

# **New Industrial Policy- 2004**

## **1. Preface**

Industrialization of the state is possible with excellent infrastructure and industry-friendly environment. The contribution of Madhya Pradesh to India's Gross Domestic Production (G.D.P.) has not been commensurate with its rich and abundant natural resources. The Industry Promotion Policy has accordingly been laid down along the lines of its industrially advanced neighbouring states. The new State Government desires that in future the rate of economic development of the state should commensurate with other developed state. Therefore, to make Madhya Pradesh a prosperous state, it is essential that rate of economic development should be increased. The achievement of the desired growth rate would only be possible when the development of industries & service sector take place.

Inadequate infrastructure and power shortages during the last one-decade in the country led to a sharp decline in capital investment in the state. It hindered the pace of industrialization and caused sickness in the industries. The Industrial Promotion Policy aims to address these issues by providing for developing quality infrastructure, reviving sick industries and providing maximum support, facilities and industry friendly governance for industries.

The Industrial Policy launched in May 1994 was in force till 2003. The new Industrial Promotion Policy would be effective for the industries commencing commercial production on or after April 01, 2004. This policy would be effective from 1<sup>st</sup> April 2004 for a period of five years. Rules and procedures shall be modified in accordance with the new policy. However, capital investment made prior to this new policy shall still be governed by old rules and procedures prevailing at the time they were made.

Entrepreneurs, Industrialists, Industry Associations, Financial Institutions and top officials of banks were consulted while preparing the draft of Industrial Promotion Policy and their suggestions and ideas have been incorporated in a meaningful manner.

Employment generation is one of the major objectives of the new Industrial Promotion Policy. An initiative for this purpose has been taken in the state to launch a new employment scheme for the educated unemployed youth belonging to middle-income group.

## **2. Objectives Of Industrial Promotion Policy**

- To make state administration industry friendly by simplifying rules and procedures
- To accelerate the pace of industrialization and make Madhya Pradesh industrially a leading state.
- To maximise employment prospects
- To attract NRI and foreign investment by developing world-class infrastructure
- To create congenial environment for the development of small, medium and large industries.
- To ensure balanced regional development by generating employment in the non-farm sector
- To chalk out special packages for removing industrial sickness.
- To integrate the different employment oriented schemes in order to provide employment opportunities on a sustainable basis
- To rationalize commercial tax rates to make the state's industries competitive vis-à-vis industries in other states
- To provide direction to industrialization, keeping in view the available local resources and the existing industrial base.
- To ensure private sector participation in the state's industrialisation
- To financially strengthen the undertakings of Department of Industries, enabling them to play a pivotal role in the promotion of industries

### **3. Strategy For Industrial Promotion**

- Providing incentives and facilities in the state to achieve objectives of Industrial Promotion Policy and ensuring effective implementation of planned strategy.
- An Employment Board has been set up for employment generation under which policy for employment and self-employment schemes will be framed and monitored.
- Madhya Pradesh Trade and Investment Facilitation Corporation (TRIFAC) will be set up.
- In the process of industrialisation maximum participation of private sector will be ensured.
- In order to promote investment, the rules of the business of the State Government would be amended and single window system would be strengthened and made effective and dynamic by enacting 'Industrial Facilitation Act'
- Technological up-gradation, modernisation and development of industrial units would be encouraged.
- Clusters of the industries would be identified and necessary steps will be taken to remove their deficiencies related to infrastructure, finance, and marketing and technology.
- Financial concessions will be provided to promote small, medium and large industries.
- Appropriate step for the development of the sectors of information technology, biotechnology, automobile, pharmaceutical, food processing, herbal industries will be taken by considering them as thrust sector industries.
- Rules for the rehabilitation of sick and closed industries will be simplified and special package will be given for their promotion.

## 4. Proposed Action Plan in reference to strategy for Industrial Policy 2004

### 4.1 Part – I

#### 4.1.1 – Industry friendly administration

**4.1.1.1 Industry Advisory Council** – An Industry Advisory Council headed by the Chief Minister would be constituted to give advice and suggestions to the Commerce, Industry & Employment Department for the industrialization of the State. Minister of Commerce, Industry & Employment would be its vice chairman. Minister for Finance, Minister for Energy, Minister for Commercial Taxation, Minister for Housing and Environment, Chief Secretary, Principal Secretary to Chief Minister and Representatives of prominent industries associations of the State will be members. Renowned economists, industrialists and other experts of national repute would be made special invitees/members of this council. The Principal Secretary Commerce, Industry & Employment would be its member secretary.

**4.1.1.2 Constitution of Empowered Committees for single window clearance** – By amending the Rules of Business of the Government of Madhya Pradesh and by enacting Industrial Facilitation Act, empowered Committees would be constituted. These committees would issue single window clearances for industries and other investment projects. The Empowered Committees would have the powers to take required decisions within their jurisdiction for promoting time-bound investments.

#### **A District Level Empowered Committee for Investment promotion**

A District Level Empowered Committee headed by the Collector would issue clearances for projects involving investment up to Rs. 3 crores. General Manager, District Trade and Industry Centre would be its member-secretary. Senior officers of different concerning departments posted in the districts would be its members. The District Trade and Industry Centre would function as a secretariat of this committee.

#### **B- State Level Empowered Committee for Investment Promotion**

A State Level Empowered Committee headed by the Minister for Commerce, Industry & Employment would issue clearances and give necessary directions/orders for projects with investment above Rs.3 crore and up to Rs.25 crores. Managing Director, Madhya Pradesh Trade and Investment Facilitation Corporation would be its member secretary while other members would include Principal Secretaries/ Secretaries of concerning departments. Office of Madhya Pradesh Trade and Investment Facilitation Corporation would be the secretariat of this Committee.

## **C Apex Level Empowered Committee for Investment Promotion –**

An Empowered Apex level Committee headed by the Chief Minister would issue clearances and issue guidelines and instructions for the projects with capital investment of over Rs.25 crore. The Committee would also formulate strategies for investment.

This Committee would also take decisions about the implementation measures; proposed under the Industrial Promotion Policy and Action Plan such as rationalization of taxes, facilities for mega projects and other related matters. This Committee would have the same powers as are delegated to Cabinet Committee on Economic Affairs. The Minister for Commerce, Industry & Employment will be Vice Chairman of the Committee while Minister for Finance, Minister for Commercial Taxation and Chief Secretary would be its members. Principal Secretary Commerce, Industry & Employment would be the member secretary. Depending on the subjects under consideration, Ministers of concerning departments would be specially invited as members of the committee. Madhya Pradesh Trade and Investment Facilitation Corporation (TRIFAC) would be the secretariat for the committee.

Commerce, Industry & Employment Department would be the administrative department of the above said three committees. These committees would issue clearances/no objections in case concerning departments or agencies fail to do so within a stipulated time period and will be binding on all concerning departments/agencies. Under the Single Window system, clearances pertaining to Departments of Housing and Environment, Madhya Pradesh State Electricity Board, Food and Drugs Administration, Energy, Commercial Taxes, Revenue, Labour, Industry and Urban Administration would be issued in a time-bound manner. Madhya Pradesh Trade and Investment Facilitation Corporation(TRIFAC) would be constituted to promote investment and to advice Government in policy matters. This Corporation would be a restructured body of Madhya Pradesh Export Corporation and would function independently and would be the secretariat for implementing the Single Window System.

- 4.1.1.3 –** The Industrial Promotion Policy and Action Plan proposes measures to maximize employment opportunities. In order to achieve this, Madhya Pradesh Rozgar Nirman Board has been created for framing policy and monitoring of the various employment and self-employment schemes.

Schemes envisaged to be implemented under the control and supervision of Madhya Pradesh Rozgar Nirman Board include: –

- 1-Dindayal Rozgar Yojana
- 2-Pradhan Mantri Rozgar Yojana
- 3-Rani Durgavati Yojana
- 4-Cottage Industries

- 4.1.1.4** Taking into consideration the requirements of industry, service and trade sectors, the departmental structure would be decentralized and Zonal Industry Offices would be set up at block development level. Sub divisional offices of the district Trade & Industry center shall be established at no Industry block levels.

#### **4.1.2 – Infrastructure Development**

- 4.1.2.1** Industrial Infrastructure Development Fund would be created to overcome financial difficulties adversely affecting industrial infrastructure development activities. A sum of Rs.10 crore would be contributed annually to Industrial Infrastructure Development Fund in the coming five years. The Fund would be utilized for projects of paramount importance. There will be a provision to return the amount invested after successful completion of such projects. Thus the Industrial Infrastructure Development Fund would be used as revolving fund.
- 4.1.2.2** Development work in the Special Economic Zone near Indore would be accelerated and world-class infrastructure would be developed in this with the collaboration of the private sector.
- 4.1.2.3** Quality infrastructure would be developed in industrial parks like Stone Park - Katni, Readymade Garment Complex-Jabalpur and Indore and Crystal IT Park - Indore.
- 4.1.2.4.** Madhya Pradesh State Electricity Board and its distribution companies would endeavour uninterrupted quality power supply to industries. A notification to this effect would be issued separately.
- 4.1.2.5.** In order to promote agro & food processing industries, Food Parks are being developed at *Nimrani*-Distt.Khargone, *Jaggakhedi*-distt.Mandsour, *Babai-Piparia*, Distt. Hoshangabad, *Boregao* – Distt. Chhindwara, *Maneri* – Distt.Mandla and *Malanpur*- Distt.-Bhind. These parks would be equipped with cold storages, ware houses, milk chilling plants, testing labs, common effluent treatment plant and other necessary industrial infrastructure so that food processing industries could be established.
- Agro-industries based on six agricultural products - potato, onion, garlic, coriander, fenugreek (methi) seeds and wheat would be promoted in the districts identified under the Agriculture Export Zone (AEZ) scheme of the Union Ministry for Commerce and Industry.
- 4.1.2.6** The industrial centres would be connected to national highways and important railway junctions with quality road infrastructure.
- 4.1.2.7** Scientific talents and laboratories available in the state would be harnessed for technological up-gradation and qualitative improvement in the industrial units of the State.
- 4.1.2.8** Extension of Air Services in the State will be promoted.

- 4.1.2.9** Areas, which have good potential for the development of industrial cum commercial infrastructure, would be identified. In these areas, such infrastructure would be built with private sector participation, which would be available to small entrepreneurs and to those establishing industries, service and business under self - employment schemes. To facilitate this, land allotment rules would be amended to make available the land for such purpose
- 4.1.2.10** A minimum of 10 percent of the commercial infrastructure, to be built up by the civic bodies through urban development agencies, M.P. Housing Board etc. would be made available to the beneficiaries of self-employment schemes on a no-profit-no-loss basis.
- 4.1.2.11** Private sector would be encouraged for the development of infrastructure, such as providing power and water supply etc in the industrial areas and for this financial assistance would be provided.
- 4.1.2.12** Double tax system in industrial area and industrial growth centres would be abolished and the maintenance of industrial areas/industrial growth centres will be done through public participation and Self-governing Committees. For this purpose, Madhya Pradesh Municipality Act 1961, Madhya Pradesh Nagar Palik Nigam Act 1956 and Panchayat Act 1993 would be suitably amended for transferring the powers and responsibilities to the said committees for the specified purpose in the industrial areas, such as collection of property tax and other tax, fee payable on transfer of property, drainage, building control, civics facilities etc.
- The Industrial Area Service Committee would collect property and other taxes and facilitate development in industrial areas in accordance with orders or instructions issued under sub-laws and rules of Madhya Pradesh Municipality Act 1961, Madhya Pradesh Nagar Palik Nigam Act 1956 and Panchayat Act 1993. In accordance with the system adopted in Andhra Pradesh, 25 percent of all types of taxes collected would go to the concerned local body while 75% of the amount would be utilized by Industry Area Service Committee for the upkeep-maintenance of industrial areas and up gradation of infrastructure in accordance to the priority fixed.
- 4.1.2.13** Separate area would be earmarked and suitable infrastructure would be built to systematize transport facilities in the industrial areas.
- 4.1.2.14** Efforts would be made to provide necessary infrastructure facilities like common effluent treatment plant, testing facilities, prototype development facilities, and technical consultancy facilities under the Government of India's cluster scheme.
- 4.1.2.15** Small Industrial Estates will be established in the No Industry Tehsils.

