



Industrial Promotion Policy, 2010 and Action Plan

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



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INDEX

No.	Subject	Page No.
1.	Preface	1
2.	Objectives of Industrial Promotion Policy	1
3.	Strategy for Promotion of Industries	2
4.	Industry-friendly Administration	3
5.	Infrastructure Development	3
6.	Export Promotion and Foreign Capital Investment	6
7.	Integrated Development of micro, small, medium and major industries	7
8.	Strengthening of District Industries and Trade Centres	7
9.	Cluster Approach	7
10.	Logistics Development	8
11.	Rehabilitation of sick industries	8
12.	Integrated Implementation of Self Employment Schemes	8
13.	Small and Retail Traders' Cell	9
14.	Simplification of procedures	9
15.	Assistance and Facilities to Manufacturing Enterprises	10
16.1	Exemption in stamp duty	15
16.3	Industrial Investment Promotion Assistance Scheme	16
17.	Entry Tax	17
18.	Mandi Tax	18
19.	Expansion/diversification/ technological up-gradation	18
20.	Ineligible Industries	19
21.	Reimbursement of Payment on purchase of technology	19
22.	Special Package for promotion of drug and herbal industries	19

23.	Special Package for promotion of Bio-technology industries	19
24.	Special Package of facilities - NR/ FDI	19
25.	Ineligibility of defaulters	19
26.	Reimbursement of electricity tariff for power loom weavers	19
	Annexure - I	20-22
	'Special Package, 2010' of facilities to be extended by Government of M.P. on restarting of sick/closed industrial units after acquisition/purchase	
	Annexure - II	23-24
	'Policy Package, 2010' of financial and other concessions to be extended to the sick industrial units in the state.	
	Annexure - III	25-34
	Revival Scheme for Sick Small Scale Industrial Units (Madhya Pradesh Small Scale Industries Revival Scheme 2010)	
	Annexure - IV	35
	Package for Pharmaceutical and Herbal Industries	
	Annexure - V	36
	Special Package for Biotechnology Industry	



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Preface

As a result of policy initiatives taken by Government of Madhya Pradesh to attract investment, established industrial houses and prospective investors have shown interest for investment in Madhya Pradesh. To keep up and boost the pace of industrial investment, the State Government has decided to revise the existing industrial policy. This industrial policy will be effective for a period of five years with effect from 1st November, 2010.

The objective of this policy is to ensure faster economic development and employment generation by sustainable use of the resources available in the State. The policy pays special attention on promotion of small and medium enterprises to avert the adverse impact of global recession on industrialization in Madhya Pradesh.

For ensuring speedy implementation and timely approvals of investment proposals and under the Madhya Pradesh Investment Facilitation Act, 2008, rules and procedures would be streamlined and three-tier empowered committees will be made more effective and pro-active.

Industrial infrastructure in the State will be upgraded, and a Land Bank will be created. Efforts would be made to provide land to investment projects without difficulties.

2. Objectives of Industrial Promotion Policy

The objectives of the Industrial Promotion Policy 2010 would be to -

- Make the administration industry-friendly by further simplifying rules and procedures;
- Make Madhya Pradesh a leading industrial state by accelerating the pace of industrialization;
- Maximize employment opportunities, implement self-employment schemes effectively, and provide jobs to local people in the upcoming industrial units in the state;
- Attract investments in the industry and services sector by developing quality infrastructure;

- Ensure comprehensive development of industrial infrastructure;
- Create favorable environment for the growth of small, medium and large industries;
- Implement special scheme to prevent industrial sickness;
- Reduce number of inspections in industries;
- Rationalize rates of commercial taxes to make the industry competitive;
- Provide direction to industrialization by harnessing the local resources and existing industrial base;
- Ensure private sector participation in the state initiatives for industrialization;
- Promote agro-based and food processing industries to help make agriculture a profitable proposition;
- Encourage foreign direct investments and investments by NRIs.

3. Strategy for Promotion of Industries

- Incentives and facilities will be provided to achieve the objectives of Industrial Promotion Policy and to implement the strategy in letter and spirit.
- Private sector participation in the development of industrial infrastructure shall be encouraged.
- Single Window System will be further strengthened and made more effective under the provisions of Madhya Pradesh Investment Facilitation Act 2008, to promote investments.
- Fresh capital investments will be encouraged in existing industries too.
- Industrial clusters would be identified and benefits of Central and State-sponsored schemes will be extended for their growth.
- Suitable concessions will be made available to promote micro, small, medium and large industries.
- Agro-based and local natural resource-based industries would be encouraged.
- Rules relating to revival of sick/closed industrial units will be simplified, and special packages will be provided for their promotion.

- “Land Bank” will be established in view of future requirements of land for industries. Existing industrial areas will be expanded as needed and new industrial areas would be developed with necessary industrial infrastructure.
- Practical problems experienced in the implementation of self-employment schemes will be addressed after review.
- Projects with large employment potential will be given special attention and package of incentives.

4. Industry-friendly Administration-

- 4.1 Suggestions of Industry Advisory Council headed by the Chief Minister would be implemented promptly. The Advisory Council will meet at least twice a year.
- 4.2 Constitution of Empowered Committees for single window clearance – Effective system will be put in place for timely disposal of applications regarding investments and permissions/clearances by three-tier empowered committees constituted for single window clearance under Madhya Pradesh Investment Facilitation Act, 2008.
- 4.3 Combined application form and self-certification system will be implemented.
- 4.4 The Zonal Industry Offices will be adequately empowered giving them responsibility for constant monitoring of investment proposals, and implementation of projects in the industry, services and business sector in their respective jurisdictions.

