

IMPACT

INVEST IN MADHYA PRADESH
ASPIRE, COLLABORATE AND TRANSFORM

NEWSLETTER

MPDC | MADHYA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION

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EDITORIAL

Dear Readers,

I am pleased to bring Volume 4 of iMPact Newsletter, which shares information and updates on constantly improving industrial scenario in the state of Madhya Pradesh. As we all are battling through these tough times of the Covid-19 pandemic, the government is very effectively taking policy measures to ensure every support to our industries. Further, in the sections to follow, you would read in detail the collaborative efforts of the government and industrialists to ensure a speedy revival of the economy.

Breaking barriers, the State Government led by Hon'ble Chief Minister, Shri Shivraj Singh Chouhan, has undertaken many regulatory reforms and has introduced revolutionary labour reforms. There has been a paradigm shift by making these laws, less intrusive and invasive. Now the industry is free to hire, choose shifts, choose timings, and work at their own pace.

Through 'Jeewan Shakti Yojana', women in the state have been engaged to produce masks and the Government is supporting them by procuring these masks and supply them to industries. This has resulted in income generation at a primary level whereas ensured availability of masks to industries in large quantities.

Through Agricultural Procurement and Marketing Act Reforms, direct procurement from farmers, and setting up of private marketing yards is allowed. Mandi law was amended to make it more farmer-friendly and with these new provisions, agri-produce procurement has become easy and transparent and has led to savings to industries in terms of Mandi fees. Further, about 130 lakh metric tonne of wheat procurement was achieved in the state during this procurement season which is the highest wheat procurement in the country.

High power cost has become a major concern for the industry. Madhya Pradesh has taken a pioneering step in this regard by initiating a separate Distribution Company (DISCOM) which will provide power to industry at approximately INR 4 per unit while the prevailing rate is around INR 6.5-7.5 per unit. Further, for the first time in India, MP has initiated steps to authorize computerized systems to issue licenses. If the Competent Authority does not approve the licenses within notified timelines, legally valid approvals will be issued by computerized systems automatically. These pioneering initiatives and reforms will ensure that Madhya Pradesh becomes a sought after investment destination in the country.

In this quest to make Madhya Pradesh an industrial state, I will be happy to connect with all the stakeholders and receive feedback from industries, policymakers, think tanks, financing institutions, in order to foster the overall ecosystem of the state.

Sanjay Kumar Shukla

IAS, Principal Secretary

Department of Industrial Policy and Investment Promotion

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POLICY UPDATES

COVID-19 is an unprecedented public health emergency affecting every industry. MP Government in this regard acted promptly according to the situation. The government being the facilitator to the industrial growth, enacted the needed laws and policies on time.

Provisions under the Essential Services Management Act, 1979

On April 8, the Government implemented the provisions under the Essential Services Management Act, 1979 to ensure the smooth functioning of emergency services. E-Transit Pass facility was started to ensure smooth inter-district and across state movement of vehicles to ensure the flow of essential goods & services. These steps not only provided provisions for running the industries smoothly but also shows the proactiveness undertaken by the State Government. Due to these proactive steps, industries have acted accordingly, and an adaptive environment helped Industries in their smooth running.



Hon'ble Chief Minister, Shri Shivraj Singh Chouhan

Guidelines for the Industries to start operations

On 20th April, as soon as the guidelines from the Government of India notified to ease out Industries' opening, the Government of MP released guidelines for the Industries of the state to start operations with required measures. This step was much needed to restart the industrial halt and within a fortnight the major industries in industrial areas of the State restarted with approximately 30% capacity, with staggering shifts taking all precautions. In this scenario, the State Government has efficiently managed to monitor and follow up on various fronts including the labor movement, raw material transport, finished goods transportation, etc.

Amendments in the labour laws, policy framework and industrial infrastructure for industrial growth

To lessen the effect of this pandemic on industries of the state, State Government has also instituted the much-needed amendments in the labor laws, policy framework, and an industrial infrastructure which will act as a stimulus for the industrial growth of the state. To focus more on the growth perspective, the Department of Industrial Policy and Investment Promotion, Government of Madhya Pradesh has constituted a committee of industrialists to suggest steps to attract investments and revive industries from the impact of the COVID-19 outbreak in the state.