### **4.1.3. Export Promotion and Foreign Capital Investment**

- 4.1.3.1** In order to attract Industrial Investment from Large Industries and NRI's to the State, the Madhya Pradesh Trade and Investment Facilitation Corporation would assist foreign investors and NRIs in getting necessary clearances quickly. Fast track clearance process would be adopted for this purpose.
- 4.1.3.2** An action plan would be chalked out for exporting industries so that optimum benefits of Government of India's export promotion schemes could be derived.
- 4.1.3.3** Entrepreneurs of the State would be trained on the export potential and export procedure through actual exporters and the concerning agencies dealing with exports by way of organizing training programs, seminars and conference on the regular basis. Industries and exporters of the State participating in foreign trade fairs would be encouraged.
- 4.1.3.4** Regular awareness programs would be launched to establish effective and meaningful dialogue of the industries-entrepreneurs of the state by inviting the organization set up by India and other countries for foreign trade. Financial assistance will be provided to Govt., Semi Govt. and Govt. sponsored agencies to organise such programs.
- 4.1.3.5** Special facilities would be given to import advanced technology, patent registration and processing of intellectual property right (I.P.R.). To promote research & developed activities, hundred percent expenditure incurred in obtaining patent registration up to a maximum limit of Rs.2 lacs would be reimbursed.
- 4.1.4** **Public/Private Sector Participation**
- 4.1.4.1** Conducive atmosphere would be created to invite and promote private participation in the industrial & infrastructure development of Madhya Pradesh.
- 4.1.4.2** State Govt. undertakings would be given permission for participation with private sector.
- 4.1.4.3** Private participation specially in the following areas would be encouraged:-
- (i) In the development and management of Industrial areas, Food Parks, Herbal Parks, Special Economic Zone, Information Technology Park and Govt. of India's scheme for Clusters.
  - (ii) Physical infrastructure such as Roads, Electricity, Ports, Inland Container Depots, & Airports, etc.
  - (iii) Supportive infrastructure such as electricity, signage advertisement and system management.



- (iv) Urban and Metropolitan co-ordinated infrastructure such as Land and water management, water pollution treatment plants and Solid waste disposal management.
- (v) Social infrastructure such as tourism, health, Education, etc.

Necessary Constitutional and legal provisions will be made in order to make referred actions effective.

#### **4.1.5 Integrated Development of Large, Medium and Small Scale Industries.**

- 4.1.5.1 Co-ordinated drive would be made by District Trade & Industries Centres, Audhogik Kendra Vikas Nigams (AKVNs), M.P. State Industrial Development Corporation (MPSIDC), Directorate of Industries & other concerning departments to make entrepreneurs aware of viable industrial projects and special projects like SEZ, IT Park, AEZ, Food Park, High Tech Park etc. Such campaigns will also be conducted elsewhere to attract entrepreneurs to invest in the state.
- 4.1.5.2 Efforts would be made by M.P.Laghu Udyog Nigam to establish vendor development and linkage between SSI & other Units in developed Industrial Growth Centres such as Pithampur, Malanpur, Mandideep to achieve zero inventory level for improving competitiveness and work efficiency of SSI & tiny sector units.
- 4.1.5.3 All possible efforts will be made to extend uninterrupted and easily available financial support to small industries. Banks and financial institutions would be rewarded for their excellent performance at divisional & state level.
- 4.1.5.4 Training camps, symposium, and workshops, inspiring camps on subjects related to up gradation of SSI would be organized with coordination of industries association, industrial development organization, departments and successful entrepreneurs. Information of probable identified SSI and ancillary industry would be provided to entrepreneurs. CEDMAP will be designated nodal agency for this purpose.
- 4.1.5.5 Looking to the important contribution of industries in the economy, contribution of non-farming sector in employment generation and significant participation in eradication of poverty, special facilities and concessions would be given to promote industries, provide commercial infrastructure, technology up gradation, efficiency improvement and to reach new markets. Special efforts would be made for the establishment of industries by making provisions in Deendayal Rojgar Yojana.
- 4.1.5.6 For expansion of marketing activities organisation of Buyers-Sellers meet, trade fairs etc, would be encouraged. Urban hats (Mela) would be established at Indore and other suitable places for expansion for marketing and display of Small Scale Industries products under the marketing scheme of Development Commissioner (Handi Crafts) Govt. of India.

- 4.1.5.7 In the interest of small-scale industries, complete transparency would be brought in working procedure of Madhya Pradesh Laghu Udyog Nigam and store purchase rules would be amended.
- 4.1.5.8 For participation in national and international level commercial activities, M.P. Trade Fair Authority would be established which would organize trade fairs regularly and create required infrastructure. M.P. Laghu Udyog Nigam shall prepare action plan.
- 4.1.5.9 Efforts would be made to establish national level training centres through support of large industrial houses of MP, working in the fields of information technology, textile, food processing, jems & jewellery and pharmaceuticals.
- 4.1.5.10 Research and Development Institutions of the state would be strengthened and the services would be linked to the industries. They would be entrusted to provide technical guidance to specific industrial clusters. These institutions would be given assistance for obtaining affiliation from international quality testing agencies.
- 4.1.5.11 International and National level institutions in the field of technology, marketing & management technique would be given special encouragement and concessions for opening their branches in the state.
- 4.1.5.12 In the store purchase program of the government, a minimum 30% share would be ensured for the units belonging to ST/SC category, who are not getting full benefits under the present arrangement.
- 4.1.5.13 Under the Government of India act ". Laghu aur Anushangik Audyogik upkramon ko vilambit sanday par byaj Adhinyam 1993 " , Govt. of M.P. have framed the rules named " M.P.Laghu aur Anushangik Audyogik upkramon ko vilambit sanday par byaj niyam 1999" and under these rules govt. have constituted an Industry Facilitation Council. This would be made more effective.

#### **4.1.6. Thrust Sector and Cluster Approach**

- 4.1.6.1 Bina refinery would be treated as special thrust sector project and for its down stream project special industrial area would be established in Agasod, near Bina in which Integrated Infrastructure for industries, services and business related to the project would be developed.
- 4.1.6.2 Keeping in view the competitive benefit, the availability of local raw material, skilled manpower, market, the cluster of such parent & ancillary industries linked with each other would be developed. Destination would be developed, which would promote industrial competitiveness and balanced regional development. Nucleus centres and clusters will be as follows:-
  - Indore - Pharmaceutical, Textile, Food Processing, Information Technology, Auto Component
  - Bhopal - Engineering, fabrication, biotechnology, herbal products, Information Technology, Food Processing.

Jabalpur-	Garment industry, Mineral based, Forest based and Herbal products, Food processing.
Gwalior-	Electronics, Information Technology, Fast Moving Consumer Goods and Commodities, light engineering, food processing.
Rewa-	Refractories, limestone, forest produce.
Sagar-	Processing of secondary & primary minerals

Special economic package would be provided for these clusters. Description of the package of special facilities in addition to prevailing general facilities to textile industry, stone-park, food processing, pharmaceutical, herbal products and automobile component is given in Annexures I, II, III, IV and V.

**4.1.6.3** For establishment of Industrial parks at following locations in the state, government will accord priority for the completion of the work.

Indore/Pithampur	–	Apparel Park, Gem and Jewellery Park, Software Technology Park and Herbal Park.
Bhopal	–	Life Sciences Institute.
Jabalpur/Katni	–	Apparel Park, Stone Park.
Rewa/Satna	–	Herbal Park.
Tikamgarh/Sagar/Chhatarpur	–	Granite Park.

**4.1.6.4** Consequent to the abolishing of the import duty, under WTO agreement on auto parts, electronic hardware and textile industry. Special efforts would be made to develop these industries under "Thrust Sector".

#### **4.1.7 Development of Logistic Activities**

**4.1.7.1** To overcome the absence of sea coast in the state, the state would be developed as centre for logistics services by providing the physical infrastructure like logistic hub, container depot, cold chain infrastructure, commodity bank, dry port, air cargo complex etc. Inland container depots are established at Indore (Pithampur) and Gwalior (Malanpur) and is also being setup at Bhopal (Mandideep), all necessary assistance would be provided for its development.

**4.1.7.2** Madhya Pradesh Logistics and Warehousing Corporation would prepare and implement the logistics master plan of the state in coordination with the concerned department.

**4.1.7.3** Road connectivity with logistic hub would be strengthened and facilities/ assistance and encouragement to private sector investors would be provided for logistic development.

#### **4.1.8 – Rehabilitation of Sick Industries**

- 4.1.8.1** Simplified procedure would be evolved to identify sick industries and district level database would be prepared.
- 4.1.8.2** For providing financial and other concessions to sick industrial units and special package of facilities for re-operating sick/closed industries by acquiring/purchasing and scheme for revival of small-scale sick industries would be prepared as exhibited at Annexures-VI, VII and VIII.

#### **4.1.9 – Integrated Implementation of Self Employment Schemes**

- 4.1.9.1** Prime Minister Rozgar Yojna and other employment-oriented schemes are in operation for the educated unemployed belonging to low-income group families. The State Government would launch Deendayal Rozgar Yojana for educated unemployed persons belonging to middle-income group families of an annual income group up to Rs.1.50 lakh, in place of giving unemployment allowance, so that unemployed youth could get assistance in starting of their own business.
- 4.1.9.2** Single Agency Implementation and by simplification of rules & procedure, of all Central and State sponsored employment-oriented schemes, including Prime Minister Rozgar Yojana, 20 to 30 thousand persons would be engaged in self-employment annually by these schemes.
- 4.1.9.3** Single application system would be evolved for all schemes and time-bound disposal of cases would be accorded top priority.
- 4.1.9.4** Loan would be provided by adopting hand-holding system to impart special training & guidance under Rani Durgavati Scheme to set up self employment venture by entrepreneur & businessmen of schedule caste/tribe category. 33% margin money of the scheme would be provided as subsidy to such beneficiaries. By this scheme employment to minimum 5000 persons would be provided in the state every year.
- 4.1.9.5** For augmenting employment opportunities, Worker Guild would be set up. These guilds under Director, Training, would design syllabus for providing training to unemployed youth in line with the requirements of industries/commerce and train them and provide proficiency certification so that trained/skilled human resource are able to harness better employment opportunities in the open market. By giving face-lift to employment wing; merged with industries department, employment exchange offices would be developed as career counseling centres. These centres would be given annual targets and would be evaluated from time to time. Contractual Service Provider Centre would be developed in the employment offices.
- 4.1.9.6** In order to encourage units set up under self-employment schemes, these would be given opportunities to participate in small trade fairs and an award

scheme would be introduced for entrepreneurs doing excellent works. The proposed Madhya Pradesh Trade Fair Authority would function as the nodal agency.

- 4.1.9.7** Beneficiaries would be provided consultancy and practical training to set up their units. Arrangements for special training would be made at district level to develop entrepreneurship expertise for Scheduled Castes/ Scheduled Tribes/Backward Class & women entrepreneurs.
- 4.1.9.8** The Madhya Pradesh Entrepreneurship Development Centres would work for training in the field of cultivation and processing of medicinal and aromatic plants and simultaneously work for training & establishment of industries in areas having employment potential in floriculture, herbal cultivation collection, processing, worm-culture, urban wastes management etc.
- 4.1.9.9** Entrepreneurship development syllabus would be introduced in universities, technological colleges and technical training institutes to motivate the youth of the state towards self-employment so that the new generation would be attracted towards the industry sector.