5. Infrastructure Development-

- 5.1. Industrial Infrastructure Development Fund would be created to overcome financial difficulties in the development of industrial infrastructure. Appropriate amount would be contributed annually to the Industrial Infrastructure Development Fund for a period of five years. The Fund will be spent on the high priority infrastructure projects.
- 5.2 The following investment nodes will be developed under the Delhi-Mumbai Industrial Corridor (DMIC) Project to build world class industrial and allied infrastructure-

- 1) Pithampur-Dhar-Mhow Investment Region (Minimum 200 square km.)
- 2) Ratlam-Nagda Investment Region (Minimum 200 square km. area)
- 3) Shajapur-Dewas Industrial Area (Minimum 100 square km. area)
- 4) Neemuch-Nayagao Industrial Area (Minimum 100 square km. area)

Early bird projects will be implemented under the above mentioned investment nodes, namely, Knowledge City Ujjain, Multi-modal Logistics Hub, Indore-Pithampur Economic Corridor and Power Equipment Manufacturing Hub, Rajgarh, and others.

- 5.3 Excellent infrastructure would be developed in partnership with private sector giving impetus to development works of projects in special economic zone.
- 5.4 Industrial growth centres will be linked to national highways and important railway junctions through high class infrastructure.
- 5.5 Expansion of air services in the state will be duly promoted.
- 5.6 Areas having good potential for development of industrial and commercial infrastructure would be identified. In these areas, infrastructure would be developed with private sector participation/Industrial Development Corporations.
- 5.7 Private sector would be encouraged and given financial assistance for construction, operation and maintenance of requisite infrastructures like power and water supply etc, in industrial areas.
- 5.8 Special Investment Region Act would be enacted in the state for maintenance of industrial areas/growth centres with public participation and through autonomous committees in view of the difficulties/delay in making suitable amendments in Madhya Pradesh Municipalities Act, 1961 and Madhya Pradesh Municipal Corporations Act, 1957.
- 5.9 Separate space would be earmarked for systematic transport facilities in industrial areas and suitable infrastructure would be created.
- 5.10 Areas with potential for industrial investments would be identified and areas for small industries would be developed.

- 5.11 Public sector undertakings in the state would be encouraged to forge partnerships with the private sector.
- 5.12 Assistance for establishment of Industrial Parks in private sector – In order to encourage private sector in infrastructure development, special assistance will be provided to the projects relating to industrial park and high-tech park. Maximum assistance of ₹ 2.50 crores would be provided at the rate of 10 percent of the establishment/development expenditure on industrial park to be developed by private sector subject to the condition that such developed industrial park should have minimum 25 industrial units having 250 persons directly employed. The agency/ investor developing industrial park would be reimbursed the assistance within five years from the sanction of the project on fulfilling the required conditions.
- 5.13 Industrial area would be developed near Bina in view of prospective industries based on Bina Refinery Project.
- 5.14 “Land Bank” would be established by earmarking non-farm and non-forest lands of appropriate extent in industrially potential districts/areas keeping in view the future requirements.
- 5.15 Major and medium industries would be provided 50 percent assistance (within ceiling of 15 percent of the capital expenditure of industry subject to the, maximum of ₹ 1.00 crore) of expenditure on development of infrastructures like roads, power and water supply upto the premises of industrial unit. This assistance will be available to only industries being set up at locations which are 10 km or more from the limit of such an industrial area where land and building are available for allotment. The distance criterion will not be applicable in respect of the industrial areas where land/building is not available for allotment.
- 5.16 Micro and small industries will be given 50 percent exemption in land revenue on diversion of upto five acres of land for industrial purpose, purchased by them.
- 5.17 Land will be allotted after developing required infrastructures in industrial area.

- 5.18 Necessary social infrastructure facilities like hospital/dispensary, school, training centre, crèche, housing, shopping centre, fitness centre, recreation centres, rest houses, labour welfare centre etc. will be established in industrial areas either through department's corporations or private sector participation.
- 5.19 In order to ensure optimum productive use of land, multi storied industrial complexes for micro and small scale enterprises/ industries will be constructed either through department's corporations or private sector participation at potential sites/ in industrial areas.
- 5.20 Keeping in view the need for planned urban development, modern urban multipurpose complexes equipped with all facilities will be built up for unorganized micro industries, handicraft and service units in urban areas either through department's corporations or through private sector participation on suitable government land available in urban areas.
- 5.21 New/expanded industrial areas, where 500 acre or more area is to be developed, maximum 10 percent of the total land will be reserved as separate zone for housing units of industrial labour and employees.
- 5.22 In order to prevent unplanned development of slums around industrial areas/ industrial growth centres, lands for residential area according to requirements, in their vicinity would be arranged through Revenue Department or concerning urban bodies or Housing Board. Industries would be provided such land on reasonable prices for constructing residential units for the labour/employees of nearby industrial units. Alternatively, residential buildings would be constructed for the industrial labour and employees on available lands and provided to them on reasonable prices through urban bodies or Madhya Pradesh Housing Board keeping in view the manpower requirement in industries.
- 5.23 With a view to ensuring industrial health and safety in non-hazardous industries in existing industrial areas, construction of transit houses on the land available with the industry will be permitted according to provisions of land allotment rules.

