAT & CST paid by the investor every year shall be reimbursed on submission of the tax deposit certificate issued by the Commercial Tax department. The remaining 25% of the eligible amount shall be reimbursed after the assessment is done by the Commercial Tax department.

- 4.4.8 The state shall consider empowering the DLCs to approve all claims that are sent by MSMEs in the state
- 4.4.9 'Land Bank' shall be established in the state for industrial purposes by identifying suitable government/ private lands
- 4.4.10 Online Application and Land Allotment system shall be launched to fasten the land allotment process.
- 4.4.11 MP TRIFAC will function as the Single window for all application procedures & online application system.

4.5 State Industry Advisory Council

- 4.5.1 The State Industry Advisory Council has been constituted under the chairmanship of the Chief Minister to strengthen public private dialogue and advise on industry trends, policy suggestions and regulatory reforms.
- 4.5.2 The State Minister for Commerce and Industry is the deputy chairman of the Council. The State Finance Minister and the Ministers for Energy, IT, Urban Development & Environment, Agriculture, Horticulture and Food Processing, along with the Vice Chairman State Planning Board are members.

5. Inclusive growth

The state government intends to focus on MSMEs for achieving a holistic industrial growth. The following steps have been undertaken by the state government:

- Incentivizing MSME to enhance their competitiveness for achieving higher growth
- Targeted skill development programs to address manpower requirements of MSMEs
- Development of new industrial clusters with adequate infrastructural facilities to meet futuristic demands of the cluster
- Uplifting infrastructure facilities of existing industrial clusters to fulfil growing needs of ancillary units
- Encourage ancillarization by promoting establishment of new vendor units in close vicinity of mother units

5.1 Cluster based approach

5.1.1 Cluster based approach is increasingly being recognized as sustainable, cost-effective and an inclusive strategy to ensure competitiveness and improvement of Micro, Small and Medium Enterprises (MSMEs). Considering the importance, state government has laid special emphasis on cluster development approach.

5.1.2 New industrial clusters with plug and play facilities shall be developed.

5.1.3 Infrastructural facilities in existing industrial clusters shall be upgraded so as to meet the growing needs of industrial units in the cluster.

5.2 Ineligible industries

5.2.1 In order to promote the growth of MSMEs, the state government has reviewed the list of ineligible industries and reduced the number of industries in the non-eligible list from 52 to 19.

5.2.2 All the industries other than those listed in ineligible list are eligible and entitled for incentives provisioned under this policy.

5.3 Marketing assistance

With a view to create more business opportunities for micro and small enterprises, state has taken various interventions to facilitate linkages between vendor and anchor units. State government intends to increase the growth of local vendors by taking following measures:

5.3.1 Directorate of Industries and the Department's Corporations shall carry out a coordinated campaign within and outside the state to attract industrialists/entrepreneurs for investment in the State.

5.3.2 Industrial trade fairs shall be organized and State's participation would be promoted on a regular basis at national and international level through Madhya Pradesh Trade Fair Authority.

5.3.3 State would organize marketing events for MSMEs like Buyer-Seller Meets, trade fairs, reverse buyer seller meets. All the

MSMEs and mother units shall be encouraged to participate in such marketing events

5.3.4 Madhya Pradesh Laghu Udyog Nigam (MPLUN) shall organize workshops between the anchor and vendor units

6. Industrial infrastructure – The Growth Engine

6.1 Land concessions

Availability of land is a primary requisite for sustainable industrial development. The State Government has substantial availability of both government and private land parcels for industrial development. In order to further enhance the rate of industrialization, the State Government shall consider following measures pertaining to land availability:

6.1.1 Developed industrial land shall be made available at a competitive price to the investors.

6.1.2 CCIP may consider concession on the prescribed premium rate, if the investor intends to set up a project on raw (undeveloped) government land.

6.1.3 50% assistance subject to a maximum of INR 1 crore each shall be provided to medium, large and mega scale industrial units for developing power, water & road infrastructure, if the investor acquires private land or gets undeveloped government land for setting up of project.

6.1.4 The land allocation rules shall be further simplified to expedite the allocation process.

6.2 Leveraging DMIC & investment corridors

6.2.1 Early bird projects identified under DMIC nodes, namely, Knowledge City Ujjain, Multi-modal Logistics Hub, Indore-Pithampur Economic Corridor and Power Equipment Manufacturing Hub, Rajgarh etc. shall be implemented.

6.2.2 The state has strategically created investment corridors such as Bhopal-Bina, Bhopal-Indore, Jabalpur-Katni-Singrauli & Gwalior-Shivpuri-Guna along the state and national highways to fasten the economic growth and create more employment opportunities.

6.2.3 Various projects such as Air cargo terminal, Integrated

Agro/Food processing zone, integrated logistics hub, integrated townships, Gas based industrial park, Rural Park, Engineering Technology Park, Knowledge cities, etc. shall be developed to enhance infrastructure in the state.

6.3 Encouraging private partnership for infrastructure development

- 6.3.1 An enabling policy and institutional mechanism shall be developed to attract private investment and leverage its efficiency to provide quality infrastructure and services.
- 6.3.2 Initiatives of the investors in developing private industrial areas/ estates either in PPP mode/individual entrepreneurs/ Companies/Co-operatives shall be encouraged with a supportive package.
- 6.3.3 To encourage the private sector in the development of infrastructure, special assistance will be provided to the projects relating to establishing industrial parks, food parks, high-tech parks or any other parks relating to manufacturing industries in the state. An assistance of 15% of the expenditure on establishment/development of industrial park subject to a maximum limit of Rs. 5 crores will be provided to promote subject to the condition that such developed industrial park should have a minimum area of 50 acres, and minimum of 5 industrial units. The agency/investor developing such industrial park would be reimbursed the assistance within 1 year from the substantial completion of the project on fulfilling the required conditions indicated at the time of sanction.

6.4 Plan and augment Industrial Infrastructure

- 6.4.1 The planning of infrastructure in existing and new areas shall be done in line with industry requirements.
- 6.4.2 Existing industrial areas shall be expanded as needed and new industrial areas shall be developed with necessary industrial infrastructure.
- 6.4.3 The industrial infrastructure shall be developed at all regions for balanced and equitable growth.
- 6.4.4 The industrial infrastructure shall be developed based on the

geographical strength and after assessing the demand of the sector.