#### **4.1.10 – Development of Service & Trade Activities.**

- 4.1.10.1** For augmentation in service & trade activities in industrial areas, Industries department would provide land-plot for identified service & trade activities like export, technology transfer, marketing, consultancy for quality certification, courier services. The proposals of entrepreneurs willing to set up service and trade related units would be forwarded to banks through the District Trade and Industries Centres alike industrial loan cases.

#### **4.1.11 Simplified Procedures**

- 4.1.11.1** Managing Director, M.P.Audyogik Kendra Vikas Nigam/General Manager, District Industries & Trade Centre would issue necessary consents to industries defined in clause 2(B) and 506 categories of industries of annexure-(I ) according to provisions of clause 2(A) of the circular of the Housing and Environment Department, Government of Madhya Pradesh F-A-15/32/94 dated 03.04.94 without hindrance.
- 4.1.11.2** According to the circular of Ministry of Environment and Forests, Government of India – Z-16011/192-CPW dated 13.10.92, renewal of no objection letter for small industries is not required except in the case of 17 industries. Accordingly, Madhya Pradesh Pollution Control Board would abolish the procedure of annual or time bound renewal in the state.
- 4.1.11.3** Keeping in view the difficulties faced by industries and to encourage feasible new investments, new land and shed allotment rules – Madhya Pradesh State Industrial Land and Building Management Rule-2004 would be issued at the earliest.
- 4.1.11.4** Effective steps would be taken in the direction of the simplification of labour laws.

- 4.1.11.5** The provisions of Industrial Planning (Standing Order) Central (Amendment) Rules 2003 issued under amended Labour Laws as published in Government of India's extra ordinary gazette dated 10-12-2003 would be implemented as it is in the State.

## Part II

### 4.2 Concessions and Facilities

The concessions and facilities to be given by the State Government under the Industrial Promotion Policy 2004, would be available to only those units, that have started commercial production on or after 01.04.2004.

- 4.2.1 Interest Subsidy on term loan** – The interest subsidy would be provided for a period of five to seven years to Industrial units, to be set up in backward districts, as per following particulars:-

Category of Backward District	Rate of Subsidy	Period	Maximum amount of subsidy (Rs.in lacs)
'A'	3%	5 years	10
'B'	4%	6 years	15
'C'	5%	7 years	20

Industrial units to be set up in 'No Industrial Block' would be provided interest subsidy at par with Backward 'C' category district.

- 4.2.2. Investment Subsidy** – Small Scale industries would be given subsidy on fixed capital investment as under: -

Category of Backward District	Percentage of Fixed Capital Investment as subsidy	Maximum Amount of subsidy (Rs. In Lacs)
'A'	15%	5
'B'	15%	10
'C'	15%	15

- 4.2.3. Special provisions for Category of Entrepreneurs belonging to schedule caste, Schedule Tribe and Women:-**

- Interest subsidy to SC/ST and Women Entrepreneurs would be provided at the rate of 5% for a period of 5 years without any maximum limit and irrespective of the category of the district.

- Small Scale Industries set up by SC/ST and Women Entrepreneurs in advanced districts would be given investment subsidy at the rate of 15% of Fixed Capital Investment to a maximum of Rs. 5 lacs.
- Maximum limit of Investment subsidy on fixed capital investment for Small Scale industries set up by SC/ST and Women Entrepreneurs would be Rs.6 lacs, Rs. 12 lacs and Rs. 17.50 lacs in backward 'A', 'B', and 'C' category of districts respectively.

#### 4.2.4 Concessions in Land for Mega Projects –

Mega projects would mean industries having fixed capital investment (excluding working capital) of Rs.25 crore and above. Such projects would be provided land at the rate of 25% of the prevalent premium, subject to availability of land and with the condition that the Investment in fixed capital will be made within a period of three years. The Units promoted by Non-resident Indians and 100% export oriented units would be provided land at concessional rate, even if they invest 25 percent less than the investment limit of Rs.25 crore; prescribed for mega projects. Land to such units would be allotted according to the table given below:-

Sl. No.	Project Cost (Rs. In crores)	Land available on concessional rates
1	25 to 50	Maximum 5 acres as per requirement
2	Above 50 up to 100	Maximum 10 acres as per requirement
3	Above 100 up to 200	Maximum 15 acres as per requirement
4	Above 200 up to 500	Maximum 20 acres as per requirement
5	More than 500	Case to case basis

#### 4.2.5 Package of concessions to Mega & Projects of Special importance.

The Apex Level Empowered Committee for Investment Promotion constituted under the chairmanship of the Chief Minister, will sanction special economic and other packages on case by case basis, for the Mega projects having fixed Capital investment of Rs.25 crore and above and for projects of special importance in which modern technique and technology and management is involved, keeping in view their requirements and availability of State resources.

The projects in the sectors of food and agro processing, milk production, herbal and forest based industries having fixed Capital investment of Rs. 10 crore and above will be treated as Mega projects for the purposes stated above.

#### 4.2.6 Land at concessional rates for warehousing

Land belonging to Industries Department would be provided for warehousing on the same rates as applicable for industrial plots.

#### **4.2.7 Project report cost reimbursement**

Expenditure incurred on preparing project reports for setting up of industries would be reimbursed partially to small scale industries at the rate of one percent and for large and medium scale industries at the rate of 0.5 percent of project cost up to a maximum limit of Rs.3.00 lacs.

#### **4.2.8 Reimbursement of expenditure in obtaining ISO 9000 Certification**

Industrial units obtaining ISO 9000 or Quality Certification from international institutions would be reimbursed at the rate of 50 percent of expenditure incurred or Rs.1 lac whichever is less.

#### **4.2.9 Assistance for obtaining the Patent**

In order to promote research and development activities by industries, the expenditure incurred in obtaining patents would be reimbursed to the extent of 100 percent subject to a limit of Rs.2 lacs.

#### **4.2.10 Land at concessional rates to private sector for development of infrastructure**

Land belonging to the Commerce, Industry & Employment Department would be provided at concessional rates to private sector for the development of integrated industrial cum commercial infrastructure.

#### **4.2.11 Assistance to Thrust Sector Industries**

Industries having fixed capital Investment of Rs. 50 lacs and above in the field of textile, information technology, bio-technology, automobile, pharmaceutical and herbal, food processing, agriculture and urban waste processing will be brought in the category of Thrust Sector. In order to specifically encourage this sector, a special subsidy would be provided at the rate of 25% of fixed capital investment to the Industries set up in backward district 'A', 'B', 'C' upto a ceiling of Rs. 10 lacs, Rs. 15 lacs and Rs. 25 lacs respectively. These Industries would not be eligible for investment subsidy as provided in para 4.2.2.

#### **4.2.12 No Mandi fee would be charged on agriculture produce, purchased from outside the State by the food processing industries to be used as raw material.**

#### **4.2.13 Exemption on stamp duty and registration fee**

**A-** The exemption on stamp duty and registration fee on the loan related mortgage documents and agreements; executed by the Industrial units, for



availing loan for their new unit, expansion, diversification, modernization would be as per following particulars: –

Category of District/Block	Stamp Duty		Registration Fee	
	SSI	LMI	SSI	LMI
Backward 'B'	100% exemption	50% exemption	Re1/- per 1000	50% of the normal rate
Backward 'C'	100% exemption	100% exemption	Re1/- per 1000	Re1/- per 1000
No Industry Block	100% exemption	100% exemption	Re1/- per 1000	Re1/- per 1000

[Please Click here to view the related Notification/Order Dated: 20/10/2004](#)

**B-** The stamp duty and registration fee on the lease deed of land and sheds located in Industrial Areas and Industrial Growth Centres, would be charged on the rate of premium fixed by the Commerce, Industry & Employment Department.

**C-** In cases of land transfer in Industrial Areas/Industrial Growth Centres, the stamp duty and registration fee would only be on the basis of transfer fee charged by Industries Department/AKVNs. In proprietary / partnership unit, transfer of land/building to the close blood relations (Husband/Wife, Mother/Father, Son/Daughter, Brother/Sister, Grandson/Granddaughter) of the original allottee would not be treated as conveyance of property and no transfer fee would be charged thereon. Accordingly lease deed would be amended. Rs.1000 as stamp duty and Rs.100 as registration fee would be charged for such amendment in the lease deed.

**D-** The stamp duty and registration fee would be fully exempted in the case of sale of sick/closed industrial units referred to BIFR or the Liquidator and closed units acquired by banks or financial institutions.

**E-** The stamp duty and registration fee would be fully exempted in cases of transfer/sale of closed/sick industries that fall in the ambit of sickness as defined by the Reserve Bank of India.

**F-** The stamp duty and registration fee would not exceed Rs.10 lakh in cases of sale of an industrial unit as 'ongoing concern' to other entrepreneur for better capacity utilization, if the management of the unit has not been able to operate the unit at more than fifty percent of the installed capacity for three years during the last five years. The same would also be applicable in cases, where a company merges/ amalgamates such a unit.

#### **4.2.14 – Subsidy for Establishment of Industrial Park in Private Sector**

In order to encourage private sector for the infrastructure development a special subsidy would be provided for establishment of Industrial Parks and High-Tech Parks. Expenditure on establishment/development of Industrial Park by private

sector would be reimbursed at the rate of 10 percent to a maximum of Rs.1 crore provided it has minimum 100 units in which at least a total of 2500 persons are directly employed. This subsidy would be payable to the institution developing the industrial park, only after it fulfils the said condition in a five year time limit, from the sanction of the scheme.

#### 4.2.15- Industrial Investment Promotion Assistance

- The industries having fixed capital investment of Rs.1 to 10 crore would be given industrial investment promotion assistance; equivalent to 50 percent of the amount of commercial tax and central sales tax (excluding the amount of commercial tax on purchase of raw materials), deposited by them. A provision would accordingly be made in the Industry Department's budget. This would be given for three years in advance districts and for five years in backward districts. The amount of assistance would not exceed more than the fixed capital investment.
- The industries having fixed capital investment of more than Rs.10 crore would be given industrial investment promotion assistance; equivalent to 75 percent of the amount of commercial tax and central sales tax (excluding the amount of commercial tax on purchase of raw materials), deposited by them. A provision would be made in the Industry Department's budget for this assistance.

Sl. No.	Category of District	Minimum fixed capital investment for eligibility (Rs. in crore)	Period of Assistance (in years)
1	Advance	25	3
2.	Backward 'A'	20	5
3.	Backward 'B'	15	7
4.	Backward 'C'	10	10

The amount of assistance would not exceed fixed capital investment.

- Industries in I.T. Sector would get said assistance only in IT parks and not elsewhere.

#### 4.2.16 Entry Tax exemption facility

New Industrial units will be exempted from the payment of entry tax for a period of five years from the date of first purchase of raw material.

**4.2.17** The new districts created, would also be categorized for the purpose of providing concessions and facilities.

**4.2.18** Keeping in view the industrialization that took place during last few years, the blocks without any medium and large scale industries i.e., 'No Industry Block', would be identified again.

**4.2.19** If an existing Industry undertakes expansion /diversification /technological up gradation by making additional fixed capital investment; equivalent to 50% of existing fixed capital investment or more, the industry would get concessions and facilities at par with new industry on the expanded capacity/diversification/technological up gradation and on fixed capital investment, subject to the condition that additional fixed capital investment is Rs. 5 crore or more. This facility would be provided only on the additional production over the average production of last three years of the existing unit. Industrial unit who have not completely utilized the existing capacity will not get benefit of this scheme.