To provide further relief to industries during this pandemic, Labour reform exempted all new factories from select provisions of the Industrial Disputes Act, 1947. Incentive application time was



relaxed from 90 to 180 days. Auto-renewal of licenses for manufacturing of life-saving drugs, PPE & gears, sanitizers & Oxygen gas cylinders is being done. Registration/license issuance period has been reduced to 01 day which was earlier 30 days. Another provision has been made to renew the factory license in 10 years instead of 1 year. The order has been passed to impose no monetary penalty in case the lease rent is not filled for 3 months from the due date. Further relaxation on lease and maintenance payment date was made up to 31st July 2020, without any interest and penalty.

ADVANTAGE MP

Madhya Pradesh - A Pioneer in Ease of Doing Business, Promising Abundance of Investments

Efforts of the current regime have created a positive environment for prospective investors and entrepreneurs.



*Hon'ble Industry Minister
Shri Rajvardhan Singh Dattigaon*

With a focussed approach on bringing promising investments in the state, Department of Industrial Policy and Investment Promotion, Government of Madhya Pradesh led by Hon'ble Industry Minister Shri Rajvardhan Singh Dattigaon is consistently working towards providing a plethora of attractive opportunities and convenience to the investors.

As per the list prepared by the World Bank and the Department for Promotion of Industry and Internal Trade (DPIIT) GoI, Madhya Pradesh has been consistently featuring in the top 10 states of India which offer ease of doing business with an implementation score of more than 95%. The incumbent government has been constantly striving to improve the delivery of services to the citizens and industries alike. The consistent efforts have resulted in catapulting the state among the top achievers in terms of ease of doing business.

INVEST Portal - A One Stop Solution for Investors, interested in setting up Industries in MP



To give a one-stop solution to all its prospective investors, the state government has initiated a unique 'INVEST Portal', that aims to give a single-window solution to an investor who intends to set up any business/industry in the state. INVEST Portal takes care of the entire lifecycle management of a proposal covering its initiation, series of approvals, land allotment, clearances, application for incentives, renewals, and even business expansion and diversification.

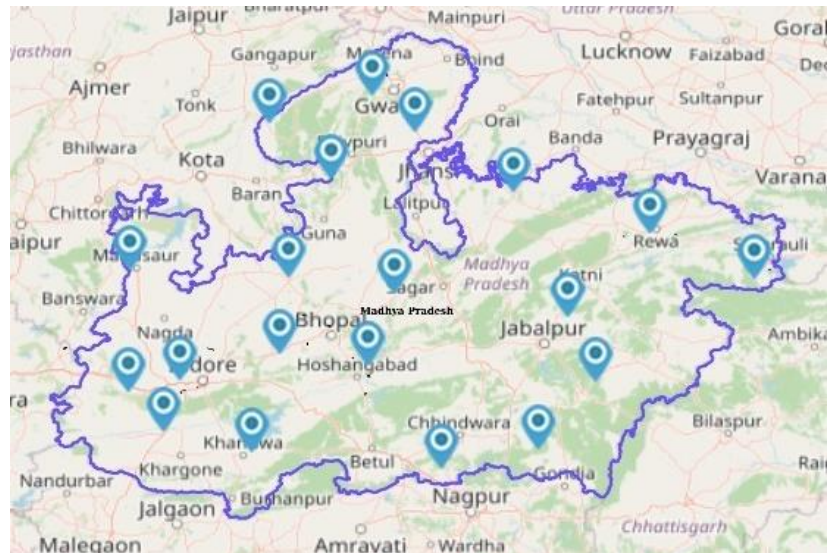
The portal has received rave reviews because of its efficient coordination among eight key government departments namely Department of Industrial Policy and Investment Promotion (DIP&IP), Labour Department, Energy Department, Food, Civil Supplies, and Consumer Affairs, MP Pollution Control Board, Water Resource Department and Department of Commercial Tax and evoking a quick response from them.

Main Attractions for Investors

There are three main factors that attract an investor to a state: World-class Industrial Infrastructure, Skilled WorkForce, and Ease of Doing Business. Madhya Pradesh is increasingly becoming a preferred choice among

investors because of its convenient land allotment procedure, provision of several labour services through an online platform and most importantly applying for digital verification and consent from the Pollution Control Board. Most importantly, Madhya Pradesh is one of the leading states which ensures the delivery of documents registered through SAMPADA portal (e-registration) within 24 hours of registration.