6. Export Promotion and Foreign Capital Investment

The Madhya Pradesh Trade and Investment Facilitation Corporation Limited will act

as nodal agency for speedy clearance and permissions relating to proposals of export promotion, investment proposals of NRIs, foreign direct capital investment,

7. Integrated Development of micro, small, medium and major industries –

- 7.1 Directorate of Industries and the Department's corporations would carry out a coordinated campaign within and outside the state to attract industrialists/entrepreneurs for investment in the State.
- 7.2 Madhya Pradesh Laghu Udyog Nigam will make continuous efforts for vendor development and linkage among the micro, small, medium and major industries.
- 7.3 Buyer-Seller Meets, trade fairs would be encouraged for expansion of marketing activities in the interest of micro and small enterprises.
- 7.4 Functioning of Madhya Pradesh Laghu Udyog Nigam would be made transparent and store purchase rules amended.
- 7.5 Industrial trade fairs would be organized and State's participation would be promoted on a regular basis at national and international level through Madhya Pradesh Trade Fair Authority.
- 7.6 National and international level Institutes of management, technology and marketing would be encouraged to open their branches in the State.

8. Strengthening of District Industries and Trade Centres

District Industries Centres were set up in 1978 under Government of India scheme. All District Trade and Industries Centres would be equipped with Information Technology based services to improve quality of services to micro and small enterprises and to enable them to act promptly on fresh investment proposals.

9. Cluster Approach

- 9.1 For securing competitive advantage clusters of industries would be promoted at suitable sites considering availability of market, trained man power and raw materials.
- 9.2 All possible assistance and land on concessional rates would be provided for implementation of Government of India's Cluster Development Scheme in the interest of micro and small enterprises.

9.3 Efforts will be made to develop Apparel Park/readymade garment complex for promoting readymade/made-up garment industries. Modern process house will be set for dyeing and printing of textiles produced in the state.

10. Logistics Development

Private capital investment will be encouraged and facilitated for development of infrastructures like logistics hub, container depot, cold chain infrastructure, commodity bank, dry port, air cargo complex.

11. Rehabilitation of sick industries

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

11.2 The State Government would give facilities/concessions on revival of sick/closed industrial units after acquisition/ purchase as described in 'Special Package, 2010' enclosed at Annexure-I

11.3 Facilities/concessions for revival/ rehabilitation of Large and Medium industrial units situated in the State will be given as described in the 'Policy Package, 2010' enclosed at Annexure II.

11.4 Madhya Pradesh Small Scale Industries Revival Scheme 2010, enclosed at Annexure III will be applicable for small scale sick industries.

12. Integrated Implementation of Self Employment Schemes

12.1 Self employment opportunities will be created through effective implementation of Pradhan Mantri Employment Generation Programme launched by the Government of India.

12.2 Training centres would be set up for availability of technically skilled and semi-skilled manpower and its skill-upgradation for employment in the major industries set up or being set up. Training courses would be designed according to requirements of manpower in industries through training centres run by societies and institutions working under Central and State governments. Trainings would be arranged for skill-upgradation of technical manpower in traditional industries.

12.3 Career Counselling Scheme would be extended to all districts.

- 12.4 Rani Durgavati Self Employment Scheme aiming at promoting and assisting entrepreneurs belonging to Scheduled Castes and Tribes for self employment would be reviewed and continued.
- 12.5 Deendayal Employment Scheme, which aims at encouraging unemployed youths to start their self-employment ventures, would be suitably modified and continued.
- 12.6 The provision of giving at least 50 percent jobs to bonafide local residents in the new industries to be set up in the state will be incorporated in the agreements to be signed with industries in the context of industrial assistance schemes. One member of each family, whose land has been acquired for industries, will be given regular employment in the concerned industry on priority basis and special training will be arranged according to requirement.

13. Small and Retail Traders' Cell

A small and retail traders' cell will be set up at the Directorate of Industries to resolve the issues related to small and retail traders

14. Simplification of procedures

- 14.1 Period of validity of permissions granted to industries, except the highly polluting industries, under the Water and Air (Prevention and Control of Pollution) Act will be extended to three years in coordination with the Department of Housing and Environment.
- 14.2 Application formats for permission under provisions of Water and Air (Prevention and Control of Pollution) Act will be simplified in coordination with the Department of Housing and Environment.
- 14.3 Procedures laid down for the State Level Environment Impact Assessment by the State Level Authority will be simplified in coordination with the Department of Housing and Environment and timely approvals will be given to the projects.
- 14.4 Policy for notification of industrial areas will be implemented.
- 14.5 Provision of self-certification in rules of the Labour Department will be made in coordination with the Department for industries except those declared hazardous by the Government of India.

14.6 Monthly and quarterly returns relating to Department of Labour would be done away with and provision of filing annual return would be implemented in coordination with the Department.

14.7 Provision of maintaining only wage and attendance registers in place of numerous registers in industry premises will be made in coordination with other departments.

14.8 A fully empowered zonal office would be set up at Indore under decentralized arrangement of Food and Drug Control Administration.