**4.2.20** The concession and facilities to new industries; as provided in the Industrial Promotion Policy - 2004, would not be available for certain industries like slaughter houses, aerated cold drinks (excluding pulp based cold drinks), wine, tobacco and tobacco based products, pan masala, gutka (combination of lime, betel nut and tobacco), traditional industries etc. The negative lists would be included in the relevant rules and may be revised from time to time, by the State Government.

**4.2.21** Industries would be reimbursed the expenditure incurred on technology transfer from National Research Development Council or other Government research centres to the extent of 50% or Rs. 2 lacs which ever is less as a subsidy.

### **4.3 Exemption from electricity duty for captive power plant.**

**4.3.1** Exemption from electricity duty would be given for five years to industries for their captive power plants for which the effective steps have been taken within a year and where the units commence their power generation within the period mentioned as under:-

<b>No.</b>	<b>Type of Power Plant</b>	<b>Period for commencement of Power Generation</b>
1	Bio-gas plant	within two years
2	Hydel/Thermal/other types of power plants	within three years

This exemption would be available to the industry, only for the power used for self consumption..

**[Please Click here to view the related Notification/Order dated: 29.9.2004](#)**

**4.3.2** Madhya Pradesh State Electricity Board would give permission for wheeling of captive power generation at the rates fixed by Madhya Pradesh Electricity Regulatory Commission.

## **5 Annexure according to Action Plan**

### **Annexure-I**

#### **5.1 Special Package for Textile Industry**

The Madhya Pradesh Government has set the following targets for promoting the textile industry:

- Ensuring maximum value addition in utilizing available resources and materials.
- Strengthening the different components of textile industry to meet the challenges posed by globalization.
- Providing maximum employment opportunities.

Following schemes would be implemented to achieve the said targets.

- 5.1.1** Readymade garment and made-up garment industries offer maximum value addition. To promote these industries, the state government would ensure maximum benefits of Government of India's schemes like Apparel Park Scheme, Textile Centre Infrastructure Development Scheme (TCIDS) and establish Apparel Park/Garment Complex at strategic locations. According to provisions of such schemes, the required share capital would be arranged by Commerce, Industry & Employment Department, Audyogik Kendra Vikas Nigams & or Private Investors.
- 5.1.2** Ready-made garment, made-up garment and power loom sectors offer immense employment opportunities. Therefore modernization of units of this sector and to organize them to the extent possible and also to develop essential infrastructure would be necessary. For this, maximum benefit from various schemes of Government of India e.g. Apparel Park, TCIDS, Technology up gradation fund scheme (TUFS), Group work shed scheme, would be accessed and accordingly infrastructure will be developed at various places in the State.
- 5.1.3** Keeping in view of the immense potential of textile industry, maximum capital investment would be encouraged.
- 5.1.4** An Apparel Park and Garment Complex would be set up at Indore and Jabalpur. The concessions and facilities provided in Industrial Promotion Policy – 2004 would be made available to the industries established in the Apparel Park and Government complexes.
- 5.1.5** An Apparel Training Institute would be set up with the assistance of Apparel Export Promotion Council in the State, so that maximum number of trained worker could get employment in the Ready-made Garment industry. More number of women would be encouraged for training.

- 5.1.6** Efforts would be made to establish a national level fashion designing Technology Institute in the State in order to facilitate textile industry of the State regarding the information for design development and to provide forecast, so that the Ready-made garment industry could withstand the global competition. The Technical education department will function as the coordinating department.
- 5.1.7** Power loom sector would be brought under the control of Commerce, Industry & Employment Department for over-all development of this sector and Director, (Small Scale Industries) would also be designated as Director, Power Loom.
- 5.1.8** In order to accelerate the pace of modernization of the unorganized power-loom sector, modern power loom clusters would be developed at Burhanpur, Indore and Ujjain with financial assistance sought under Government of India's Group Shed Scheme.
- 5.1.9** Infrastructure in power-loom cluster would be built up through Audyogik Kendra Vikas Nigams seeking financial support from the Government of India under T.C.I.D.S. The credit facilities available under Government of India's T.U.F.S would be fully utilized by the units set up in the clusters to get modern power-looms.
- 5.1.10** Madhya Pradesh does not have processing house facility for printing and dying of textile as per latest fashion needs and demands. As such, presently grey cloths manufactured in the state are sent to other states for processing. Therefore there is a need to establish a modern process house in the State. In order to meet this requirement, private sector would be encouraged for establishing the process house by providing necessary facilities and if required their cases would be considered by the committee ment for considering Mega Projects.
- 5.1.11** The provision related to labour laws declared for Special Economic Zone vide State Govt. notification No.28-38-01-Sixteen –B (I) B(II) B(III)B(IV) B(V) dated 19.05.2003 will be made applicable to the projects / special areas established /being developed such as Apparel Park, Garment Complex and unit established/being transferred under group work shade scheme.

[Please Click here to view the related Notification/Order](#)  
[Dated: 9/12/2004](#)

- 5.1.12** Considering the nature of the functioning of the power loom, ready-made garments and knitwear units and their ancillaries would be exempted from the binding of minimum wage fixation on a daily basis. They would be allowed to fix wages on piece basis, by exempting from related labour laws.
- 5.1.13** Cotton ginning and pressing units would be provided high quality cotton and they would be encouraged for modernization under centrally sponsored schemes with the help of their recognized associations. Construction of tar roads for smooth

transportation to Cotton Mandi and construction of cement platform for storage of cotton, using Mandi Board's fund would be taken up on priority basis.

- 5.1.14** In order to encourage textile industry for the purchase of yarn produced within the State, a "set off" of 2% (Two percent) on Commercial Tax would be given. An entry tax of two percent would be levied on the purchase of yarn for manufacturing, from outside the State.
- 5.1.15** A textile cell would be constituted in the Directorate of Industries in which related field experts would be included. Industries Commissioner would also be declared as Textile Commissioner.
- 5.1.16** Malwa region of the state would be specially developed as Textile Zone in which Apparel Park, Garment Complex; Power-loom Clusters etc. would be set up under Centre and State Government – sponsored schemes. The Textile Commissioner would specifically focus on the development of organic farming, development of infrastructure and modernization in this field.
- 5.1.17** Textile Commissioner would identify new market for marketing of the product; produced by apparel and garment industry. He would take necessary steps for increasing the share of the State's produce in the national and international market. Backward linkage would be set up for convenience of these industries.
- 5.1.18** An empowered state level textile promotion committee headed by the Chief Secretary would be set up to coordinate and review various activities and to resolve problems faced by the textile industry. The Members of the committee would be as under: -

(i)	Principal Secretary, Commerce, Industry & Employment Department	–	Member
(ii)	Principal Secretary, Rural Industries Department	–	Member
(iii)	Principal Secretary, Finance Department	–	Member
(iv)	Principal Secretary, Agriculture Department	–	Member
(v)	Principal Secretary, Commercial Taxes Department	–	Member
(vi)	Industries/Textile Commissioner	–	Member Secretary

The Committee may also invite officers from other Departments and experts from Textile sector in its meetings as special invitees.

**5.2- Special facilities for industries to be set up at Stone Park**

The State Government would set up a Stone Park at Hardua, Katni District, keeping in view of abundant reserves of good quality of Marble in Madhya Pradesh. Thereafter another Stone Park would be developed in the Integrated Infrastructure Development Centre Lamtara District Katni. The units set up in the Stone Park would get following additional facilities, in addition to the concessions and facilities to other industries:-

5.2.1. First ten units would be given rebate in premium for the allotment of land, as mentioned below:-

First five units	- 50% of the prevalent Premium
Next five units	- 25% of the prevalent Premium

However, the lease rent and development charges (which include maintenance charges) will be payable corresponding to full prevalent premium.

5.2.2 The facility of payment of premium in instalments could be given; up to a maximum period of three years. This facility would not be provided in the cases where land is allotted on the rebate on premium.

5.2.3 The application received for mining lease would be disposed by a committee constituted under the chairmanship of Collector, Katni, through "Single Window" system. Managing Director, Madhya Pradesh Audyogik Kendra Vikas Nigam would be the convener of the committee.

5.2.4 The units to be set up in the Stone Park would be permitted to mortgage mining lease hold rights to the concerning financial institutions for obtaining the term loan.

5.2.5 A special cell would be set up at the Directorate of Geology & Mining to promote mineral based industries. The cell will provide guidance to the entrepreneurs on regular basis, with regard to availability of minerals in the State and industries, which could be established, based on it. It will also provide technical and technological input regarding it.

5.2.6 In order to facilitate the marketing of the products of Stone Park adequate arrangements would be made for the publicity and the exhibitions would be organized.

5.2.7 Necessary infrastructure would be developed for making Katni as National Marketing Centre for the sale of marble.

### **5.3 – Concessions and Facilities available to Food Processing Industries**

The development of food-processing industry is essential with a view to increase the opportunity or value addition to the agriculture and other local produce. The Govt. of India is providing special assistance for the infrastructure development needed for the growth of food processing industry. It would be necessary to specifically encourage the food processing industries for its fast growth in the State by giving concessions and facilities. The facilities will encourage continuous value addition at local level and the benefits will reach upto the producers.

The food processing industries **will get following additional concessions and facilities in addition to the concession and facilities** availed by other general industries e.g. interest subsidy, capital investment subsidy, land at concession rates for mega project, industrial investment promotion assistance, entry tax exemption, project cost reimbursement, reimbursement of expenditure incurred on getting ISO 9000, Patent registration exemption in stamp duty and registration fee. Thrust sector investment subsidy concession on expansion, diversification and technical upgradation etc:-

#### **Facilities –**

**5.3.1 Quality Certification cost reimbursement :-** Expenditure incurred in obtaining necessary National/International Quality Certification such as FPO, Agmark, BIS, Euro Standard etc. by the food processing industry will be reimbursed, upto maximum of Rs. 1 lakh.

**5.3.2 Subsidy for Research and Development work in Food Processing Industry:-** In order to give encouragement for Research and Development in food processing industries, 10% of actual expenditure incurred for it subject to a maximum Rs. one lakh would be reimbursed as a subsidy.

**5.3.3 Subsidy for marketing assistance to small scale industries of food processing sector:-** The efforts of small scale industries of food processing sector in popularizing their produce and Brand would be assisted. In this regard, the reimbursement of actual expenditure for putting up the stall in the exhibition of National level, State level exhibition/seminar or for advertisement for it, would be done as under:-

First year	-	Rs. 75 thousand.
Second year	-	Rs. 50 thousand.
Third Year	-	Rs. 25 thousand.

**5.3.4** In food parks common facilities like cold storage, warehouse, etc., are being established. These facilities would be utilized to its maximum capacity and once the industrial units are set up in the parks. The next preference for using infrastructure facilities would be given to the weaker sections of the society namely, Co-operative societies run by Scheduled caste, scheduled tribes & Women. The persons belonging to weaker section i.e. Scheduled Caste,



Scheduled Tribe, women and co-operative Societies would be given preference for keeping their produce in the cold storage/warehouse.

- 5.3.5** The concession and facilities to new industries; as provided in the Industrial Promotion Policy - 2004, would not be available for certain industries like slaughter houses, aerated cold drinks (excluding pulp based cold drinks), wine, tobacco and tobacco based products, pan masala, gutka (combination of lime, betel nut and tobacco), traditional industries etc. The negative lists would be included in the relevant rules and may be revised from time to time, by the State Government.
- 5.3.6** No Mandi fee would be charged on agriculture produce, purchased from outside the State by the food processing industries to be used as raw material.
- 5.3.7** Traditional food processing industries like pulse mill, rice mill, oil expeller, Poha mill etc. would not be given facilities proposed for the food processing units. If necessary, this list would be amended from time to time.