- 6.4.5 Land in industrial areas/growth centres will be allotted after developing necessary infrastructure in industrial areas.
- 6.4.6 Areas having good potential for development of industrial and commercial infrastructure shall be identified. In these areas, infrastructure shall be developed with private sector participation/Industrial Development Corporations.
- 6.4.7 New/expanded industrial areas, where 100 acres or more area is to be developed, a maximum 20 percent of the total land will be reserved for housing/commercial activities.
- 6.4.8 Necessary social infrastructure facilities like hospital/dispensary, school, training centre, creche, housing, shopping centre, fitness centre, recreation centres, rest houses, labour welfare centre, hotel and warehouses, etc. will be established in industrial areas either through department's corporations or private sector participation.
- 6.4.9 Establishment of Truck terminals in all the major industrial parks will be promoted. In the case of Private Industrial Parks, the Developer shall be mandated to provide adequate Truck Parking Bays.
- 6.4.10 Measures shall be taken to earmark at least 20% of the land for MSME sector in new non-PPP industrial areas for necessary vendor development support to the large projects.
- 6.4.11 Multi storied industrial complexes for micro and small scale enterprises shall be constructed in order to ensure optimum productive use of land either through Department's Corporations or private sector participation at potential industrial areas.
- 6.4.12 Industrial areas having more than 500 acres shall be allotted 10% of total area for development of warehousing facilities.
- 6.4.13 Rules relating to allotment and management of land will be rationalized and made investor friendly
- 6.4.14 Any changes to be made in the land use in the notified industrial areas shall be approved as per Town & Country Planning Act

7. Skill development

Government of MP realizes that one of major impetus towards achieving sustainable industrial growth is ensuring availability of skilled manpower. Hence, state has taken up skill development as its key focus area and established a nodal agency Madhya Pradesh Council for Vocational Education & Training (MPCVET). The state government has undertaken following steps to ensure expansion of training infrastructure of the state :-

- Establishment of government ITIs and polytechnic colleges
- Establishment of Mega ITI in major industrial hubs
- Formulation of skill development policy detailing industry friendly incentive to promote private sector participation in realm of skill development resulting in increase in number of private ITIs and polytechnic
- In order to harness the social capital in rural areas, block level training centres have been established
- Establishment of Rural Self Employment training Institutes (RSETIs) in all the districts in collaboration with district lead bank.
- Targeted skill development programs towards meeting the industry needs

8. Green industrialization

- 8.1 Small, Medium, Large & Mega industries shall be provided a capital subsidy of 50% upto a maximum of Rs. 25 lakh for investment in setting up of waste management systems (such as ETP, STP etc.), pollution control devices, health and safety standards, water conservation/harvesting etc.
- 8.2 Government of Madhya Pradesh (GoMP) is also focusing on promotion of environment friendly development through green and clean technologies, conservation of natural resources, waste minimization and recycling etc.
- 8.3 GoMP shall facilitate the polluting industries which are located inside city limit/ municipal limit / metropolitan areas to relocate to the designated industrial areas
- 8.4 GoMP would encourage water harvesting and recycling in all its existing and new industrial areas.

- 8.5 Facilitate setting up of effluent treatment plants and hazardous waste treatment plants in various industrial estates and cluster with private sector participation.

9. Promotion of ancillarization to develop local vendors

- 9.1 The state government with a view to strengthening the supply side of industrial ecosystem is promoting establishment of ancillary units near mother units.
- 9.2 New vendor units established in premises or within a radius of 50 km from mega scale industrial unit in Electric & Electronic hardware, Chemical, Petrochemical & Fertilizer, Pharmaceutical, Engineering, Leather & Leather goods, Textile & Automobile sectors, with a minimum sale of 75% of their product to the mother unit, shall be eligible for the same package of incentives as given to the mother unit. The mother unit shall be permitted to ‘sub-lease’ the land to the vendor unit. The mother unit shall ensure that the vendor unit shall be eligible for ‘sub-lease’ only if it (vendor unit) satisfies the above criteria.

10. Fiscal assistance

- 10.1 Fiscal assistance under this policy deals with incentives/concessions available only to manufacturing sector. Separate incentives/concessions shall be applicable for units in service sectors as per prevalent policy of the concerned department.
- 10.1.1 It may be noted that if there are two policies which provide similar incentives/concessions, then the investor is eligible for claiming the incentives/concessions from only one policy.
- 10.1.2 Any MSME which has availed the incentives under the “Mukhyamantri Swarojgar Yojana” or “Mukhyamantri Yuva Udyami Yojana” shall not be eligible to avail the similar incentives under the industrial promotion policy. The remaining incentives can be availed from the industrial promotion policy as per the eligibility.
- 10.1.3 However, if a manufacturing unit wishes to avail financial assistance from Govt. of India over and above its eligibility under this Policy, it may do so subject to the condition that it may not be subsidized to more than what it has invested.

10.2 Definition of units:

S. No.	Type of unit	Description
1	Micro scale industrial unit	A manufacturing enterprise having an investment less than INR 25 lakh in plant & machinery
2	Small scale industrial unit	A manufacturing enterprise having an investment between INR 25 lakh and INR 5 crore in plant & machinery
3	Medium scale industrial unit	A manufacturing enterprise having an investment between INR 5 crore and INR 10 crore in plant & machinery
4	Large scale industrial unit	A manufacturing enterprise having an investment more than INR 10 crore in plant & machinery
5	Mega scale industrial unit	An unit having an investment more than: <ul style="list-style-type: none"> ▪ INR 100 crore in plant & machinery ▪ INR 25 crore in plant & machinery in sectors including Food Processing, Bio-technology, Herbal & Minor forest produce, Tourism & IT

10.3 For the purpose of incentives and their applicability, plant & machinery shall mean investment made in plant & machinery, buildings & sheds, but shall not include land & dwelling units.

10.4 **Capital subsidy:** Subsidy on plant & machinery only to eligible units will be given as below :-

S. No.	Type of unit	Percentage of subsidy	Maximum amount of subsidy (INR lakhs)
1	Micro & Small scale industrial unit	15	Subject to a ceiling of INR 15 lakh

10.5 **Interest Subsidy:** Eligible units will get interest subsidy on term loan as given below :-

Type of Units	Interest subsidy
Micro scale industrial unit	5% with annual ceiling of INR 3 lakh for 7 years
Small scale industrial unit	5% with annual ceiling of INR 4 lakh for 7 years
Medium scale industrial unit	5% with annual ceiling of INR 5 lakh for 7 years

10.6 **Entry tax exemption:** Exemption from entry tax shall be as follows:

S. No.	Type of unit	Entry tax exemption
1	Micro, Small, Medium, Large & Mega scale industrial unit	<ul style="list-style-type: none"> ▪ Five years for an investment made upto INR 500 crore in plant & machinery ▪ Seven years for an investment more than INR 500 crore made in plant & machinery

- If necessary, amendments will be made in the Entry Tax Act for abolishing liability of entry tax on raw materials purchased by one industry from another industry situated within an industrial area or industrial growth centre by considering such industrial area as one local area.
- Entry tax Act will be suitably amended if necessary, to abolish liability of entry tax on transfer of semi-finished products from one industrial unit to another industrial unit situated in a different local area for intermediate processing/finishing and transfer back to the original unit for manufacture of final saleable product.
- If necessary, provisions will be made in the Entry Tax Act for treating the industrial units, which are established or spread over more than one local area, as established in one local area for the purpose of entry tax.
- Entry tax rates would be rationalized as needed to keep entry tax rates at par with those in other competitive states.