15. Assistance and Facilities to Manufacturing Enterprises

15.1 Eligible micro, small and medium manufacturing enterprises (excluding large scale industry) will get interest subsidy as below –

Category of district	Total eligibility period and maximum amount of assistance			Remarks
	Subsidy (₹ in lakh)	Period (no. of years)	Rate of assistance (%)	
Backward-A	10.00	5	3	Rate of assistance in case of SC/ST/Women/ Disabled will be 6 percent for a period of 8 years and maximum amount of assistance will be ₹ 25 lakhs.
Backward - B	15.00	6	4	
Backward - C	20.00	7	5	
No Industry Block	20.00	7	5	

Eligible micro / small and medium manufacturing enterprises established by persons belonging to scheduled caste / scheduled tribe and women / disable persons in advance districts will also be eligible for above assistance @ 6% for a period of 8 years, subject to the maximum amount of ₹ 25 lakhs.

15.2 Annual three percent assistance payable on interest due on the loan for working capital from cooperative banks will be continued for power loom weavers' cooperative federation and societies.

15.3 Investment subsidy on fixed capital only to eligible micro and small manufacturing industrial enterprises will be given as below –

Category of district	Percentage of subsidy	Maximum amount (₹ in lakh)	Remark
Backward – A	15	5.00	For SC/ST/Women and Disabled persons rate of subsidy will be 20 % subject to a maximum of ₹ 20 lakh
Backward – B	15	10.00	
Backward – C	15	10.00	

Eligible micro and small manufacturing industrial enterprises setup by persons belonging to scheduled caste / scheduled tribe and women/ disabled persons in advance districts will also be eligible for above capital investment subsidy @ 20%, subject to a maximum of ₹ 20 lakhs.

Note:

1) For the purposes of para 15.1 & 15.3, only those disabled persons shall be eligible, whose percentage of disability is 40% or more, and the disability certificate is issued by Competent Authority in this regard.

2) In case of the unit is being setup by a firm or a company, the share of persons belonging to schedule caste / schedule tribe and women / disabled persons, as the case may be, shall be atleast 50% or more.

15.4 Mega projects will be industries having proposed fixed capital investment (excluding the working capital) of ₹ 25 crores or more. Such projects would be provided land at 25 percent of the prescribed premium rate as below on the basis of availability of land on the condition that the proposed fixed capital

investment shall be made within a period of three years –

Sr.No.	Project cost (₹ in crores)	Area of land to be given on concessional rate
1	From 25 to 50	As per requirement upto 5 acres maximum
2	Above 50 upto 100	As per requirement upto 10 acres maximum
3	Above 100 upto 200	As per requirement upto 15 acres maximum
4	Above 200 upto 500	As per requirement upto 20 acres maximum
5	Above 500	Area to be decided by Apex Level

Investment Promotion Empowered Committee
on case to case basis.

15.5 Agro-based and food processing, milk, herbal and minor forest produce based manufacturing enterprises, manufacturing industrial units based on recycling of waste material and bio-technology related manufacturing enterprises with fixed capital investment of ₹ 10 (Ten) crore or more will be considered as mega project and will be eligible for getting land on concessional rate of 25% as below-

Sr.No.	Project cost (₹ in crores)	Area of land to be given on concessional rate
1	From 10 to 25	As per requirement upto 5 acres maximum
2	Above 25 upto 50	As per requirement upto 10 acres maximum
3	Above 50 upto 75	As per requirement upto 15 acres maximum
4	Above 75 upto 100	As per requirement upto 20 acres maximum
5	Above 100	As per requirement upto 25 acres maximum

Note : In the context of manufacturing enterprises based on recycling of waste materials, the list / description will be issued by the Department of Commerce, Industry and Employment as required.

15.6 Mega projects having fixed capital investment of ₹ 25 crores or more or projects of special importance involving modern techniques, technology and

management, etc. will be considered for sanction of special economic and other package on case to case basis by Apex Level Investment Promotion Empowered Committee headed by the Chief Minister according to requirement of such projects and keeping in mind the resources available in the State.

15.7 All such agro-based and food processing, milk, herbal and minor forest produce based projects and bio-technology related industries having fixed capital investment of ₹ 10 (Ten) crore or more will be considered mega projects.

15.8 Exemption to captive power plants from electricity duty— The captive power plants (hydel/thermal/gas based and other power plants) installed by industries will be given exemption from electricity duty according to investment in the project as below, provided they commence power generation within the period of the the policy-

Sr.No.	Project cost (₹ in crores)	Period of exemption from electricity duty (no. of years)
1	Upto 100	5
2	From 100 Upto 500	7
3	Over 500	10

The exemption as above will be available only on the electricity generated for self consumption. Such installed captive power plant, subject to the limit of its own requirement of power, shall be deemed to be part of the project and to that extent their fixed capital investment will be taken into account for determining the total capital investment in the project.

15.9 Any industry located at one place giving employment to more than 1000 persons on a regular basis will also be considered as mega project. There would be no stipulation of minimum capital investment. Apex Committee will consider proposals of such industries and sanction package of facilities for them. Such industries would be provided land on the basis of availability at 25 percent of the prescribed premium rate as below, on the condition that regular jobs shall be created within a period of 3 years in such project—

Sr.No.	Regular employment in the project	Area of land on concessional rate
1	1000 to 1500	As per requirement upto 10 acres maximum
2	Above 1500 upto 2000	As per requirement upto 20 acres maximum
3	Above 2000 upto 2500	As per requirement upto 25 acres maximum
4	Above 2500	Area decided by Apex Level Investment Promotion Empowered Committee on case to case basis.