### **5.3.8 - Special Package For The Units To Be Set Up In Food Parks**

- 5.3.8.1** Land would be allotted at concessional rates to attract entrepreneurs in the food parks to be set up at Nimrani, District Khargone, Jaggakhedi, District Mandsour, Babai-Piparia, District Hoshangabad, Boregaon, District Chhindwara, Maneri, District Mandla, Malanpur, District Bhind and at other places announced by the State Government. First ten industries would be given rebate in premium in the following manner:-
- (i) initially 100% premium will have to be deposited by the entrepreneur, setting up their unit in food park .
  - (ii) 50% of the premium deposited by the entrepreneur will be returned, if the industry commences the production within the stipulated period.
- 5.3.8.2** Industrial Investment Promotion Assistance would be given to the Food Processing Industry having a fixed capital investment below Rs. ten crore.
- 5.3.8.3** Mandi fee for purchasing agriculture produce as raw material would be exempted for the food processing units to be set up in the food park.
- 5.3.8.4** The food processing units working as seasonal units to be set up in the food parks would be declared as seasonal industries and be given relaxation in labour laws. They would also be given exemption from the traffic related to minimum power bills.
- 5.3.8.5** The sales tax paid on purchase of raw material by the units set up in the food park would be adjusted ( set off) into the sales tax payable on the sale of finished product.
- 5.3.8.6** The Agriculture and Horticulture Department would take initiative to promote contract farming around the Food Park as per the demand of industries established at food parks.

- 5.3.8.7** Madhya Pradesh Agro Industries Development Corporation and Madhya Pradesh Khadi Gramodyog Board would extend assistance for marketing of product of the units; set up in the food parks.
- 5.3.8.8** Services of private specialist (consultants) would be taken to promote investment in food parks. They would widely advertise the food park and help the entrepreneurs establishing the units there.

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## **Annexure – IV**

### **5.4 Package for Pharmaceutical and Herbal Industries**

- 5.4.1** Food and Drugs Control Administration would be decentralized, following which a fully empowered regional office shall be activated at Indore.
- 5.4.2** State Drug Advisory Committee shall be constituted for speedy disposal of problems of pharmaceutical industry. The State Government, Pharmaceutical Industries, Traders & representatives of medical profession shall be the members of this committee.
- 5.4.3** Fifty percent of the expenditure incurred on obtaining technical services for certification of Good Manufacturing Practices (GMP) from the World Health Organization would be reimbursed up to a maximum limit of Rs. one lakh.
- 5.4.4** Initiative would be taken to set up a regional office of Drug Controller General of India in the State.
- 5.4.5** Problems related to assessment of maximum power demand of small-scale drug manufacturing industries on installation of new machinery and equipments shall be sorted out.
- 5.4.6** Small pharmaceutical industrial units would be given priority in purchases, made under the Store Purchase Rules.
- 5.4.7** A Special Campaign would be launched for credit facilities and credit link capital subsidy scheme under modernization scheme of SIDBI for technological up-gradation and quality improvement in the state's pharmaceutical industries.
- 5.4.8** Special arrangements shall be made for speedy disposal of departmental formalities from the licensing authority and other departments for manufacturers of drugs & herbal products.
- 5.4.9** Pharmaceutical Industries shall be encouraged to participate in the International Trade Fairs.

- 5.4.10** The Government of India provides 50 percent grant to Pharma units on the registration fee charged in other countries, State units would be provided guidance for availing this facility.
- 5.4.11** Testing labs, one each at Sagar and Bhopal, would be established under the Central Government's Scheme for herbal industries. The State Government shall provide its share upto a maximum of Rs.25 lakhs.
- 5.4.12** In order to promote the export, the small entrepreneurs of herbal industries shall be provided financial assistance to take part in international trade fair and exhibition in the forthcoming three years. Annual budget provision of Rs. 50 lacs would be made for the purpose.
- 5.4.13** In order to encourage the export of state herbal products, an additional 25 percent reimbursement shall be made by State Government apart from the reimbursement available from Government of India, on registration fee charged by other countries. Initially this scheme will be operational in coming three years and anticipated expenditure will be Rs.25 lakhs per annum.
- 5.4.14** In order to promote the marketing of herbal products, national level Herbal Fair would be organized at divisional headquarters like Rewa, Jabalpur etc., so that the manufacturers are directly benefited.
- 5.4.15** With a view to build up outstanding integrated infrastructure at those places that offer good prospects for Herbal and Ayurvedic products based industries, Herbal parks and demonstration centres would also be developed.
- 5.4.16** Workshops shall be organized at two places in the state every year to explore the possibilities of setting up Herbal and Ayurvedic product industries based in the state.
- 5.4.17** In order to promote the export of medicinal plants and herbs, an M.O.U will be signed between M.P Laghu Vanopaj Sangh and Madhya Pradesh Trade and Investment Facilitation Corporation Ltd.
- 5.4.18** Generally the scope of Herbal & Ayurvedic industries is in advance districts like Bhopal, Indore etc. Herbal & Ayurvedic industries set up in all such advance districts shall be provided State Investment Subsidy, Industrial Investment promotion assistance like Backward 'A' category districts.
- 5.4.19** The Industrial Investment Promotion Assistance shall be provided to Herbal and Ayurvedic product based industries even if their capital investment is less than Rs.10 crore but exceeds Rs.1 crore.
- 5.4.20** Labour laws provisions declared by the State Government for SEZ vide notification No. F-28-38-01-16B(1) B(II) B(III) B (IV) B(V) dated 19.05.2003, shall also be applicable to established/ to be developed herbal parks and herbal/Ayurvedic product based industries in the State.

[Please Click here to view the related Notification/Order](#)  
[Dated: 9/12/2004](#)

- 5.4.21** Herbal and ayurvedic based Industries would be exempted from payment of stamp duty and panchayat fee charged for, change of name of firms, inclusion of partners, collaboration, re-constitution, amendments in the lease-deeds and for loan agreements made with financial institutions, for three years.

[Please Click here to view the related Notification/Order](#)  
[Dated: 9/12/2004](#)

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**Annexure - V**

**5.5 Package for Automobile Components.**

- 5.5.1** Commercial tax rates levied on automobile components industries and trade shall be rationalized and will be brought at par with the rates prevalent in other competing states.
- 5.5.2** Entry tax rates on raw material like steel being used by automobile component industries shall be rationalized.
- 5.5.3** A special cluster shall be developed for automobile components at Pithampur distt. Dhar under the industrial infrastructure upgradation scheme of Government of India in which appropriate infrastructure and common facilities would be developed with an investment of Rs.50.00 crores.

**5.6“Special package” of facilities to be extended by Government of M.P. for sick/closed industries to be restarted after take over/buying out.**

The Govt. of M.P shall provide following facilities under “ SPECIAL PACKAGE” for those BIFR referred large and medium scale industries which are rehabilitated through change of management or by way of buying out, under liquidation after recommendation for winding up by the BIFR and taken over/purchased units by the state corporation MPSIDC or MPFC :-

**5.6.1 NON-FISCAL**

- 5.6.1.1 For smooth running of industry, Labour Department of Govt. of M.P shall provide all possible assistance to resolve disputes between management and labour.
- 5.6.1.2. Industries department shall provide all necessary assistance for resolving problems faced by the industry from various other Depts. of Govt.
- 5.6.1.3 As needed, rehabilitated unit would be declared Relief- Undertaking.

**5.6.2 FISCAL**

- 5.6.2.1 Commercial Taxes {Sales tax, Entry tax, Purchase tax} exemption/ deferment facility sanctioned earlier, would be available as per eligibility for remaining period after the date of take over.
- 5.6.2.2 Assistance under “ Industrial promotion Assistance scheme” shall be extended as per eligibility.
- 5.6.2.3 In case if, arrears of commercial taxes {Sales Tax, Entry Tax, Purchase Tax} are due on taken over unit, then within 3 months from the date of take-over, if actual amount of commercial tax i.e assessed tax is deposited in one stroke then entire interest/penalties shall be waived, otherwise arrears of commercial tax {inclusive of interest/penalties} could be allowed to be repaid in 6 half yearly installments. In case there is a delay in re-paying these installments then interest at the rate of PLR of State Bank Of India shall be charged.
- 5.6.2.4 If the buyer invests 50% or more on earlier investment in fixed capital of rehabilitated unit, then this unit shall be treated as new unit and shall get facilities as applicable to new unit.
  - (a) The depreciated value of fixed assets of the rehabilitated unit shall be taken for calculating fixed capital investment, as it stood on the date of declaration of the unit as sick by the BIFR.
  - (b) If buyer has bought the unit on account of change of management then purchased value, shall be taken for calculating fixed capital investment.

- 5.6.2.5 Minimum demand charges levied by MPEB for the closure period of the unit shall be waived, but in case unit has already deposited this amount, then it shall not be refunded or adjusted in future.
- 5.6.2.6 If amount of arrears of actual bill of M.P.E.B is paid within a period of 3 months from take over, in one stroke, then penal charges levied on account of delayed payment, shall be fully waived otherwise actual amount payable {inclusive of penal charges} shall be allowed to be repaid in six half yearly installments. In case there is delay in re-paying these instalments then interest at the rate of PLR of State Bank Of India shall be charged.
- 5.6.2.7 If the power connection of taken over unit is disconnected due to non-payment of electricity bill or due to breach of agreement of M.P.E.B, then reconnection shall be made without asking for new security deposit from the taken over unit.
- 5.6.2.8 If the arrears of local bodies taxes such as water tax, octroi, property tax etc\* is paid within a period of 3 months from take over in one stroke then interest/penalties levied shall be fully waived. Otherwise actual amount payable {inclusive interest/penalties} shall be allowed to be repaid in six half yearly instalments. In case there is delay in re-paying these installments then interest at the rate of PLR of State Bank Of India shall be charged.
- 5.6.2.9 If taken over unit is situated in industrial area or growth centre of A.K.V.N and if buyer pays within 3 months from take over, the actual arrears of lease rent, maintenance charges and water charges in one stroke, then entire interest/penalties shall be waived. Otherwise actual amount payable {inclusive interest/penalties} shall be allowed to be repaid in six half yearly instalments. In case there is delay in re-paying these installments then interest at the rate of PLR of State Bank Of India shall be charged.
- 5.6.2.10 On account of taken over, stamp duty to be levied on land/building and other fixed assets shall be fully exempted.
- 5.6.2.11 If buyer invests Rs.10 Crore or more as fresh share capital investment, then the unit could be considered for extending facilities given to units investing capital investment of Rs.25 Crore or more under "MEGA PROJECT".

Above mentioned facilities shall not be automatically applicable on mere take over or buying of any unit. This facilities could be limited on specific facility or all facilities shall be sanctioned on merit of each case by High level committee headed by Chief Secretary constituted under policy package 1988.