Land allotment in the industrial areas of MP is being taken care of by the Madhya Pradesh Industrial Development Corporation (MPIDC) through INVEST Portal. As a matter of pride, the MP government has allocated more than six hundred and fifty (650) land parcels from the system and earned a whopping revenue of around INR 225.2 crore at various stages of land allotment through the INVEST Portal. Due to this, an investor's work has been reduced significantly as now they can do several tasks online, through the INVEST portal like online application submission, consolidated payments, status tracking, online queries, and obtaining final approval certificate online.



Besides land clearances, Madhya Pradesh's government is keenly working on automation and onboarding of urban local bodies through the e-Nagar Palika portal. The government of Madhya Pradesh has brought in 378 urban local bodies on the platform. e-Nagar Palika portal also helps in obtaining building permission, fire NOC, making payments for water, house tax, tree cutting, trade licenses, etc. The portal developed by Directorate of Town and Country Planning provides the interface for knowing about land use, change of land use, master plans, and seeking approvals.

Single Window Clearance, Automation and Online Approvals

Several key government departments have developed an automated system that gives approvals to the investors online with minimum documents required. The power distribution companies have enabled users to apply for a connection online with documents required to avail connection being reduced to only three. Even application tracking and payment status can be checked at a click of a button.

The labour department of MP, on the other hand, has developed the Shramseva portal which acts as a single interface for all licenses and approval related to labour department. More than 20 services are available on this portal, which further integrates with the government's INVEST Portal for single-window clearance.



To make the business environment easy for businessmen, MP is one of the few states that have removed the requirements for renewals under Shops and Establishment Act. MP has also pioneered in introducing the Revenue Courts Management System (RCMS) which has automated all the revenue courts in the state. It provides some unique features to the users like the searching status of their case online, referring to the cause list, downloading the certificate at the click of a button.

Similarly, Commissioner Land Records office has also developed an online portal to provide information about khasra, maps, bank loans at a click of a button. Online certificate copies can also be applied to the system.

The Registration and Stamps Department (Commercial taxes) has developed state of the art SAMPADA system which has enabled online registration, document drafting, slot booking, the certified copy of documents, online payment of registration and stamp duty along with generation and verification of stamps. The document delivery is provided within 24 hours of registration.

INVESTMENT UPDATES



Government of Madhya Pradesh under the leadership of Hon'ble Chief Minister, Shri Shivraj Singh Chouhan has constituted an industry committee to give recommendations and suggestions for augmenting investments in the state. The first meeting of the Industry Committee was organized on 10 May 2020 (through Video Conferencing) at 3 pm and was chaired by Hon'ble Chief Minister.

Members of the Industry Committee were:

Name of Industrialist	Company Name	Designation
Mr. Rajinder Gupta	Trident	MD
Mr. Ravi Jhunjunwala	HEG	CMD
Mr. Vinod Aggarwal	VE Commercial Vehicles	MD
Mr. Michihiro Suzuki	Bridgestone India	Chairman
Mr. Nilesh Gupta	Lupin	MD
Mr. Anurag Srivastava	Netlink	Founder & CEO
Mr. Marc Jarrault	LAPP Group	MD
Mr. Arun Gour	Prakash Packaging	CEO
Mrs. Archana Bhatnagar	Haylide Chemical Industries	MD
Mr. Sandeep Kochar	Kochhar Glass India	MD
Mr. Jitendra Gupta	Meenakshi Chemical	MD
Mr. Rajesh Mishra	Aryavrat Engineering	MD
Mr. S P Oswal	Vardhman Group	Chairman

The key objectives of this committee:

1. Suggest a strategy for revival of the economy in the state owing to recent disruptions due to COVID-19 pandemic
2. Suggest strategies to attract future investments in the state and expand the industrial landscape of Madhya Pradesh
3. Recommendations to attract companies looking to move out their manufacturing base from China in post COVID scenario

During this meeting, the Honourable Chief Minister gave information about the new labour reforms and said that it is in the interest of both workers and industries. He told that the industrialists have been invited to this meeting as development partners of Madhya Pradesh and not just as industrialists.