10.7 **VAT & CST Assistance :** Eligible enterprises (except textile units) will be given reimbursement after adjusting the input tax rebate on the amount of value added tax (VAT) and central sales tax (CST) (excluding the amount of value added tax on purchase of raw materials) deposited by them to the extent shown below:

S. No.	Type of unit	Eligibility under “*Priority block”	Eligibility for all other remaining districts
1	Micro and small manufacturing enterprises having fixed capital investment of at least INR 1 crore and Medium scale industrial unit	50% for a period of 7 years	50% for a period of 5 years
2	Large & Mega scale industrial unit	75% for a period of 10 years	75% for a period of 7 years

*Priority block : Blocks having no large/mega scale industrial unit as on policy notification date

10.7.1 The amount of assistance provided to the units shall not exceed the total investment made in plant and machinery.

10.8 **Electricity duty exemption:** All eligible units having ‘High Tension (HT)’ connection by any DISCOM in the state by 3rd March 2019 shall be exempted from electricity duty as given below on terms and conditions brought over vide notification no. F-3-23-2013-XIII published in Gazette of Madhya Pradesh (extraordinary) on 4th March 2014.

S. No.	Type of unit	Period of exemption
1	Micro, Small, Medium, Large & Mega scale industrial unit	<ul style="list-style-type: none"> ▪ For 33 KV connection : Upto a period of 5 years ▪ For 132 KV connection : Upto a period of 7 years ▪ For 220 KV connection : Upto a period of 10 years

10.9 **Mandi Fee exemption:** All Food processing units shall be given exemption from mandi fee for a period of five years or a maximum of 50% of investment in plant & machinery (whichever is lower).

This fee exemption shall be made available to those units, which purchases agriculture produces of this state.

10.10 Mega investment shall also be considered for sanction of special economic and other package on case to case basis by Cabinet Committee on Investment Promotion (CCIP), according to requirement of such projects and keeping in mind the resources available in the State.

10.11 **Fiscal assistance – Special textile package**

10.11.1 Micro, small and medium textile units shall be given an investment subsidy of 10% of eligible investment made in TUFs approved plant & machinery subject to a maximum limit of INR 1 crore.

10.11.2 **Interest Subsidy :**

S. No.	Type of Units	Interest subsidy
1	For New Units with an investment of upto Rs. 25 crores in Fixed Assets	2% for 5 years from the date of commercial production on term loan taken for TUFs approved plant & machinery subject to a ceiling of Rs. 5 crore.

S. No.	Type of Units	Interest subsidy
2	<p>New standalone units with an investment of more than Rs. 25 crores in fixed Assets</p> <p style="text-align: center;">or</p> <p>Expansion/Diversification of Existing Standalone unit with fresh investment in TUFs approved plant & machinery of at least 30% of existing investment in fixed Capital Assets (Not less than Rs. 25 crores) or Rs. 50 crores, whichever is less</p>	5% for 5 years from the date of commercial production on term loan taken for TUFs approved plant & machinery
3	<p>New composite unit* with an investment of more than Rs. 25 crores in fixed Assets</p> <p style="text-align: center;">or</p> <p>Diversification of Existing Standalone unit into a composite unit</p>	7% for 5 years from the date of commercial production on term loan taken for TUFs approved plant & machinery

*For a unit to be classified as Composite Unit, it should be doing either of the following manufacturing activities irrespective of its locations (location may be same or at different places within the state of Madhya Pradesh) and utilising at least 75% of primary produce (such as yarn) as an input to the downstream activities :

- ✓ Cloth manufacturing using thread and processing activities (weaving / knitting and processing activities)
- ✓ Cloth processing and manufacturing (processing and garmenting)
- ✓ Thread manufacturing – Apparel manufacturing using thread, processing and apparel manufacturing using clothes (spinning - weaving / knitting – processing & garmenting)
- ✓ Made-up articles

10.11.3 Entry Tax Exemption :

S. No.	Type of Units	Exemption
1	For Units with an investment of upto Rs. 100 crores in plant & machinery (as defined in clause 10.3)	For five years
2	For Units with an investment of more than Rs. 100 crores in plant & machinery (as defined in clause 10.3)	For seven years

10.11.4 VAT & CST Assistance :

Industrial investment promotion assistance will be given for 8 years from the date of commercial production, within an overall ceiling of investment in TUFs approved plant & machinery, to Units with investment of Rs. 1 Crore or more in fixed capital, as described below :

- ✓ **Cotton ginning** – equivalent to the CST paid on interstate sale of ginned cotton;
- ✓ **Spinning mill** - equivalent to the computed gross CST on interstate sale of cotton yarn;
- ✓ **Cloth manufacturing unit** (Cloth is a tax free product) - equivalent to VAT paid on purchase of *raw material by the manufacturing unit; and
- ✓ **Readymade garment/Apparel unit** - equivalent to VAT & CST paid on sales of readymade garment/apparel,

However, the assistance shall not be more than net tax deposited with Government of M.P.

10.11.5 25% subsidy shall be given for establishment of Apparel Training Institute to a maximum limit of INR 25 lakh.

* Substituted vide Commerce, Industry and Employment Department notification no. F 16-11/2014/B-Eleven, Dated 22.08.2016.

11. Expansion/Diversification/technical up-gradation

- 11.1 Established large and medium industrial units, which invest 30 percent 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.
- 11.2 Established small scale industrial units, which invest minimum 50 percent of its existing investment in plant & machinery (not being less than INR 25 lakh), shall be eligible for assistance/facilities at par with new industrial units.
- 11.3 Micro and small pharmaceutical manufacturing enterprises shall get assistance on investment at par with new units if these units invest additional INR 10 lakh or 50 percent of existing investment in plant & machinery (whichever is more), on expansion/diversification.
- 11.4 The above facility will be available to the industrial units only on production being more than the previous installed capacity. The unit will not be given benefit of the facility, if this condition is not met.
- 11.5 The units eligible for incentive in expansion/diversification/technical up-gradation is determined as below:

S. No.	Type of unit	Eligibility
1	Small scale industrial unit	Investment made in plant & machinery during last 2 years and the next one year from the date of production
2	Medium scale industrial unit	Investment made in plant & machinery during last 3 years and next 2 years from the date of production
3	Large scale industrial unit	Investment made in plant & machinery during last 3 years and next 3 years from the date of production

12. Revival of sick units

- 12.1 Sick industrial units will be identified and district level database will be created.