15.10 Expenditure incurred on preparation of project report for manufacturing enterprises will be reimbursed at the rate of one percent of the project cost for micro, small, and medium industries and 0.5 percent only for large industries subject to the maximum limit of ₹ 3 lakh.

15.11 Manufacturing industries will be reimbursed 50 percent or Rs. one lakh (whichever is less) of the expenditure incurred for getting ISO 9000 or other equivalent quality certification from international organizations. They will be encouraged to take benefit of other such schemes implemented by the Government of India for micro, small and medium enterprises.

15.12 In order to promote research activities in manufacturing enterprises, expenditure on getting patent will be fully reimbursed, subject to a maximum limit of ₹ 2.00 lakh. They will be encouraged to take benefit of other such schemes implemented by the Government of India for micro, small and medium enterprises.

15.13 Trade Related Intellectual Property Rights (TRIPR) under World Trade Organization will be widely publicized so that these could be used to generate more employment and trade opportunities.

15.14 Assistance to Thrust Sector Industries – Small Scale units coming under thrust sector industries like textiles, information technology, bio-technology, automobile, pharmaceuticals, herbal, food-processing, agro and urban & industrial waste processing based units having fixed capital investment of over ₹ 50 lakh will be given special subsidy of 25 percent subject to maximum ₹ 10 lakh in backward-A districts, maximum ₹ 15 lakh in backward-B category

- districts and maximum Rs. 25 lakh in backward-C category districts. For this purpose, list of industrial wastes would be issued by the Commerce, Industry & Employment Department.
- 15.15 Package of facilities/concessions will be continued for promoting establishment of agro-based and food processing industries in the state.
- 15.16 'Agro Industry' means units which add value to agricultural produce/intermediates/residues, both food and non-food, by processing into products, which are marketable or usable or edible or by improving storability or by providing the link from farm to the market or part thereof. Food processing industries will be industries as defined in the Food Processing Policy, 2008 of the State,.
- 15.17 To encourage urban waste management activities, establishment of urban waste processing based industrial units will be promoted. For purpose of extending additional facilities to urban waste based units in each city/town, a special package will be declared separately. For taking advantage of this special package, it shall be necessary for the unit to enter into a tripartite agreement with the respective urban local body and Department of Commerce, Industry and Employment.

16.1 Exemption in stamp duty

- 16.1.1 Stamp duty/registration fee on the lease deed of land and sheds in Industrial Areas and Industrial Growth Centers will be levied on the rate of premium fixed by the Department of Commerce, Industry & Employment or its corporation. In cases of land transfer by the Department/ its corporation stamp duty/ registration fee will be charged on the basis of transfer fee only.
- 16.1.2 Sale of sick/closed industrial units referred to BIFR or the liquidator and sick/ closed units acquired by banks or financial institutions will be fully exempted from stamp duty.
- 16.1.3 Transfer/sale of closed/sick industries that fall in the category of sick industry as defined by the Reserve Bank of India, would be fully exempted from stamp duty.
- 16.1.4 The stamp duty and registration fee would not exceed ₹ 10 lakh in case of sale of an industrial unit as 'ongoing concern' to other entrepreneur for better

utilization, if the management of the concerned unit has not been able to operate the unit at more than fifty percent of its installed capacity for three years during the last five years. The same would also be applicable, where another company merges/ amalgamates such unit.

16.2 Action would be taken for rationalization of stamp duty rates charged on land to be given on lease for industrial projects.

16.3 Industrial Investment Promotion Assistance Scheme -

Industrial units having fixed capital investment of ₹ 1 crore or more would be given industrial investment promotion assistance on the basis of category of the district after adjusting the input tax rebate on the amount of commercial tax and central sales tax deposited by them (excluding the amount of value added tax on purchase of raw materials) on the basis of minimum eligible capital investment and to the extent shown below –

Sr. No.	Category of District	Minimum eligible capital investment (₹ in crores)	Percentage of investment promotion assistance	Period of Assistance (No. of years)
1	Advanced District	Less than 25	50	3
		Above 25	75	3
2.	Backward 'A'	Less than 20	50	5
		Above 20	75	5
3.	Backward 'B'	Less than 15	50	5
		Above 15	75	7
4.	Backward 'C'	Less than 10	50	5
		Above 10	75	10

The amount of assistance may be adjusted against the tax liability of subsequent year. Necessary budget provision shall be made in the departmental budget. The amount assistance shall not exceed the fixed capital investment.

16.4 Industrial units in information technology sector would get the industrial investment promotion assistance only in IT parks and not elsewhere.

16.5 Eligible industrial units will be entitled for capital investment subsidy and interest subsidy scheme along with industrial investment promotion assistance scheme.