Industry representatives mentioned that the new labour reforms and agriculture marketing reforms initiated by the State Government are a welcome step to attract industries and investment. The members suggested various measures and solutions for restarting the industries post COVID-19 lockdown. They suggested that detailed SOPs along with preventive guidelines should be issued for companies to follow them. Further, they suggested that the Government of Madhya Pradesh can outreach companies planning to relocate from China to other countries. They suggested that a few sectors like Textile, Automobile, Food Processing, etc are the potential sectors for the State. Companies gave other suggestions like tweaking of investor policies and ensuring ease of doing business reforms to attract new industries and benefit existing units.

INFRASTRUCTURAL UPDATES

Madhya Pradesh - Emerging Logistics Hub Which Offers a Plethora of Employment Opportunities

Strategic location and accommodative policies of the government giving a boost to the sector.

In the current GST regime Madhya Pradesh, because of its strategic central location has the potential to become India's Logistics Hub. With its border touching 5 other Indian states approximately 50% of India's population comes under the catchment area of Madhya Pradesh and provides direct access to them within 12 hours, by road, through Madhya Pradesh.



The positive impact of GST Reform on MP's Logistics and Warehousing space

Post Goods and Services Tax (GST) implementation, which subsumed an array of inconsistent state tax levies has established India as one market. Because of Madhya Pradesh's strategic central location and its border touching five other Indian states, the state has immense potential to become India's logistics hub.

India has a relatively higher logistics cost- almost 13-14% of GDP compared to the other countries like 10-11% in BRICS countries, 9.5% in the US and 8% in Germany. This is a major impediment to the overall economic growth of the country. The current government in Madhya Pradesh was quick to realize that the problem can be dealt with some extent by developing logistics hubs at various strategic places and hence MP can be promoted as the best-located state to handle this.

Logistics and Warehousing Policy - giving a required push to the sector

Accordingly, the Government of Madhya Pradesh came up with a dedicated 'Logistics and Warehousing' Policy which reemphasized its commitment towards the development of the sector. MP has a vast pool of lands available. Though landlocked, the state government has been able to attract various industries which are export-oriented. It already has seven inland container depots (ICDs) located at Malanpur (Gwalior), Ratlam, Mandideep (Bhopal), Pithampur (Indore), Pawarkheda (Itarsi), Tihi (Indore) and Dhannad (Indore). Few of these ICDs are being set up by private players which shows interest and convenience felt by the private players in the logistics and warehousing space of the state. An International Air Cargo Facility has also been made available at Indore.



Why MP as a Preferred Destination for Developing Logistics Hub?

For any state to become a preferred logistics hub, it needs to have four basic attributes - strategic location in the context of the consumption market, vast pool of land, availability of unskilled and skilled labour and most importantly the thriving local industries in the area. Madhya Pradesh is geographically blessed to be perfectly positioned to serve the major consumption market in the country. With Jawahar Lal Nehru Port Trust just 12 hours away from the state and with the presence of ICDs, all the formalities of export are being conveniently done at the source itself. Besides saving the time of consignments at the port, it also helps in avoiding high parking charges for containers at the ports.

The logistics sector requires vast reserves of land and MP has no dearth of it. The state has 120,000 acres of industrial land in MPIDC's industrial areas. Given the above advantages, the focussed vision, and trust instilled by Hon'ble Industry Minister Shri Rajvardhan Singh Dattigaon, MP is being preferred by many investors for the development of logistics and warehousing hub.

EVENT UPDATES

Government of Madhya Pradesh's video conference with investors in Japan

On 07th Jan 2020, Shri Sanjay Kumar Shukla, PS, DIIP GoMP had a detailed discussion with Japanese investors organized by Indian Embassy in Japan, highlighting State's industrial ecosystem, its multi-pronged approach and ahead of curve policies; encouraging investors to invest in Madhya Pradesh. Shri Shukla also proposed about the favorable policies of the State Government (sector-specific lucrative policies, the tax-delinked policy with the provision of Public Service Guarantee Act)



Government of Madhya Pradesh's video conference with the US-India Strategic Partnership Forum (USISPF)

On 07th May 2020, the government of Madhya Pradesh officials Dr. Rajesh Rajora (IAS Additional Chief Secretary, GoMP), Shri I.C.P. Keshri (IAS Additional Chief Secretary, GoMP) and Managing Director, MPIDC participated in a remote conference with the US-India Strategic Partnership Forum (USISPF). USISPF is a non-profit organization with the primary objective of strengthening the U.S.-India bilateral and strategic partnerships. Industry representatives from PepsiCo, Caterpillar, Cummins, Sterlite Power participated to share their concerns in operations due to the Covid19 pandemic. Moderated by Dr. Mukesh Aghi (President and CEO USISPF) the discussions were mainly focused on restoring industrial operations and policy measures to help existing industries in the current situation, while also focusing on inviting industries that are considering relocation from other parts of the world.