- 12.2 The State Government would give facilities/concessions on revival of sick/closed industrial units after acquisition/ purchase as described in Annexure-I: 'Special Package, 2014'.
- 12.3 Facilities/concessions for revival/ rehabilitation of Large and Medium industrial units situated in the State will be given as described in Annexure-II: 'Policy Package, 2014'.
- 12.4 Madhya Pradesh Small Scale Industries Revival Scheme 2014 will be applicable for small scale sick industries as described in Annexure-III.
- 12.5 The facilities/concessions provided to sick units shall not be applicable to units falling under the ineligible industry list mentioned in the Annexure-IV.

13. Relief for financially constrained units

13.1 Deferment of Government Dues: Projects facing financial constraints after achieving financial closure may also need government support to survive in the long term. Currently, packages are available for sick units, however keeping in mind the needs of units under financial distress in critical sectors of the economy such as Manufacturing, Mining & Quarrying, Power, Gas & Water supply, the following incentives are provisioned for such units:

- 13.1.1 Government dues including royalties and government duties (except taxes), will be allowed to be deferred for a maximum period of twelve years. In case deferment is not possible because of provisions of law, such unit will be entitled to deposit the amount and claim the refund of same as loan for equivalent period.
- 13.1.2 Recommendation of the project lead financial institution in this regard would suffice to make such units eligible to be considered financially stressed.
- 13.1.3 In order to avail the facility under 13.1.1, a project SPV or its promoters shall submit a bank guarantee of 110% of payable/paid dues with validity not less than the sought deferment/loan period. Alternatively, for projects in which State Government or its agencies are expected to make payments to project, a tripartite agreement can also be signed among the lenders, project promoters and State Government or its agency stating that in case of default by the project

promoter for the deferred/loan amount, the same can be adjusted against the payment due to the project. An interest amount calculated as per SBI Base Rate shall be levied for the deferment/loan period in all such claims.

- 13.1.4 This facility shall be applicable only for mega investment of more than Rs. 500 crores.
- 13.1.5 This facility shall not be applicable during the time period in which benefits under VAT & CST reimbursement is being availed by the units.
- 13.1.6 This facility shall not be applicable for activities pertaining to trading and services sector.

1. 'Special Package, 2014' of facilities to be extended by Government of M.P. on restarting of sick/closed industrial units after acquisition/ purchase

The Govt. of M.P. will provide following facilities under “SPECIAL PACKAGE” on rehabilitation of BIFR referred large and medium scale industrial units after acquisition/ takeover through change of management or by way of purchase from official liquidator of industrial unit under liquidation pursuant to recommendation for winding up by BIFR or rehabilitation of large/ medium scale industrial units purchased under SARFAESI Act from a financial institution a State Government Corporation MPSIDC or MPFC which has acquired them:-

1.1 NON-FISCAL

- 1.1.1 Labour Department of Govt. of M.P. shall provide all possible assistance to resolve disputes between management and labour for running the industrial unit smoothly.
- 1.1.2 Department of Industries shall provide all necessary assistance under single window system for resolving problems faced by the industry from various other departments of the Government.
- 1.1.3 Rehabilitated unit would be declared Relief- Undertaking as may be necessary.

1.2 FISCAL

- 1.2.1 In case the period of facilities of exemption/ deferment of commercial taxes (sales tax and purchase tax), exemption/ deferment of entry tax, and VAT & CST reimbursement sanctioned earlier has not expired, the facilities would be available as per eligibility for remaining period after the date of take over. Assistance provided shall be up to the proportionate limit of investment made in plant and machinery.
- 1.2.2 In case of there are arrears of commercial taxes (sales tax purchase tax), entry tax and VAT against the acquired/purchased unit, then if the actual amount of commercial tax/VAT/entry tax, i.e., the assessed tax amount is deposited in one go within three months from the date of acquisition/purchase of the unit amount of interest/penalty on such assessed tax amount will be fully waived. Alternatively facility of the arrears of commercial taxes/VAT (along

with interest/penalty) in maximum six half yearly instalments from the date of acquisition/purchase will be given. If there is delay in payment of such instalments, interest at PLR rate of State Bank of India will be charged.

The facility of payment of outstanding amount of commercial taxes/VAT (including interest/penalty) in instalments will be extended on furnishing post dated cheques by the unit for the amount of payable instalments and in case of public limited company, on furnishing of corporate guarantee and on furnishing of personal guarantee of all partners in case of a partnership firm. The post dated cheques should bear the signatures of Managing Director or Managing Partner, as the case may be.

The facility of waiving interest/penalty fully will be available to the concerned unit only once.

- 1.2.3 If fresh investment made in plant & machinery in the rehabilitated unit by the acquirer is more than 50% of the previous investment of the unit made in plant & machinery, then facilities as per eligibility will be extended to the unit treating it as a new unit.

Explanation :-

- (a) Plant & machinery investment in the assets of the rehabilitated unit shall be calculated as the depreciated value of plant & machinery assets on the date of declaring it as sick by BIFR.
- (b) In the case of rehabilitation of the unit on acquisition/purchase, purchase price shall be taken as the basis for calculation of plant & machinery investment of the unit.
- 1.2.4 Prompt action in accordance with the policy in force for giving facilities for revival of sick/closed units under the concern Electricity Distribution Company and the Electricity Act, 2003 shall be ensured in case of rehabilitation of sick/closed industrial unit.
- 1.2.5 If the actual amount of outstanding dues of local bodies such as water tax, octroi, property tax etc., is paid in one go within three months from the date of acquisition/purchase, and then the total amount of interest/penalty there on will be fully waived. Alternatively, facility of payment of the arrears (including interest/penalty) in maximum six half yearly instalments from the date of acquisition/purchase will be given. If there is delay in

payment of such instalments, interest at PLR rate of State Bank of India shall be charged.

- 1.2.6 In case of the acquired/purchased unit being situated in an industrial area or Industrial growth centre, the acquirer makes payment of outstanding actual dues of lease rent, maintenance charges and water charges due against the unit in one go within three months from date of acquisition/purchase, then interest/penalty on such dues will be fully waived. Alternatively facility of making payment of the outstanding dues including interest/purchase in maximum six half yearly instalments from the date of acquisition will be given in case of delay in payment of such instalments, interest at PLR rate of State Bank of India will be charged.
 - 1.2.7 Transfer of land/building and other assets of the unit on acquisition/purchase will be fully exempted from stamp duty.
 - 1.2.8 If the acquirer makes fresh investment of more than INR 40 crores in plant & machinery, then the unit shall be accorded status of mega scale industrial unit and the acquirer will be able to submit application as per rules before the CCIP for grant of customized package.
 - 1.2.9 Under this Special Package, providing eligible benefits will be considered only in such cases where the industrial unit has been acquired/purchased as a complete unit.
 - 1.2.10 In case of the acquired/purchased unit being situated in a notified industrial area or AKVNs industrial growth centre, transfer fee shall be waived off for the acquirer.
- 1.3 **BIFR appeal process:** All cases as decided by BIFR should be accepted in normal circumstances. Appeal to AAIFR only after approval from the High Level Committee (HLC). Second level of appeal to be made to High Court/Supreme Court against decision of AAIFR tribunal shall only be made after seeking approval from CCIP.