- 16.6 It shall be a necessary condition for getting assistance units under the scheme to provide 50 percent employment to bonafide residents of Madhya Pradesh. For this, a condition to the above effect will be incorporated in the agreement to be executed under the scheme.
- 16.7 Provision relating to registration of eligible small scale industrial units under the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2004 will be simplified.
- 16.8 Industrial enterprises giving regular employment to more than 1000 persons with 90% or more being bonafide residents of Madhya Pradesh (excluding management of the enterprise) will be given Industrial Investment Promotion Assistance for an additional period of 2 years over and above the period of entitlement under para 16.3

17. Entry Tax

- 17.1 Eligible manufacturing industries will be exempted from payment of entry tax for a period of five years from the date of first purchase of raw material. Perishable raw material based agro and food processing industry and manufacturing agro-based and food processing industries in which fixed capital investment is more than ₹ 100 crores or other manufacturing eligible industrial units, whose fixed capital investment is more than ₹ 500 crores, will be eligible for exemption from payment of entry tax for 7 years. District Level Committee will decide cases of exemption from entry tax for micro, small and medium industrial units while State Level Committee will decide the cases of exemption for large industrial units.
- 17.1.1 Industrial enterprises giving regular employment to more than 1000 persons with 90% or more being bonafide residents of Madhya Pradesh (excluding management of the enterprises) will be given exemption from entry tax for an additional period of 2 years over and above the period of entitlement under para 17.1
- 17.2 Necessary amendments will be made in the Entry Tax Act for abolishing liability of entry tax on raw materials purchased by one industry from another industry situated within an industrial area or industrial growth centre by considering such industrial area as one local area.
- 17.3 Entry tax Act will be suitably amended to abolish liability of entry tax on transfer of semi-finished products from one industrial unit to another industrial unit situated in a different local area for intermediate processing/finishing and transfer back to the original unit for manufacture of final saleable product.

17.4 Necessary provisions will be made in the Entry Tax Act for treating the industrial units, which are established or spread over more than one local area, as established in one local area for the purpose of entry tax.

17.5 Entry tax rates would be rationalized as needed to keep entry tax rates at par with those in other competitive states.

18. Mandi Tax

18.1 In accordance with the provisions of the Food Processing Policy 2008, Mandi Tax will not be levied on agricultural produce obtained from other States to be used as raw-material by Food Processing industrial units (excluding wheat-based industrial units). Agricultural produce purchased as raw-material by industrial units established in Food Parks will be exempted from Mandi Tax.

Only such soyabean processing industrial units will be eligible for facilities/concessions under this policy, which manufacture value added products other than or in addition to soyabean oil (which includes refined oil) & de-oiled Cake (doc) and the share of such value added products (based on sale proceeds) in the total production is 25% or more.

18.2 Modern rice mills having fixed capital investment of over ₹ 10 crores will be given exemption from payment of Mandi tax on paddy purchased from within and outside the State as raw material for production of basmati rice.

19. Expansion/diversification/ technological up-gradation

19.1 Established large and medium industrial units, which invest 30 percent of existing fixed capital investment or ₹ 50 crore (whichever is less) on expansion/diversification/technical up-gradation, will be eligible for assistance/facilities at par with new industrial units. Similarly, established small scale industrial units, which invest minimum 50 percent of existing fixed capital investment made by them (not being less than ₹ 25 lakh), will be eligible for assistance/facilities at par with new industrial units.

19.2 Micro and small pharmaceutical manufacturing enterprises will get assistance on investment at par with new units if they invest additional ₹ 10 lakh or 50 percent of existing fixed capital investment in plant and machinery, whichever is more, on expansion/diversification.

19.3 The above facility will be available to the industrial units only on production being more than the previous installed capacity. The unit will not be given benefit of the facility, if this condition is not met.

19.4 For determining investment in expansion / diversification / technical up-gradation, the investment made during last 2 years and the next one year from the date of production in case of Small Scale Units, during last 3 years and next 2 years from the date of production in case of Medium Scale Units and during last 3 years and next 3 years from the date of production in case of Large Scale Units will be taken in to account.

20. Ineligible Industries

The facilities to industries/enterprises will not be available to certain industries/enterprises like slaughter houses and meat based industries, manufacture of pan-masala and gutkha, soft drinks- other than fruit pulp based drinks, liquor, tobacco and tobacco based products, industrial units set-up by State or Central Government, or their undertaking or their joint venture undertakings. Lists of ineligible industries/enterprises may be modified from time to time as required.

21. On purchase of technology from National Research and Development Council or other government research institutions, 50 percent of the payment subject to a maximum of ₹ 2 lakh will be reimbursed as assistance.
22. Special Package (Annexure IV) declared previously for promotion of drug and herbal industries shall be reviewed and continued.
23. Special Package (Annexure V) announced previously for promotion of Bio-technology industries will continue.
24. Special Package of facilities will be given to manufacturing enterprises having fixed capital investment of ₹ 25 crore in which share capital/direct foreign capital investment by non-resident Indians is 51 percent or more. Following facilities would be given under the package.
 - Exemption from entry tax—facility of exemption for additional one year more than the normal period of exemption will be available.
 - Industrial Investment Promotion Assistance Scheme- facility for additional period of two years more than the normal period will be available.
25. The industrial units, which are declared defaulters of the State Government or any of its undertakings will not be eligible to get facilities/concessions announced under the policy.
26. Subsidy to reimburse the difference between normal tariff of electricity and the concessional tariff fixed by Electricity Regulatory Commission and Energy Department, for supply of electricity to powerloom weavers will continue.