**5.7 Policy package “2004” of financial and other Concessions to be extended to the sick industrial Units of the state.**

Large and medium scale sick industries of the state, whose cases are under consideration before Board for Industrial and Financial Reconstruction {B.I.F.R} under Sick Industrial Companies {Special Provision} Act 1985 and if Board {B.I.F.R} is preparing rehabilitation scheme for these Industries or have taken decision to prepare the scheme than the concerned industrial unit shall be extended following facilities under Policy Package 2004: -

- 5.7.1 Efforts shall be made to provide uninterrupted power supply of good quality.
- 5.7.2 Arrears up to “cut of date” mentioned in sanctioned scheme or date of sanction of scheme the minimum demand charges and low power factor penalty levied by M.P.S.E.B for closure period of the unit shall be waived.
- 5.7.3 During the period of rehabilitation if sick unit wants to cut maximum “Contract Demand” then it shall be revised accordingly.
- 5.7.4 Current Electricity bill could be adjusted against security deposits with M.P.S.E.B and after rehabilitation period security deposit shall be taken.
- 5.7.5 Up to cut of date mentioned in the sanctioned scheme or date of sanction of scheme; arrears of M.P.S.E.B shall be allowed to be paid in maximum of 36 monthly installments.
- 5.7.6 Up to cut of date mentioned in sanctioned scheme or date of sanction of scheme penal charges levied on account of delayed payment of Electricity bill shall be waived.
- 5.7.7 Permission for sale/sub-lease of surplus land available with the units wherever required shall be granted, provided this land is not situated in industrial area/growth centre. Use of land could also be permitted if required but unit will have to ensure that amount received from land sale is utilized for implementation of rehabilitation scheme only.
- 5.7.8 Up to cut of date mentioned in sanctioned scheme or date of sanction of scheme if arrears of commercial taxes is paid in within 3 months from the date of decision of Government then only actual amount of commercial taxes i.e. assessed tax shall be allowed to be deposited and entire interest/penalties shall be waived.
- 5.7.9 Up to cut of date mentioned in sanctioned scheme or date of sanction of scheme arrears of commercial taxes {inclusive of interest/penalties} could be deferred during rehabilitation period, but after rehabilitation period arrears could be allowed to be deposited in maximum of 36 monthly installments.
- 5.7.10 If unit deposits arrears of commercial tax in one stroke {as per facility no. 8 } then from the cut of date mentioned in sanctioned scheme or date of sanction of scheme unit shall be given assistance under ‘Industrial Promotion Assistance’.

5.7.11 If the unit has any dues against Govt. Department/Institution, then Govt. shall not insist for any bank guarantee.

5.7.12 Unit shall be declared "Relief Undertaking" according to the requirement, during rehabilitation period.

Facilities shown in the above package shall be sanctioned by the high level committee constituted for granting concessions for sick Industries under the chairmanship of Chief Secretary on the basis of merit of the case and would be limited to this policy package 2004.

In case if there is any other relief/concessions sought from the State Govt. beside policy package 2004, then that specific relief/concessions could be considered by high level committee. If this relief is found eligible then committee can recommend to related forum/committee or cabinet for decision.

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**5.8 REVIVAL SCHEME FOR SICK SSI UNITS**  
**(Madhya Pradesh Small Scale Industries Revival Scheme)**

**5.8.1.** Rampant sickness among the Small Scale units has been causing serious concern to the Government. Industrial sickness causes unemployment, non-payment of State and Central Government dues, blocking of institutional finance and non-utilization of productive assets. The factors responsible for sickness can be identified as obsolete technology, non-availability of skilled manpower, poor resource management, diversion of funds, lack of entrepreneurship, lack of professionalism, marketing problems etc. Industrial sickness is an integral part of the process of development. However, concerted efforts are to be initiated by the Government and other agencies concerned for timely detection of sickness at its incipient state.

In this context, it is to be noted that the Government of India has set up a statutory body, namely **Board for Industrial & Financial Reconstruction (BIFR)** under the **Sick Industrial Companies (Special Provisions) Act, 1985** to facilitate the revival of viable sick industrial units and also the winding up of non-viable sick units. SSI sector, however, does not come under the purview of the BIFR. In this connection, 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. In Madhya Pradesh, there is no scheme for revival of viable sick SSI and non-BIFR industries except the "**Margin Money Scheme**", which has been in operation since 1981. In practice, it has been felt that the "Margin Money Scheme" has its limitations in helping the SSI units to overcome sickness. Therefore, there is a need to formulate a more comprehensive package for revival of sick SSI and non-BIFR units in Madhya Pradesh. With this in view, a new scheme namely "**Madhya Pradesh Small Scale Industries Revival Scheme (MPSSIRS)**" is being introduced as under:

**5.8.2. Title:** The scheme shall be called "**Madhya Pradesh Small Scale Industries Revival Scheme (MPSSIRS)**".

**5.8.3. Operation period:** This scheme shall come into operation with effect from the date of issue of this order.

**5.8.4. Applicability:** The scheme shall be applicable only to small scale industrial units/ ancillary units and non-BIFR (not eligible for BIFR) units in the manufacturing sector whose total investment in plant & machinery exceeds Rs. 5.00 lakhs in fixed assets excluding land & buildings. The scheme would not be applicable to service and business enterprises.

**5.8.5. Definitions:**

**5.8.5.1 Sick unit:**

A SSI unit will be considered sick if its audited accounts for the year 2002-03 or on the basis of the audited accounts of succeeding year(s).

- a) The borrower accounts of the unit remains substandard for more than six months i.e. principal or interest, in respect of its borrower accounts has remained overdue for a period exceeding one year. The requirement of overdue period exceeding one year will remain unchanged even if the present period for classification of an account as sub-standard, is reduced in due course;

**Or**

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

**And**

- b) The unit has been in commercial production for at least two years before its closing.

**And**

- c) The unit has remained closed continuously for 3 years. Cause of closure may be detachment of electric connection or the return of commercial tax of this period being nil or any other cause as empowered committee deem fit.
- d) Books of account means those audited books of accounts of unit, for which unit has reported to the Registrar of Companies or audited by a Chartered Accountant.

#### **5.8.5.2 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 concerns, net worth means the sum total of partners'/ proprietor's capital and free reserves.

#### **5.8.5.3 Free Reserves:**

Means all reserves created out of profit and share premium account but does not include reserves created out of revaluation of assets, written back depreciation under amalgamation provisions.

#### **5.8.5.4 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.

#### **5.8.5.5 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 under any law to advance term loans to industrial units.

#### **5.8.5.6 Viable sick unit:**

Means a unit in the manufacturing sector with investment in plant & machinery of over Rs.5.00 lakhs that would be in a position, after the implementation of rehabilitation package spread over a period not exceeding 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 MPSEB etc. within the period of implementation of the package.

**5.8.5.7 Dues payable:**

Means amounts outstanding as dues to all statutory authorities like Commissioner of Commercial Taxes, Collector of Customs and Central Excise, Commissioner of Income Tax, Regional Provident Fund Commissioner, MPSEB or such other authorities which have legal claims to receive payment from the unit.

**5.8.5.8 Appraisal Agency:**

Agency engaged to appraise the viability of the sick industry as agreed by the Industry, the Financing Bank/Institutions and the Empowered Committee. These institutions would be as described in column No.8.3.

**5.8.5.9 State Government:**

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

**5.8.5.10 Special Cell:**

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

**5.8.5.11 MPSEB:**

Means Madhya Pradesh State Electricity Board or its associate companies.

**5.8.5.12 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 by MPSSIRS for rehabilitation of the sick unit. No assets acquired, created and/or paid for after the period as mentioned above shall be considered eligible.

**5.8.5.13 Eligible Fixed Capital Investment:**

Means Investment in land, new building, other permanent constructions and technical know-how fees.

**a) Land:**

The actual price paid for the land to the extent needed for the industrial unit excluding land development charges but including expansion and modernization within the period of and as part of the project for rehabilitation.

**b) New Building:**

Means additional building constructed to accommodate additional machinery acquired for the purpose of balancing expansion and modernization within the period of and as part of the project for rehabilitation.

- c) **Other Permanent Construction:**  
Means other civil work required for installing plant & machinery or required for effluent treatment plant.
- d) **Plant & Machinery:**  
Means new plant & machinery and imported second hand machinery and installation expenditure capitalized for plant & machinery, capital interest during construction cost not exceeding 5% of the total fixed capital investment.
- e) **Technical Know-how fee:**  
Technical know-how fees or consultation fee paid in lump sum to foreign suppliers as approved by Govt. of India in accordance with the policy in force from time to time or paid to laboratories recognized by the State Government or Central Government.

**5.8.6. Relief:**

The State Government has accepted in principle that the parameters applicable to medium and large-scale units for the purpose of BIFR would also apply to small scale, ancillary and non-BIFR sick industrial units while formulating rehabilitation package. Accordingly the following relief and concessions are being made available.

Necessary funds to operate the scheme and meet the financial sacrifices on behalf of Govt. and its agencies shall be provided in the budget allocation of Industries, Commerce & Employment Department. The number of units to be provided relief shall be contingent on the availability of funds in any given year.

**5.8.6.1 Fiscal Relief: -**

Eligible units under the Scheme will be entitled to the following relief and concessions from various departments/agencies of the State Government.

**5.8.6.1.1 Commercial Tax Department:**

The unit will be provided with the facility to pay the arrears of commercial tax i.e. assessed tax in 36 equal monthly installments or twelve equal quarterly installments without any interest/ penalty..

**5.8.6.1.2 M.P. State Electricity Board (MPSEB):**

An eligible unit under the Scheme would be granted the following relief by MPSEB:

- a) Minimum charges would be waived during the closure period. However, there shall not be any refund of minimum charges if the unit has already paid it.
- b) In cases where power has been disconnected due to non-payment of bills or the agreement being terminated ex-parte, no fresh security deposit would be insisted upon.

- c) The arrears on electricity bills could be paid to M.P State Electricity Board in six half yearly installments from the date of sanction of revival scheme for the unit.
- d) Interest on dues to MPSEB during the closure period will be waived in case of reconnection of Electric supply, the additional service charge payable to MPSEB, would be waived.
- e) Penal charges imposed by MPSEB on the unit would also be waived.

**5.8.6.1.3 Commerce & Industry Department:**

- a) If any SSI unit, which has been sanctioned the revival 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) Those units, which are closed continuously for 3 years, would be granted the facilities as applicable to a new unit. If additional capital investment is done, then State Capital Investment Subsidy would be granted as per eligibility.

**5.8.6.1.4 Continuation of Incentives sanctioned earlier:**

MPSSIRS will also be applicable to a sick unit, even if there is change in management. The revived unit would be eligible for the benefits, which remained un-utilized in the old unit due to sickness.

**5.8.6.1.5 Additional Relief: -**

In addition to the above fiscal concessions, MPSSIRS may recommend to the concerned authorities for granting of following additional concessions

- 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 Agency System.

**5.8.7. Empowered Committee:**

Government of Madhya Pradesh constitutes an **Empowered Committee** with the following members for sanction of rehabilitation package under MPSSIRS:

- |     |   |                  |
|-----|---|------------------|
| 1.  | Commissioner of Industries                        | Chairman         |
| 2.  | Nominee of Principal Secretary, Energy Department | Member           |
| 3.  | Secretary, Finance Department or nominee          | Member           |
| 4.  | Managing Director, MPFC                           | Member           |
| 5.  | Member Secretary, MPSEB or his nominee            | Member           |
| 6.  | Commissioner, Commercial Tax Department           | Member           |
| 7.  | General Manager of concerned Bank(s)              | Member           |
| 8.  | Representative of Appraisal Agency                | Member           |
| 9.  | General Manager, SIDBI                            | Member           |
| 10. | Director, Trade & Small Scale Industries          | Member Secretary |

The Chairman, Empowered Committee may co-opt additional members as deemed necessary. Presence of at least 50% of the members will be required to fulfill

the quorum. This committee is empowered to take final decisions. In case of difference of opinion, the decision will be taken on majority opinion. Committee will take decisions within 90 days from date of receiving of application. The applicant may be informed within 30 days from the date of decision taken.

It will be the responsibility of the Chairman of the Committee to organize the meeting within the stipulated time and to make decisions. If the decision could not be given, the State Government(Commerce & Industry Department) would be informed within 15 days with appropriate reasons.

**5.8.8. Procedure:**

**5.8.8.1 Initial Scrutiny for eligibility of case: -**

**5.8.8.1(a)** The cases received in Industries Commissioner Office with report of General Manager, District Trade & Industries Centre will be scrutinized preliminarily and if found eligible, they will be registered and a registration number will be issued. This procedure will be completed within 7 days. The Chairman of the Committee will determine the eligibility of the case.

**5.8.8.1(b) Circulation amongst the members: -**

After registering the unit's application, copies of application shall be circulated amongst the concerned members of the Empowered Committee for giving their views and comments of the respective department. Concerned members have to present in the meeting along with comments of their respective department within a period of fifteen days.