Government of Madhya Pradesh in Exclusive Investment Forum 2020 with Invest India

During the lockdown period, the Government of Madhya Pradesh participated & organized many webinar sessions with global industry stalwarts to showcase the potential of Madhya Pradesh. Some of them are: 'Invest India Exclusive Investment Forum 2020' on Textile & Garmenting sector, Food Processing Sector, Retail & Sourcing Sector. PS, DIIP, GoMP showcased advantages & attractiveness in MP in these sectors to the industry leaders across the globe and assured of comprehensive support of State Government.

EXCLUSIVE INVESTMENT FORUM

INVEST INDIA.GOV.IN

infinite opportunities

“ MP is the heart of India and in the new era of GST and industrialisation this is where all investors should come & invest. We have the Public Service Guarantee Act and most of the services/approvals are granted within 30 days. We have numerous engineering and technical colleges which provide skilled labour at competitive salaries. We are uniquely located as the north-south corridor passes through the state.

Shri. Sanjay Kumar Shukla
Principal Secretary, Industrial Policy and Investment Promotion, Government of Madhya Pradesh

#EIF2020

[\(Click here to play the message from PS DIIP GoMP\)](#)

MP TRIVIA

HEG Limited is a leading manufacturer and exporter of graphite electrodes in India and operates the world's largest single-site integrated graphite electrodes plant at Mandideep in Madhya Pradesh.



TESTIMONIALS

Chairman & Managing Director, Mr. Sanjiv Puri of ITC talks about their history in Madhya Pradesh and their plans of investment in Agri-Business here.

[\(Click here to watch this video\)](#)



KNOWLEDGE PARTNER



MPIDC

WE ARE LISTENING!

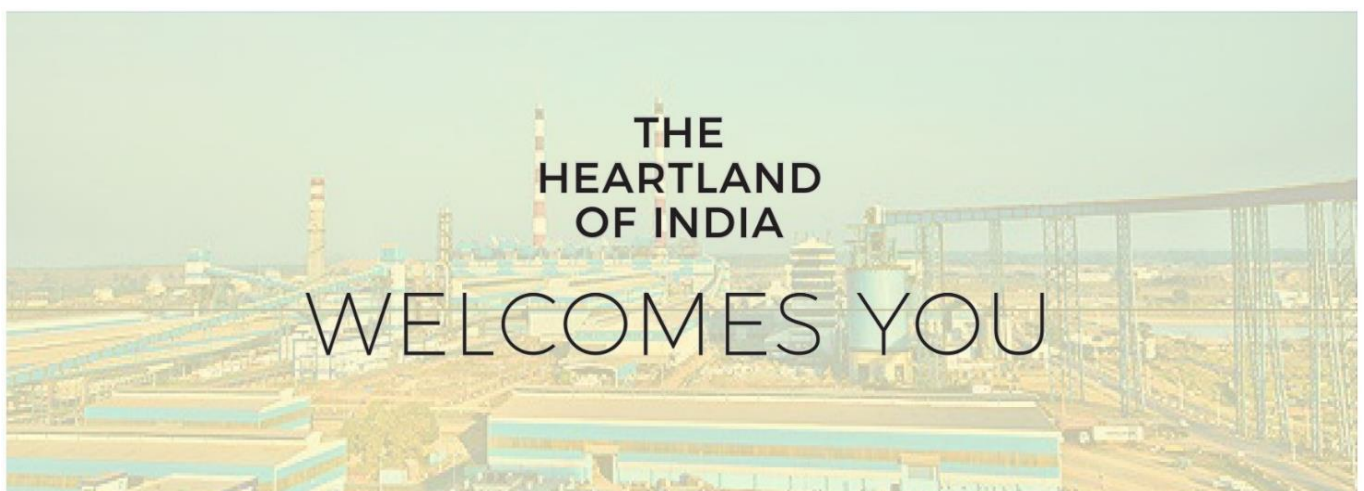
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