Annexure - 1

1 'Special Package, 2010' of facilities to be extended by Government of M.P. on restarting of sick/closed industrial units after acquisition/ purchase

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

1.1 NON-FISCAL

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

1.2 FISCAL

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

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

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

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

- 1.2.3 If fresh capital investment in the rehabilitated unit by the acquirer is more than 50% of the previous capital investment of the unit which is not less than ₹ 10 crores, then facilities as per eligibility will be extended to the unit treating it as a new unit.

Explanation

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

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

- 1.2.6 In case of the acquired/purchased unit being situated in a Industrial area or Industrial growth centre, the acquirer makes payment of outstanding actual dues of lease rent, maintenance charges and water charges due against the unit in one go within three months from date of acquisition/purchase, then interest/penalty on such dues will be fully waived. Alternatively facility of making payment of the outstanding dues including interest/purchase in maximum six half yearly installments from the date of acquisition will be given in case of delay in payment of such installments, interest at PLR rate of State Bank of India will be charged.
- 1.2.7 Transfer of land/building and other assets of the unit on acquisition/purchase will be fully exempted from stamp duty.
- 1.2.8 If the acquirer makes fresh Capital Investment of more than ₹ 10 crores, then the unit shall be accorded status of mega project with investment of more than ₹ 25 crores, and the acquirer will be able to submit application as per rules before the Apex Level Investment Promotion Empowered Committee for grant of customized package.
- 1.2.9 Under this Special Package, providing eligible benefits will be considered only in such cases where the industrial unit has been acquired/purchased as a complete unit.

Above facilities shall not be applicable automatically just on acquisition/purchase of a unit. A high level committee headed by Chief Secretary shall be competent to sanction a specific all facility or all facilities upto maximum limit on merits in each case under the Policy Package, 2010.

2 'Policy Package, 2010' of financial and other concessions to be extended to the sick industrial units in the state.

Large and medium scale sick industrial units situated in the state, whose cases are under consideration before the Board for Industrial and Financial Reconstruction {B.I.F.R} under the Sick Industrial Companies {Special Provisions} Act, 1985 and the Board {B.I.F.R} is preparing or has prepared rehabilitation scheme for their rehabilitation, will be extended following facilities under Policy Package 2010: -

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

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

- 2.5 If the unit makes payment of arrears of commercial tax in one stroke {as in para 2.3 above}, then from the cut-off date mentioned in the sanctioned scheme or date of sanction of the scheme, the unit will be given assistance under 'Industrial Investment Promotion Assistance Scheme'.
- 2.6 If any department/institution of the State Government has any outstanding dues against the unit, then bank guarantee shall will not be insisted for its recovery.
- 2.7 Unit will be declared "Relief Undertaking" if necessary, during rehabilitation period.

Facilities mentioned in the above package will be sanctioned as per decisions to be taken by the High Level Committee constituted under the chairmanship of Chief Secretary in each case on merits upto the limits mentioned in 'Policy Package, 2010'.

If any specific relief/concession other than the Policy Package, 2010 is sought from the State Govt. such specific relief/concession may be considered by high level committee. If it is found appropriate to grant such specific relief/facility, the committee may send its recommendation to the related forum/committee or Cabinet for decision.

**3. REVIVAL SCHEME FOR SICK SMALL SCALE INDUSTRIAL UNITS
(Madhya Pradesh Small Scale Industries Revival Scheme 2010)**

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

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

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

3.5 Definitions

3.5.1 Sick unit

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

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

Or

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

And

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

3.5.2 Net Worth

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

3.5.3 Free Reserves

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

3.5.4 Bank

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

3.5.5 Financial Institution

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

3.5.6 Viable sick unit

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

3.5.7 Dues payable

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

3.5.8 Appraisal Agency

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

3.5.9 State Government

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

3.5.10 Special Cell

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

3.5.11 Madhya Pradesh Electricity Distribution Company

Associate Electricity Distribution Companies of the Madhya Pradesh State Electricity Board.

3.5.12 Eligible Assets

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

3.5.13 Eligible Fixed Capital Investment

Means capital investment in land, new building, other permanent constructions and technical know-how fees as per following definitions -

a) Land

The actual price paid for the land as needed by the industrial unit as part of and during the period of rehabilitation scheme including expansion and modernization, but excluding land development charges.

b) New Building

Means additional building constructed to accommodate additional plant and machinery for expansion and modernization during the period and as part of the rehabilitation scheme.

c) Other Permanent Construction

Means other construction work required for installing plant & machinery or for effluent treatment plant.

d) Plant & Machinery

Means the total of capital expenditure on new plant & machinery, and imported second hand machinery and installation expenditure and capital interest during period of construction, which would not exceed 5% of the total fixed capital investment.

e) Technical Know-how fee

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

3.6 Reliefs

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

3.6.1 Fiscal Reliefs

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

Necessary funds to operate the scheme and to reimburse financial loss to the Government and its agencies shall be provided in the budget allocation of the Commerce, Industries & Employment Department. The number of units to be provided relief shall be limited according to the availability of funds in any given year.