The views of the concerned members as well as other relevant issues shall be discussed in the subsequent meeting of Empowered Committee following the date of registration

**5.8.8.2 Application fees :-** Rs.1000/- (Rupees one thousand only)

**5.8.8.3 Reference to Authorised Consultants for appraisal: -**

Applicants will submit their application with the appraisal done by appraisal agencies listed in the Directory of Industrial Consultants published by IDBI/SIDBI or by MPCON. Agencies should agree whether the revival of unit is possible or not. Applicant should necessarily submit the appraisal scheme report of consultant with the application. The relief and concessions to be granted by various agencies as Bank/Financial Institutions to be borne by each of them should also be quantified in the application.

**5.8.8.4 Circulation amongst the members of the Empowered Committee: -**

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

#### **5.8.8.5 Sanctions by the concerned agencies:**

After receipt of the report from the Empowered Committee, the concerned agencies (other than the departments of the State Government and its agencies) shall grant their consent for the relief and concessions envisaged within a period of thirty days. In case they are not in a position to grant their consent within this time period, they should advise the Special Cell accordingly, giving cogent reasons for the non grant of the relief 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 through the Industries and Commerce Department.

In case the financing bank and/ or financial Institution is not agreeable to sanction rehabilitation assistance to the unit, they shall have to state cogent reasons for the consideration of the special cell.

#### **5.8.8.6 Sanctions under MPSSIRS :**

At the end of the aforesaid period of 30 days, Empowered Committee shall discuss the unit's case in a meeting where a final decision on the revival package would be taken.

#### **5.8.8.7 Time frame for issuance of orders:**

The respective Departments of the State Government or its agencies participating in the rehabilitation programme of sick unit shall sanction the relief as decided by the Empowered committee under the provisions of the respective acts/rules, policy or provisions. They shall issue final orders sanctioning relief/concessions to the unit within one week of the receipt of the minutes of the meeting of the Empowered Committee wherein the decision to grant relief to the concerned sick unit has been taken failing which these shall be deemed to have been given.

#### **5.8.8.8 Quantum of Financial Sacrifice:**

While working out of the rehabilitation package, it should be ensured that the amount of financial sacrifice to be borne by the State Government/ MPSEB **Does Not** exceed the sacrifices envisaged from the Banks/ financial institutions. This condition shall not apply in case of a unit that has not availed of any finance from any Bank/ financial institution on the date it approaches the State Government for assistance under the present package. The amount of financial sacrifice shall be computed as follows:

A unit that has been granted relief/ installments in the payment of arrears of State Government pays dues at 12 % rate of interest. The State Government normally recovers arrears with a penal rate of interest at 18% p.a. The difference in the rates of interest between the two i.e.

interest at 6 % p.a. will therefore be considered as the financial sacrifice from the State Government.

Relief and concessions from MPSEB may be in the form of exemption of 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% p.a. from the stipulated date of payment of the deposit till the date of termination of the rehabilitation package may be considered as the amount of sacrifice.

#### **5.8.9 Terms And Conditions For Grant of Relief:**

- a) The special Cell should carry out periodical reviews apart from annual reviews of the performance of the unit under rehabilitation. During the period of rehabilitation the unit shall arrange for auditing of its accounts by a firm of chartered accounts as approved by the Empowered Committee. The unit that avails of relief under this scheme shall neither declare dividend nor pay interest on the deposits put up by the promoters during the currency of the rehabilitation package.
- b) The Industrial unit availing of the incentives under the Scheme will install and maintain pollution control measures as per the standards prescribed and approved by competent authority in this regard.
- c) The Industrial units will have to remain in production continuously at least till the expiry of the rehabilitation period granted 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.

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### **5.9 Deen Dayal Rojgar Yojna**

The educated unemployed youth of the state are encouraged and assisted to establish self-employment through "PRADHAN MANTRI ROJGAR YOJNA" presently. However under this scheme the unemployed youth of families having income of more than Rs. 40,000/- per annum are not eligible. Similarly under other self-employment schemes of various Corporations, the beneficiaries of specified category or income group can only seek benefit. The eligibility criteria of all these schemes are generally based on urban & rural poverty line income, whereas the percentage of unemployed youth in the middle-income group families is highest in the state.

An unemployment allowance of Rs.7,200/- i.e. at the rate of Rs.300/- per month for two years is provided to educated unemployed. Other than providing income for two years, the scheme has not been successful in providing self-employment to the unemployed youths.

In the above context it is necessary to motivate a large section of enterprising unemployed youth, members of middle class families, who are not eligible for the benefits of various employment scheme because of being a member of family earning more than the prescribed limit of income and to assist in establishment of self-employment enterprises with the help of a novel scheme, known as Deendayal Rojgar Yojna, which shall be launched by the State Government.

The object of the scheme is to provide assistance to educated unemployed youth in the form of margin money required for loans sanctioned by the banks.

Details of the scheme shall be as follows :-

No	Scheme	Description
1	Name of the Scheme	DEEN DAYAL ROJGAR YOJNA
2	Commencement of the Scheme	2004 – 05, from the date of announcement
3	Object of the Scheme	To provide loan through banks to the new Units/ Activities in the area of industry, service and business and to promote self employment and help in the form of margin money assistance as a grant for securing bank loans through fixation of targets.
4	Eligibility	<p><b>I. Bonafide resident</b>                      Bonafide resident of Madhya Pradesh.</p> <p><b>II. Age</b>    On the date of the application age must be between 18 years and 40 years.</p> <p><b>III. Minimum educational qualification.</b>                      Must have passed 10<sup>th</sup> class or I.T.I.</p> <p><b>IV. Income</b>    The annual income of the family of the applicant should not exceed Rs.1.50 lakhs from all sources Note:- Family means applicant's husband/wife &amp; dependent children or in case of unmarried applicant, means parents and unmarried brother and sister.</p> <p><b>V. Registration in Employment Office</b>                      An educated unemployed person with a valid registration in Employment Office.</p>
5	Assistance	<p>According to the sanctioned cost of the project by the Bank to entrepreneur following margin money assistance may be sanctioned.</p> <p><b>Industry Sector</b>                      10% of sanctioned project cost, maximum limit Rs.40,000/-.</p> <p><b>Service Sector</b>                      7.5% of the sanctioned project cost, maximum Rs.15,000/-</p> <p><b>Business Sector</b>                      5% of the sanctioned project cost. Maximum Rs.7,500/-.</p> <p><b>1. Under Industry Sector, the cases having sanctioned project</b></p>

		<p>cost upto Rs. 1.00 lac shall be eligible for 10% margin money having maximum limit of Rs. 7500/-</p> <p>2- The assistance in the form of grant to the margin money under project shall not be more than 50% of the margin money being invested by beneficiary.</p> <p>3. Such applicants, whose educational qualification is graduate or above are eligible for maximum Rs.50000/- and Rs.25000/- with in the limit of prescribed percentage for margin money for industrial or service activity respectively.</p>
6	<b>Priority</b>	<ol style="list-style-type: none"> <li>1. I.T.I./diploma/Engineering/or a trained from any other recognized technical institution.</li> <li>2. A trained applicant in Entrepreneurship Development programme.</li> <li>3. Woman applicant.</li> <li>4. An applicant establishing an industrial activity.</li> <li>5. Beneficiaries from the survey list of below poverty line families.</li> </ol>
7	<b>Eligible activities</b>	New establishment/activities related to Industries, Service and Business sector. Under industry & service activities those would be eligible which are approved/registered by district Trade & Industries Centre.
8	<b>Procedure for application</b>	An application shall be submitted to District Trade and Industries centre, in a prescribed form to get the benefit of this scheme. Application form would be free of cost.
9	<b>To register the application</b>	All applications shall be registered. The information regarding a complete or incomplete application shall be given to beneficiary and DTIC will assist in completing the application. A copy of proposed project profile/scheme shall be submitted by the applicant..
10	<b>To send application to bank</b>	The application along with project report shall be scrutinized by Task Force committee constituted for Pradhan Mantri Rozgar Yojna and after its approval would be sent to concerned bank (as for as possible to the Bank as per the wishes of beneficiary) and the bank would be informed about margin money eligibility. If no information about disposal of application is received with in 30 days then information regarding pending case shall be submitted before District Level Committee for review.
11	<b>Margin Money</b>	On receiving information of loan sanctioned and margin money deposited by beneficiary from the Bank, GM, DTIC shall

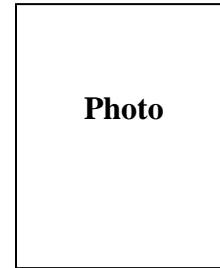
		deposit margin money as per prescribed norms in the concerned Bank within 10 working days.
12	<p><b>Committee at District level</b></p> <p><b>(A) Committee authorized to sanction margin money/Approval</b></p> <p><b>(B)Committee for review</b></p>	<p>(A) A committee constituted under Prime Minister Rojgar Yojna shall be authorized for approval of the cases.</p> <p>(B) With an objective of proper implementation of scheme in the districts this committee shall hold review meeting regularly, in which review of pending cases in banks, establishment of assisted units, remedial guidance to the problems of beneficiaries would be dealt and proper consideration would be given to the subjects put to the committee for remedial measure.</p> <ol style="list-style-type: none"> <li>1. Collector - Chairman</li> <li>2. Lead District Bank Manager - Member</li> <li>3. Coordinators/Representatives of three major nationalized Banks. - Member</li> <li>4. CEDMAP and MPCON District Representative. - Member</li> <li>5. S.I.S.I's Representative - Member</li> <li>6. District women &amp; child development officer. - Member</li> <li>7. District Employment Officer. - Member</li> <li>8. Representative of Polytechnic College and I.T.I. - Member</li> <li>9. General Manager DTIC. - Member Secretary</li> </ol> <p>Note :- Collector may invite officer/representative of any Department/Institution/Bank in the meeting as deemed necessary.</p>
13	<b>Training</b>	It is necessary for the applicant to take 10 – 15 days training after sanction of margin money in this scheme, training will be imparted by either DTIC or MPCON or CEDMAP. If sufficient numbers of applicants are not available for training then they may take training with applicants of PMRY. Those already trained under entrepreneur development programme need not be trained separately under this scheme.
14	<b>Budget</b>	Under this scheme 90% amount shall be used for

	<b>Provision</b>	margin money out of the budget provision, remaining 10% sum may be used for training, publicity, advertisement awareness camp, seminar and other casual expenditure. Training expenses of PMRY beneficiaries will be met from PMRY training funds.
<b>15</b>	Disbursement of margin money and adjustment	The sum of margin money assistance provided under this scheme shall be adjusted as subsidy only after bank loan disbursed and beneficiary's portion of margin money, deposited in the Bank as per sanctioned project cost. If applicant's share of margin money is less than margin money amount provided by the Govt. then Govt.'s share would be adjusted in the same ratio.
<b>16</b>	Miscellaneous	<p>(1) It would be necessary to review the progress of cases forwarded, sanctioned, self enterprises started with the help of margin money every month by a committee constituted at district level under the Chairmanship of Collector.</p> <p>(2) Partnership cases under this scheme may be taken into consideration. But cases of partnership among family members shall not be accepted.</p> <p>(3) Applicants who have already sought or seeking margin money assistance from any other scheme (such as Khadi Gramodyog Margin Money Scheme) shall not be eligible for benefit under this scheme.</p> <p>(4) Benefit of this scheme can be availed under PMRY only on loans exceeding Rs.1.00 lakh in Industry and Service sector. But the sum of subsidy under PMRY and assistance in the form of Margin Money should not exceed 50% of beneficiary's share.</p> <p>(5) Industrial and service sector unit may obtain any other facilities (if eligible) from the Industry Department as per rules,</p> <p>(6) In case of eligibility of Capital Investment Subsidy Scheme, the margin money provided shall be deducted from the total amount of subsidy and the remaining amount only shall be given as Capital Investment Subsidy.</p> <p>(7) Bank means all Nationalized Banks, Co-operative Banks, Regional Rural Banks, Agriculture and Rural Development Banks.</p> <p>(8) An applicant shall not be eligible under this scheme if he is a defaulter of any Bank or industry department.</p> <p>(9) In case of Bank does not disburse loan amount, Margin money, provided to Bank by District Trade and Industries</p>