Above facilities shall not be applicable automatically just on acquisition/purchase of a unit. A high level committee headed by Chief Secretary shall be competent to sanction a specific or all facilities upto maximum limit on merits in each case under the Policy Package, 2014.

The facilities/concessions provided to sick units shall not be applicable to units falling under the ineligible industry list mentioned in the Annexure-IV.

2. 'Policy Package, 2014' of financial and other concessions to be extended to the sick industrial units in the state

Large and medium scale sick industrial units situated in the state, whose cases are under consideration before the Board for Industrial and Financial Reconstruction {B.I.F.R.} under the Sick Industrial Companies {Special Provisions} Act, 1985 and the Board {B.I.F.R.} is preparing or has prepared rehabilitation scheme for their rehabilitation, will be extended following facilities under Policy Package 2014: -

- 2.1 On rehabilitation of the sick/ closed unit, prompt action in accordance with the policy in force for giving facilities under the concerned Electricity Distribution Company and the Electricity Act 2003 will be ensured.
- 2.2 Permission to sell/sub-let surplus land available with the units and permission for change of land-use may be granted, if necessary. It will have to be ensured by the unit that the amount received from sale of land will be utilized for implementation of rehabilitation scheme only.
- 2.3 If arrears of commercial taxes/entry tax/vat upto the date of sanction of rehabilitation scheme or cut-off date are paid within 3 months from the date of communicated decision of the Government, then facility of payment of actual amount of taxes i.e. assessed tax, will be given and amount of interest /penalties will be fully waived.
- 2.4 Facility to pay amount of arrears of commercial tax/entry tax/vat (including interest/penalty) up to the date of sanction of scheme or the 'cut of date' mentioned in scheme, in maximum 36 equal monthly instalments from the date of sanction of scheme will be given. In case of delay in payment of such instalments, interest at the rate of PLR of State Bank of India will be charged.

Facility to pay the arrears of commercial tax/entry tax/vat (including interest/penalties) in instalments will be extended on payment of instalments by post-dated cheques by the unit, and on furnishing of corporate guarantee in case of public limited company and personal guarantee of all partners in case of partnership firms. The post-dated cheques should bear the signatures of only the Managing Director or Managing Partner, as may be applicable.

- 2.5 If the unit makes payment of arrears of commercial tax in one stroke {as in Para 2.3 above}, then from the cut-off date mentioned in the sanctioned scheme or date of sanction of the scheme, the unit will be given assistance under VAT & CST reimbursement as defined in clause 10.7. Assistance provided shall be up to the proportionate limit of investment made in plant and machinery.
- 2.6 If any department/institution of the State Government has any outstanding dues against the unit, then bank guarantee shall not be insisted for its recovery.
- 2.7 Unit will be declared “Relief Undertaking” if necessary, during rehabilitation period.
- 2.8 **BIFR appeal process:** All cases as decided by BIFR should be accepted in normal circumstances. Appeal to AAIFR only after approval from empowered committee (HLC). Second level of appeal to be made to HC/SC against decision of AAIFR tribunal shall only be made after seeking approval from cabinet

Facilities mentioned in the above package will be sanctioned as per decisions to be taken by the High Level Committee constituted under the chairmanship of Chief Secretary in each case on merits upto the limits mentioned in 'Policy Package, 2014'.

If any specific relief/concession other than the Policy Package, 2014 is sought from the State Govt. such specific relief/concession may be considered by high level committee. If it is found appropriate to grant such specific relief/facility, the committee may send its recommendation to the related forum/committee or Cabinet for decision.

The facilities/concessions provided to sick units shall not be applicable to units falling under the ineligible industry list mentioned in the Annexure-IV.

3. REVIVAL SCHEME FOR SICK SMALL SCALE INDUSTRIAL UNITS

(Madhya Pradesh Small Scale Industries Revival Scheme - 2014)

- 3.1** Industrial sickness leads to problems, such as unemployment, revenue loss to the State and Central Government reduced flow of institutional finance, increase in non-productive assets etc. The factors responsible for sickness in small scale industries may include obsolete technology, non-availability of skilled manpower, poor management, diversion of funds, lack of entrepreneurship/professionalism, marketing problems etc. Industrial sickness is an integral part of the process of development. Hence, it is desirable to take effective steps by the Government and other agencies concerned for timely detection of sickness at its initial stage.

In this context, it is noteworthy that the Government of India has set up a statutory body, namely, the Board for Industrial & Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act, 1985 to facilitate revival of viable sick industrial units and also for the winding up of non-viable sick units. SSI sector, however, does not come under the purview of the BIFR. It is noticed that some State Governments such as Gujarat, Andhra Pradesh and Karnataka have evolved schemes for revival of SSI and non-BIFR sick viable industries. There is need to formulate a comprehensive package for revival of viable sick SSI and non-BIFR units in Madhya Pradesh. With this in view, amended scheme, called "Madhya Pradesh Small Scale Industries Revival Scheme (MPSSIRS)" is introduced as under:

- 3.2 Title:** The scheme shall be called "Madhya Pradesh Small Scale Industries Revival Scheme (MPSSIRS)".
- 3.3 Operation period:** This scheme shall come into operation with effect from the date of issue of order in this regard.
- 3.4 Applicability:** The scheme shall be applicable only to micro/small scale industrial units/ ancillary units (not eligible for reference to BIFR) in the manufacturing sector, whose total investment in plant & machinery (excluding land and building) exceeds INR 5.00 lakh. The scheme would not be applicable to service and business enterprises, and such industrial units which are ineligible under the subsidy schemes of the department and for tax exemption.

3.5 Definitions :

3.5.1 Sick unit:

A micro/small scale industrial unit will be considered sick if according to its audited accounts for the financial year 2008-09 or subsequent years.