3.6.1.1 Commercial Tax Department

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

3.6.1.2 Madhya Pradesh Electricity Distribution Company

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

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

3.6.1.3 Commerce & Industry Department

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

3.6.1.4 Continuation of Incentives sanctioned earlier

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

3.6.1.5 Additional Relief

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

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

3.7 Empowered Committee:

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

- | | |
|--|------------------|
| 1. Collector | Chairman |
| 2. Zonal Industry Officer | Vice-chairman |
| 3. Deputy Commissioner, Commercial Tax | Member |
| 4. Representative of M.P. Electricity Distribution Company not below the rank of Divisional Engineer | Member |
| 5. Lead District Bank Manager | Member |
| 6. Representatives of Concerned Bank | Member |
| 7. Representative of SIDBI (if the case is related to SIDBI) | Member |
| 8. Representative of Madhya Pradesh Finance Corporation (if the case is related to the Finance Corporation)
(If case is related to Finance Corporation) | Member
Member |
| 9. Representative of Appraisal Agency | Member |
| 10. Representative of Audhyogik Kendra Vikas Nigam, not below the rank of General Manager | Member |
| 11. Joint Director, Treasury and Accounts or his Representative | Member |
| 12. General Manager, District Trade and Industries Centre | Member-Secretary |

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

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

3.8. Procedure

3.8.1 Initial Scrutiny, eligibility of case

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

(b) Circulation among members: -

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

3.8.2 Reference to Authorized Consultant for appraisal

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

3.8.3 Application fee

Application fee shall be Rs one thousand only.

3.8.4 Circulation amongst members of the Empowered Committee

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

3.8.5 Sanctions by the concerned agencies

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

Decisions of Empowered Committee would be binding on all the departments of the State Government. If however, any Department wishes to get any decision reconsidered, a proposal to that effect must be moved for the consideration of the State Government in the Department of Commerce, Industries and Employment.

3.8.6 Sanctions under MPSSIRS

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

3.8.7 Time frame for issuance of orders

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

3.8.8 Quantum of Financial Sacrifice

While working out the rehabilitation package, it should be ensured that the amount of financial sacrifice to be borne by the State Government/ Madhya Pradesh Electricity Distribution Company does not exceed the sacrifices to be borne by banks/ financial institutions. This condition shall not apply in case of a unit which has not availed of

any finance from a bank/ financial institution up to the date it approaches the State Government for assistance under the present package. The amount of financial sacrifice shall be computed as follows:

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

3.8.9 Terms and Conditions for Grant of Reliefs

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

4. Package for Pharmaceutical and Herbal Industries

- 4.1 Fifty percent of the expenditure incurred on technical services for obtaining certificate of Good Manufacturing Practices (GMP) from the Madhya Pradesh Food and Drugs Administration would be reimbursed up to a maximum limit of Rs. One lakh.
 - 4.2 Special arrangements will be made for speedy disposal of departmental formalities by the licensing authority and other departments for manufacturers of drugs & herbal products.
 - 4.3 Pharmaceutical Industries would be encouraged to participate in international trade fairs.
 - 4.4 With a view to create integrated and excellent infrastructure in the areas with good prospects for development of Herbal and Ayurvedic products based industries, herbal parks and demonstration centres would be developed.
 - 4.5 Arrangements under the MOU signed between M P Laghu Vanopaj Sangh and Madhya Pradesh Trade and Investment Facilitation Corporation Ltd for promoting export of medicinal plants and herbs would be continued.
 - 4.6 Generally the scope of establishing Herbal & Ayurvedic industries exists in advanced districts like Bhopal, Indore etc. Therefore, Herbal & Ayurvedic industries set up in all such advanced districts will be provided State Investment Subsidy, Industrial Investment Promotion Assistance like Backward 'A' category districts.
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5. Special Package for Biotechnology Industry

Biotechnology units will normally get all concessions/assistance that are provided to other industrial units as detailed in the Industrial Promotion Policy - 2010. The list of products to be included for the biotechnology units will be decided by the Biotechnology Department of the State Government. To promote biotechnology units in the State, additional facilities/concessions provided will be as follows:-

- 5.1 The permissible floor space index for the biotechnology units in biotechnology park will be two time.
- 5.2 A minimum of 60 percent of total allocated area in the biotechnology park will be utilized for biotechnology operations and the remaining 40 percent area will be utilized for support services and ancillary purposes.
- 5.3 50 percent concession in land premium will be provided to the units employing more than 500 persons on regular basis.
- 5.4 50 percent rebate in the lease rent for first 3 years, will provided if the plot area in the biotechnology park is minimum of 1000 sq. feet.
- 5.5 Industrial units in Biotechnology Park will be eligible for capital investment subsidy at the rate of 20 percent with maximum limit of ₹ 20 lakh. Units with capital investment of more than ₹ 5 crores will be eligible for capital investment subsidy at the rate of 15 percent, with maximum limit of ₹ 150.00 lakh.
- 5.6 Industries in biotechnology park will be eligible for interest subsidy on the term loans taken from any recognized financial institution or bank at par with industries established in backward category 'C' districts.
- 5.7 Establishment of venture capital fund of ₹ 100 crore with private participation will be encouraged by the State Government with a view to financially assist biotechnology units in primary stages.
- 5.8 30 percent subsidy subject to maximum of ₹ 1 lakh will be provided on expenses for audit and certification, by the Drug Controller Office and on the expenses incurred on certification and audit conducted by the W.H.O and thereafter drug control audits by various nations.

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