		<p>Center, can be made available to other beneficiaries.</p> <p>(10) If the margin money has been obtained by wrong/ misleading information or fraudulent means, all amount with 10% penal interest shall be recovered.</p> <p>(11) Under this scheme, any unit, receiving margin money assistance can be inspected by officers of District Trade &amp; Industries Centre and margin money amount can be recovered as arrears of land revenue if misutilisation of margin money is found. Appropriate legal action may also be initiated against defaulter.</p> <p>(12) Commerce Industries &amp; Employment Department shall be competent to interpret and amend the scheme.</p> <p>(13) Cases received from District level committee would be presented for review in State Level Bankers Committee.</p>
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**Application-cum-affidavit for Deendayal Roigar yojana**

1. Full name of applicant
2. Father's/Husband's name
3. A. Full Residential Address & Telephone No  
B. Correspondence address & Telephone No
4. Educational Qualification (Enclose the Certificate)
5. A- Date of Birth  
B- Age on the date of application.
6. Class of applicant S.C./S.T./O.B.C./  
Minority/General.
7. Registration Number of employment office
8. Enclose the Certificate of Bonafide resident
9. Name of proposed Industry, Service and  
Business. (Enclose copy of project report)
10. (A) Required Proposed loan  
(i) Term loan  
(ii) Working Capital  
(iii) Other  
  
(B) Required Margin Money Amount  
(i) By self  
(ii) Through this scheme
11. Full address of site for proposed activity
12. Name of proposed Branch of Bank, where beneficiary wishes to send  
his/her case.  
(A) (B) (C)
13. If trained under Entrepreneurship Development  
Programme, give details. (Enclose the  
Certificate.
14. Technical Experience(if any)
15. Details of benefit taken under any other  
scheme of the Government, Previously.
16. Give details if benefit is being taken from  
any other Government scheme



Name & Signature of Applicant

The above description given from point No.1 to 16 by me is true and no relevant facts have been suppressed by me.

Name & Signature of Applicant

**5.10 PACKAGE TO SMALL SCALE INDUSTRIES  
UNDER INDUSTRIAL PROMOTION POLICY – 2004 AND ACTION PLAN**

Following financial assistance, exemption in taxes, land at concessional rates, rebate in premium of land, infrastructural facilities etc. are provided in Industrial Promotion Policy – 2004 and Action Plan: -

**5.10.1 Financial Assistance & Subsidies: -**

**5.10.1.1 Interest subsidy on term loan: -**

Interest subsidy would be given to industrial units, to be established in the state for 5 to 7 years at the rate of 3% with a maximum of Rs.10.00 lacs in backward 'A' Category District, 4% with a maximum of Rs.15.00 lacs in backward 'B' Category District and 5% with a maximum of Rs.20.00 lacs in backward 'C' Category District.

**5.10.1.2 Subsidy on Fixed Capital Investment: -**

Capital Investment subsidy would be provided to new industrial units, to be established in State, on their fixed capital investment at the rate of 15% with maximum of Rs.5.00 lacs, Rs, 10.00 lacs and Rs. 15.00 lacs, whichever is less in backward Districts of Category 'A', 'B', and 'C' respectively.

**5.10.1.3 Special Subsidy in Advanced Districts also for Scheduled Caste/Scheduled Tribes and women entrepreneurs: -**

- Interest subsidy would be provided to entrepreneurs belonging to Scheduled Caste/Tribes and women at the rate of 5% for 5 years without any maximum ceiling and regardless of the category of the district.
- In advanced districts Fixed Capital investment subsidy would be provided to entrepreneurs belonging to Scheduled Caste/Scheduled Tribes and women at the rate of 15% with maximum ceiling of Rs.5.00 lacs.
- In the case of small scale industrial units established by Scheduled Caste/Scheduled Tribes and women entrepreneurs, the maximum ceiling of fixed capital investment subsidy would be Rs.6.00 lacs, Rs.12.00 lacs and Rs.17.50 lacs in District of Category 'A', 'B' and 'C' category of districts respectively.

**5.10.1.4 Project Report Cost Reimbursement: -**

The cost for Project Report prepared to establish the industries would be partially reimbursed at the rate of one percent of the project cost, limited to Rs.3.00 lacs for small scale industries.

**5.10.1.5 ISO 9000 expenditure reimbursement: -**

The expenditure incurred by industrial units to obtain certification of quality from international organizations or ISO 9000 would be reimbursed up to 50% of expenditure incurred on it or Rs.1.00 lakh whichever is less.



#### **5.10.1.6 Patent cost Reimbursement: -**

To encourage the Research and Development activities by industrial units, the expenditure incurred in obtaining **Patent** for this purpose, would be reimbursed cent-percent with a maximum limit of Rs.2.00 lakh.

#### **5.10.1.7 Assistance to Thrust Sector Industries (Special Fixed Capital Investment Subsidy)**

The industries with fixed capital investment of more than Rs. 50.00 lacs including garment Industry, information Technology, Bio-technology, automobile, pharmaceuticals and Herbal, food Processing, agro and Urban Wastes Processing etc. shall be brought under the category of 'Thrust Sector', and they shall be granted a special capital investment subsidy at the rate of 25% of their Fixed Capital Investment with maximum limit of Rs. 10.00 lakh, 15.00 lakh and 25.00 lakh whichever is less in districts of backward category of backward category 'A', 'B' and 'C' respectively.

5.10.1.8 Subsidy of 50% of payment or maximum Rs.2.00 lacs made by industries to purchase the 'Technology' from National Research Development Corporation or any Government Research Centres, would be given.

5.10.1.9 Reimbursement of up to Rs.1.00 lac to get the quality certification, such as F.P.O., AGMARK, BIS, EURO-STANDARD etc. to Food Processing Industries.

5.10.1.10 Reimbursement of maximum Rs.1.00 lacs to Food Processing Industries for the purpose of Research and Development.

5.10.1.11 Partial reimbursement on expenditure incurred to obtain certification of 'Good Manufacturing Practices' by Pharmaceutical Industries at the rate of 50% of expenditure with a maximum of Rs.1.00 lac.

5.10.1.12 Partial reimbursement up to 25% of Registration fees to Herbal based industries for export of their own products.

5.10.1.13 Herbal and Ayurved based industries have better scope in advanced districts such as Indore, Bhopal etc. Such units if establishes in advanced districts will be eligible for interest subsidy, fixed capital investment subsidy at par with Backward Category 'A' District.

#### **5.10.2 Exemptions in taxes / duties: -**

5.10.2.1 Entry tax exemption for five years from the first date of purchase of raw material.

5.10.2.2 Rebate in chargeable stamp duty and registration fees on loan documentation in backward category districts of "B", "C" and No Industry Blocks.

5.10.2.3 Stamp duty and registration fees levied on execution of lease deed will be charged on the rate of premium as determined by Industries Department for the land of Industrial Areas.

- 5.10.2.4 Exemption on Electricity duty to captive power plants, for five years, generated by SSI unit for its own use.
- 5.10.2.5 "Mandi fee" will not be charged on agricultural produces to be brought from out of state, and used as raw material by food processing industries.
- 5.10.2.6 'Set-off' of 2% to Textile Industries on commercial tax (sales tax) on purchasing of yarn produced in the state.
- 5.10.2.7 50% rebate on premium of land to first ten industries to be established in Food Parks and first 5 industries to be established in Stone Park. Next 5 industries to be established in Stone Park will get rebate of 25% on land premium.
- 5.10.2.8 Exemption from Mandi fee to the industries to be established in Food Parks on purchase of agricultural produces used as raw material.
- 5.10.2.9 Commercial Tax levied on raw materials of food processing industries; set up in Food Parks shall be adjusted against the Commercial Tax of the finished goods and by this way exemption in tax would be given.
- 5.10.2.10 Herbal and Ayurved based Industries would be exempted for three years from paying stamp duty and panchayat fee on loan agreement and agreement with financial institution for changing the name of the firms, partnership deeds, collaborations, reorganisation and such amendment in the lease deeds.
- 5.10.2.11 Level playing field will be provided in the rates of commercial taxes in comparison to other competitive States, for Automobile Component Industries and business.
- 5.10.2.12 Rationalisation of rates of Entry Tax levied on raw materials such as steel used by automobile components industries.

### **5.10.3 Infrastructural Facilities: -**

- 5.10.3.1 Land and Shed on concessional rates in Industrial Areas and Growth Centres to SSI units.
- 5.10.3.2 Apparel Parks shall be established at Indore & Jabalpur in the state. In these places Garment Complex would also be developed. Units to be established in these Apparel Parks/Garment Complexes will get the benefits as mentioned in Industrial Promotion Policy – 2004.
- 5.10.3.3 Top class infrastructure would be developed in Industrial Parks such as Stone Park Katni, Readymade Garment Complex at Jabalpur and Indore, and Crystal I.T. Park, Indore.
- 5.10.3.4 Integrated Infrastructure Development Centres shall be established at nine places in the State for SSI units.
- 5.10.3.5 For development of agro and food processing industries, Food Parks are being developed at Nimrani Distt.Khargone, Jaggakhedi Distt.Mandsaur,

Babai – Pipariya Distt. Hoshangabad, Bargaon Distt.Chhindwara, Maneri Distt.Mandla, Malanpur Distt.Bhind. In these Food Parks, Cold Storage, Warehouse, Milk Chilling Plant, Testing lab and Effluent Treatment Plant and necessary Industrial Infrastructure would be established and developed for the growth of food processing industries.

Industries based on the six major agriculture produces of the State, such as Potato, Onion, Fenugreek, Coriander, Garlic & Wheat would be encouraged in the districts identified under Agriculture Export Zone (AEZ) Scheme, Ministry of Commerce & Industries, Government of India.

5.10.4 **Others :-**

- 5.10.4.1 Priority in purchasing from SSI under Store Purchase Rules.
- 5.10.4.2 In the present scenario, entrepreneurs belonging to Schedule Caste/Tribes could not be benefited adequately, therefore a fixation of minimum 30% requirement to be purchased from actual manufacturing units of these categories shall be ensured under Govt. purchase program.
- 5.10.4.3 The Drugs & Pharmaceuticals units of SSI category of the State will get priority in purchase under M.P. Stores Purchase Rules.
- 5.10.4.4 Encouragement to export oriented units of SSI category of the State for participation in foreign trade fairs.
- 5.10.4.5 Encouragement in the form of subsidy to pharmaceuticals and food processing units of the State for participating in International Trade Fairs.
- 5.10.4.6 Development of Clusters in various areas for integrating the raw materials, marketing, infrastructure with Backward & Forward Linkages.
- 5.10.4.7 Modern power-loom clusters would be established in Burhanpur, Indore and Ujjain with assistance under Group Shed Scheme of Government of India, so that the unorganized Power-loom weaving units may be modernized.
- 5.10.4.8 The units of Power-loom, Readymade Garment, Knitwear and their ancillary units shall be exempted from labour law from the mandatory provision of determination of minimum wages on daily wages basis, and they will be permitted to decide wages on the basis of 'Piece-rate'.
- 5.10.4.9 'Deen Dayal Rojgar Yojana' launched for financial assistance to small entrepreneurs of Middle Income Group.
- 5.10.4.10 Assistance would be provided under "Madhya Pradesh Small Scale Industries Revival Scheme" to sick SSI units of the State.

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