- a) The borrower account of the unit remains substandard for more than six months i.e. principal or interest in respect of its borrower account remains overdue for a period exceeding one year. The requirement of overdue period exceeding one year will remain unchanged even if the state of the accounts remaining sub-standard improves in due course;

Or

There is erosion in the net worth of the unit, which is to the extent of 50 per cent of its net worth due to accumulated cash losses during the previous accounting year;

And

- b) In case of a closed unit, the unit has been in commercial production for at least two years before its closure, and it has remained closed continuously for 18 months. There has been electricity disconnection due to closure or the prescribed return of commercial tax for this period has been nil or any other reason as the empowered committee may deem fit.
- c) Accounts would mean such audited accounts of the units, which it has reported to the Registrar of Companies or which are audited by a Chartered Accountant.

3.5.2 Net Worth:

In case of limited company, net worth means the sum total of paid up capital and free reserves. In case of a partnership/ proprietary concern, net worth means the sum total of partners'/ proprietor's capital and free reserves.

3.5.3 Free Reserves:

Free reserves means such deposited capital, which has come from profit and share premium account but does not include capital arising from revaluation of assets, and written back depreciation under provisions of amalgamation.

3.5.4 Bank:

Means any public sector bank, District Cooperative Bank, Urban Cooperative Bank and any other bank that is a scheduled bank in terms of the second schedule to the Reserve Bank of India Act

3.5.5 Financial Institution:

Financial Institution means Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India, Industrial Investment Bank of India, Small Industries Development Bank of India, Madhya Pradesh State Industrial Development Corporation, M.P. State Finance Corporation or any other institution which is authorized to advance loans for investment made in plant & machinery to industrial units.

3.5.6 Viable sick unit:

Viable sick unit means a unit in the manufacturing sector with investment made in plant & machinery of over INR 5.00 lakh, and which would be in a position, after the implementation of rehabilitation package/scheme (the period of which will not exceed five years), to repay the restructured loans and interest fully to the banks/ financial institutions as well as the dues of the State Government/ Central Government and the concerned electricity distribution company etc. within the period of implementation of the package.

3.5.7 Dues payable:

Means amounts outstanding as dues to all statutory authorities, such as Commissioner of Commercial Taxes, Collector of Customs and Central Excise, Commissioner of Income Tax, Statutory dues under various Labour Laws, Regional Provident Fund Commissioner, Electricity Distribution Company or such other authorities which have legal authority to receive payment from the unit.

3.5.8 Appraisal Agency:

The agency appointed to appraise the viability of the sick unit with the consent of the financing institution/bank and the Empowered Committee. This agency would be as mentioned in clause 3.8.2.

3.5.9 State Government:

Means Department of Commerce, Industries & Employment of the Government of Madhya Pradesh.

3.5.10 Special Cell:

Means a cell specially formed by the Commissioner of the Industries for the purpose of operation of this scheme.

3.5.11 Madhya Pradesh Electricity Distribution Company:

Associate Electricity Distribution Companies of the Madhya Pradesh State Electricity Board

3.5.12 Eligible Assets:

Means the assets created during the period of two years from the date of sanction of the rehabilitation package subject to limit of additional investment as approved under MPSSIRS for rehabilitation of the sick unit. Any other assets acquired, created and/or paid for after the period as mentioned above shall not be taken into consideration.

3.5.13 Eligible Plant & Machinery:

Plant & machinery shall mean investment made in plant & machinery, buildings & sheds, but shall not include land & dwelling units.

3.5.14 Technical Know-how fee:

Fees paid for technical know-how or consultation fee paid in lump sum to foreign supplier as approved in accordance with the policy of the Govt. of India in force from time to time or paid to laboratories recognized by the State Government or Central Government.

3.6 Reliefs :

Micro/small scale, non-BIFR sick industrial units, for the preparation of rehabilitation package of which the Government of Madhya Pradesh has agreed in principle, following reliefs and concessions will be accordingly extended -

3.6.1 Fiscal Reliefs:

Eligible units will be able to get the following reliefs and concessions from various departments/agencies of the State Government.

Necessary funds to operate the scheme and to reimburse financial loss to the Government and its agencies shall be provided in the budget allocation of the Commerce, Industries & Employment

Department. The number of units to be provided relief shall be limited according to the availability of funds in any given year.

3.6.1.1 Commercial Tax Department:

The unit will be given the facility to pay arrears of commercial tax i.e. assessed tax in 36 equal monthly instalments or twelve quarterly instalments with interest/penalty. The unit will be free to deposit the amount of assessed tax without interest / penalty in one stroke.

3.6.1.2 Madhya Pradesh Electricity Distribution Company:

The unit eligible under the Scheme would be granted the following reliefs by the concerned Madhya Pradesh Electricity Distribution Company -

- a) Minimum charges for the closure period subject to ceiling of maximum Rs. One lakh will be waived. However, if the unit has already paid the amount of minimum charges, the same shall not be refunded.
- b) In cases where power has been disconnected due to non-payment of bills or the agreement has been terminated ex-parte, no fresh security deposit would be insisted upon.
- c) Facility of paying arrears of electricity bills to concerned Electricity Distribution Company in six half yearly instalments from the date of sanction of revival scheme will be given to the unit.
- d) Interest payable on dues of the concerned Electricity Distribution Company for closure period of the unit will be waived upto maximum ceiling of Rs. one lakh for re-connection of electricity supply by the concerned Electricity Distribution Company, payable additional service charge will be waived upto to maximum ceiling of Rs. twenty five thousand.
- e) Penal charges imposed by the concerned Electricity Distribution Company will be waived upto maximum ceiling of Rs. twenty five thousand. In addition to the above, on rehabilitation prompt action in accordance with the policy in force under the concerned Electricity Distribution Company and the Electricity Act, 2003 will be ensured.

3.6.1.3 Commerce & Industry Department:

- a) If any small scale unit, which has been sanctioned rehabilitation scheme, avails fresh term loan under the revival package, it will be eligible for interest subsidy as per the existing rules of Government of M.P.
- b) Viable closed unit would be granted the facilities as applicable to a new unit from the date of revival. If additional investment is made in plant & machinery, State Capital Investment Subsidy would be granted as per eligibility.

3.6.1.4 Continuation of Incentives sanctioned earlier:

This scheme will also be applicable to a sick unit, which has had change in management. The revived unit would get the facilities sanctioned to the earlier unit for the unexpired eligibility period.

3.6.1.5 Additional Relief:

In addition to the above fiscal concessions, recommendation may be made to the concerned authorities for granting of following additional reliefs -

- a) Exemption from stamp duty on different agreements to be registered as a consequence of revival scheme.
- b) This scheme will be implemented through Single Window System.

3.7 Empowered Committee:

Government of Madhya Pradesh constitutes an Empowered Committee of following members for sanction of rehabilitation package under this scheme -

- | | |
|--|---------------|
| 1. Collector | Chairman |
| 2. Zonal Industry Officer | Vice-chairman |
| 3. Deputy Commissioner, Commercial Tax | Member |
| 4. Representative of M.P. Electricity Distribution Company not below the rank of Divisional Engineer | Member |

5. Lead District Bank Manager	Member
6. Representatives of Concerned Bank	Member
7. Representative of SIDBI (if the case is related to SIDBI)	Member
8. Representative of Madhya Pradesh Finance Corporation (if the case is related to the Finance Corporation)	Member
9. Representative of Appraisal Agency	Member
10. Representative of Audhyogik Kendra Vikas Nigam, not below the rank of General Manager	Member
11. Joint Director, Treasury and Accounts or his Representative	Member
12. General Manager, District Trade and Industries Centre	Member-Secretary

Chairman of the above committee may co-opt additional members as deemed necessary. Presence of at least 50% of the members will be required to fulfil the quorum. This committee will be fully empowered to take final decisions. The committee will take decision within 90 days from date of receiving of application. The applicant will be informed within 30 days from the date of decision taken.

It will be the responsibility of the member-secretary of the committee to get case decided after organizing meetings within the stipulated time. If decision is not taken within stipulated time, explanation will be sent to the Industries Commissioner, Madhya Pradesh within 15 days with appropriate reasons.

3.8 Procedure:

3.8.1 Initial Scrutiny, eligibility of case:

- (a) The applications received in the office of General Manager, District Trade & Industries Centre will be scrutinized and cases found eligible on preliminary scrutiny will be registered and registration number will be issued. This procedure will be completed within 7 working days. The application will be disposed of by the Committee.

(b) Circulation among members:

After registering the application, copies of complete application shall be circulated amongst the concerned members of the Empowered Committee for their departmental comments. Members shall be present in the meeting of the committee along with comments of their respective department. The concerned members will have to act for their departmental comments within 15 days. The views of the concerned members as well as other relevant issues will be considered in the subsequent meeting of the Empowered Committee following the date of registration.

3.8.2 Reference to Authorized Consultant for appraisal:

Applicant will have to get his application, which will contain statement of expected assistance from the Government, appraised by a consultant out of the list of Industrial Consultant published by IDBI/SIDBI or by MPCON or Centre for Entrepreneurship Development Madhya Pradesh (CEDMAP). A clear recommendation from the consultant, whether revival is possible or not will have to be obtained. Applicant will submit scheme/proposal from consultant in the application, which shall contain other particulars such as financial assistance to be obtained from banks/financial institutions, and their consent.

3.8.3 Application fee:

Application fee shall be Rs. one thousand only.

3.8.4 Circulation amongst members of the Empowered Committee:

Office of the Empowered Committee will examine the report of the Appraisal Agency and ensure that it conforms to the guidelines laid down in the scheme. Thereafter, the report would be circulated amongst members of the Committee.

3.8.5 Sanctions by the concerned agencies:

After receipt of the report from the Empowered Committee, the concerned agencies will communicate their consent for the reliefs and concessions/foregoing of dues envisaged within a period of thirty days. In case they are not in a position to give their consent within this time period, they will have to inform the committee giving cogent reasons for the non-grant of the reliefs and concessions as envisaged.

Decisions of Empowered Committee would be binding on all the departments of the State Government. If however, any

Department wishes to get any decision reconsidered, a proposal to that effect must be moved for the consideration of the State Government in the Department of Commerce, Industries and Employment.

3.8.6 Sanctions under MPSSIRS:

On completion of the aforesaid period of 30 days, the Empowered Committee shall consider the unit's case in its meeting where a final decision on the revival package would be taken.

3.8.7 Time frame for issuance of orders:

The respective departments of the State Government or its agencies concerned with the rehabilitation package of the sick unit will sanction reliefs as decided by the Empowered committee under the provisions of the respective acts/rules policy. Final orders sanctioning reliefs/concessions to the unit will be issued within one week of receipt of minutes of the meeting of the Empowered Committee, failing which the same will be deemed to have been given.

3.8.8 Quantum of Financial Sacrifice:

While working out the rehabilitation package, it should be ensured that the amount of financial sacrifice to be borne by the State Government/ Madhya Pradesh Electricity Distribution Company does not exceed the sacrifices to be borne by banks/ financial institutions. This condition shall not apply in case of a unit which has not availed of any finance from a bank/ financial institution up to the date it approaches the State Government for assistance under the present package. The amount of financial sacrifice shall be computed as follows:

- For relief/facility of payment in instalments of arrears 12 percent rate of interest will be taken into consideration. The State Government normally recovers arrears with a penal rate of interest of 18 percent per annum. The difference in the two interest rates i.e. interest at 6% p.a. will therefore be treated as the financial sacrifice on the part of the State Government.
- Relief and concessions to be given by Electricity Distribution Company will be in the form of exemption, e.g. exemption from depositing fresh security deposit in case power has been disconnected due to non-payment of bills or due to ex-parte termination of agreement by the energy supplier, and minimum charges during closure period

- In such cases, the amount of security deposit/ minimum charges so exempted together with interest at 6 percent per annum from the date of payment of the deposit till the date of termination of the rehabilitation package will be considered as the amount of sacrifice.

3.8.9 Terms and Conditions for Grant of Reliefs:

- a) The Empowered Committee will conduct reviews from time to time, which shall be in addition to the annual review of performance of the unit under rehabilitation. During the period of rehabilitation the unit shall arrange for auditing of its accounts by a chartered accountant firm as approved by the Empowered Committee. The units that avail of reliefs under this scheme shall neither declare dividend nor pay interest on the deposits made by the promoters during currency of the rehabilitation package.
- b) The Industrial unit availing of facilities under the Scheme will take effective steps for pollution control measures as per the standards prescribed and approved by competent authority in this regard, and shall maintain them in working condition.
- c) The Industrial units will have to remain in production continuously at least till the expiry of the revival period under the scheme.
- d) The industrial unit will furnish details regarding production, employment or any other information that the State Government and the Empowered Committee may require from time to time.

The facilities/concessions provided to sick units shall not be applicable to units falling under the ineligible industry list mentioned in the Annexure-IV.

4. List of ineligible industries

S. No.	List of Ineligible Industry
1	Beer and liquor (excluding winery)
2	Slaughter house and industries based on meat
3	Manufacturing of all kinds of pan masala and gutkha
4	Manufacturing of Tobacco and tobacco based products
5	Manufacturing of plastic bags of thickness 40 micron or lesser
6	Industrial units set up by central or state government or their undertaking
7	Stone crusher
8	Grinding of minerals
9	Defaulter of state government/state government undertaking
10	All types of mining activity (where there is no value addition)
11	Activities pertaining to trading and services
12	Manufacturing of Charcoal
13	Refining of edible oils (Independent unit) and Soya bean oil producing units (Including refinery)
14	Cement (Including clinker) manufacturing
15	Publishing and Printing processes of all types (Other than rotogravure/flex printing)

S. No.	List of Ineligible Industry
16	Manufacturing of ornaments and other articles of bullion of gold & silver
17	Saw milling & planing of wood
18	Pressing of iron/steel scrap into blocks or any other shapes
19	Any industry declared by state government from time to time

***5. SPECIFIC FINANCIAL ASSISTANCE FOR
FOOD PROCESSING INDUSTRIES**

For promoting the establishment of food processing industries in the state, specific financial assistance to be provided small and medium enterprises as follows: -

- 2.1 Investment Promotion Assistance :** - The amount deposited by the food processing industries during preceding financial year towards VAT and Central Sales Tax shall be made 100 % available as a set off for a period of 10 years as Investment Promotion Assistance. The ceiling on Investment Promotion Assistance shall be equal to 200% of investment made by the Industry.
- 2.2 Assistance on Electricity Consumption :-** The current Electricity Tariff Policy provides for INR 1.00 per unit concession to all food-processing units. Reimbursement at the rate INR 1.00 per unit shall be made available to Cold Storage, Cold Chain, Ripening Chambers, Individual Quick Freezing units on full payment of electricity bill raised by Electricity Distribution Companies. This assistance shall be available for 5 years from the date of production/Commercial commencement (functioning) of the industry. Seasonal LT Industrial Category (LV-4) consumers have been exempted from general tariff in off-season in the current Electricity Tariff Policy. Accordingly during off season, billing will be done on 10 % of the contract demand or actual consumption on general tariff whichever is more. This exemption will be available to all food processing units
- 2.3 Reimbursement on obtaining Quality Certification :-** In order to encourage existing and new food processing industries for obtaining latest quality certifications like Hazard Analysis and Critical Control Point (HACCP), Good Manufacturing Practices (GMP), ISO 9000, Agmark, Good Laboratory Practices (GLP), Total Quality Management (TQM) etc, 50% of the fee for obtaining such certifications subject to an upper limit of INR. 5.00 lacs shall be reimbursed.

* Added vide Commerce, Industry and Employment Department notification no. 1892/921/2016/A-Eleven, Dated 06.08.2016.

English translation of above notification (Hindi version).

- 2.4 Reimbursement for Promotion of Research and Development :-** In order to promote Research and Development activities in food processing units, INR. 5.00 lacs per patent shall be reimbursed for obtaining each patent. Moreover, on transfer of technology from Government Research Institution, 50% of the expenditure on such technology transfer subject to a ceiling of INR. 5.00 lac shall be reimbursed.
- 2.5 Reimbursement on Transportation :-** In order to promote exports, 30% of the expenditure incurred on transportation of processed goods to Inland Container Depot/port by a food processing unit based on perishable commodity shall be reimbursed with a ceiling of INR 10.00 lacs per annum. This assistance shall be available for 5 years from the date of first production. This assistance shall not be available on transportation of flour, rice and soya oil.
- 2.6 Capital Subsidy :-**
- 2.6.1 Capital subsidy at the rate of 25 percent of investment made in plant, machineries and building for establishment/ modernization/ technological up-gradation shall be available to a food processing unit with a limit of INR 2.5 Crores. This assistance shall be available to Food Processing units having investment up to INR 25 crores but maximum subsidy shall not exceed INR 2.5 Crores. This assistance shall not be applicable for flour mills, Oil mills based on soybean and paddy processing units in Balaghat district.
- 2.6.2 For better waste disposal, a Food Processing unit shall be reimbursed 25% of the investment on plant and machinery subject to a limit of INR 1.5 crores for Captive power generation/ production of organic manure from waste or residue material.
- 2.6.3 Investments on plant and machinery for cold chain for non-horticultural produce like milk, value addition and preservation infrastructures shall be provided assistance in the form of subsidy at the rate 50% subject to a ceiling to INR 10 Crore. This assistance shall also be available to large industries. As this assistance is available in existing scheme of Government of India, the same shall be made available through scheme of Government of India and in case, sanction is not available from Government of India, the assistance shall be provided by the State Government.

2.6.4 Promotional Scheme :-

2.6.4.1 In order to create/enhance awareness towards food processing, 50% grant-in-aid subject to a limit of INR 3.00 lacs shall be provided for organizing National/ International Workshops/Seminars.

2.6.4.2 50% financial assistance subject to a limit of INR 3.00 lac will be provided to institutions participating in National/International level fair/Exhibition related to food processing towards hiring a stall and return fare for two persons by rail. For participation in fair/exhibition at international level, lowest rate in economy class shall be provided but extent of such assistance shall not exceed INR 3.00 lacs.

3. Financial assistance of 50% subject to a limit of INR 1.00 crore will be provided to food processing units for setting up primary processing and collection centers specifically in rural areas. Collection centre should ideally be built upon 1-2 acre land where facilities of weighing, cleaning, sorting, grading, packing, Pre-cooling, dry warehouse, etc should be available.
4. Applications received from the end date of M.P. Agro-business and Food Processing Policy 2012 till the date of applicability of this policy where construction work has been started shall be eligible for financial assistance as per M.P. Agribusiness and Food Processing Policy 2012.
5. Following assistances shall be provided for creating required infrastructure for development of food processing industries:-

5.1 Setting up of Mega Food Park :-

In order to promote setting up of food processing units and to provide them better infrastructure, Private investor setting up Mega Food Park, under the guidelines of Government of India Food Processing Ministry, will be provided with a financial assistance of 15% of the project cost subject to a ceiling of INR 5 crores. Such assistance shall be available on setting up of 10 food processing units in the developed park. The assistance shall be payable as top-up subsidy.

5.2 **Setting up of Food Parks :-**

A financial assistance of 50% of the project cost subject to a ceiling of INR 5.00 crores will be provided for setting up a Food park in 30 acre land in the State. This assistance shall be provided on setting up of minimum 10 food processing units in the developed park.

5.3 The stamp duty paid by the promoters on transfer of land by the promoter(s) to SPV for setting up Mega Food Park shall be reimbursed.

5.4 On instruments of transfer of developed land in a food park executed by the developer of the park in favor of a food processing unit the remission shall be granted subject to the following conditions, namely:-

A. The land used in the park for development of common infrastructure shall be adjusted against the land demanded by the unit by increasing 30% in the demand and thus the duty charged on the instrument of purchase of the said land shall be adjusted on the land transferred, and

B. If on adjustment no duty is required to be paid then the minimum duty for the transfer shall be INR Five Hundred only.

6. **Advertising and Marketing :-** Advertisement will be published from time to time in order to promote setting up of food processing industries. Awareness camps and road shows will also be organized.

7. Under this programme, the work related to sanction of subsidy and assistance will be carried out by the Directorate of Horticulture and Food Processing.
