



# MADHYA PRADESH

October 2007



# STATE ECONOMY & SOCIO-ECONOMIC PROFILE





## Socio - Economic Snapshot

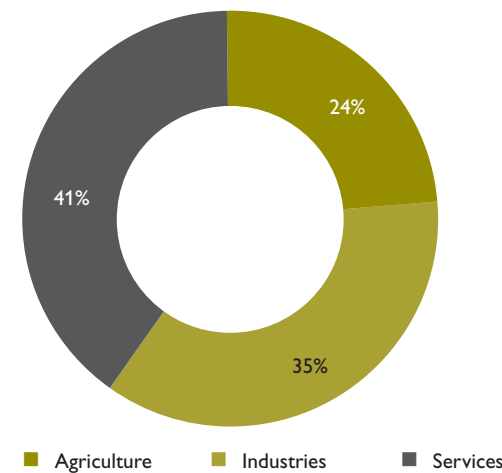
Population (Census 2001)	Population (2001) 60.3 million
Density (2001)	196 per sq km
Sex Ratio (Census 2001)	920/1000 males
Principal Languages	Hindi
Literacy Rate (Census 2001)	64.1%
Major Minerals	Copper ore, Lime stone, Manganese Ore, etc.
Major Industries	Cement, Textiles, Minerals, Edible Oil
Major Crops	Soyabean ,Gram, Pulses like Masoor, Arhar
GSDP at current prices in 2004-05	US\$ 23,983.63 million
NSDP at current prices in 2004-05	US\$ 9.8 billion
Annual Per Capita Income at current prices in 2004-05	US\$ 254
Domestic Airports	Bhopal, Indore

Source: Official website of Government of India, [www.india.gov.in](http://www.india.gov.in)  
Department of Rural Development, Government of Madhya Pradesh

## Economic Profile

- Endowed with large mineral resources of Coal, Diamond, Limestone, Methane etc.
- Ranked amongst the top 4 states of the Country for Industrial Investments
- Gross State Domestic Product (GSDP) at current prices in 2004-2005 was US\$ 24 billion

Madhya Pradesh - Sectoral Contribution to GDP

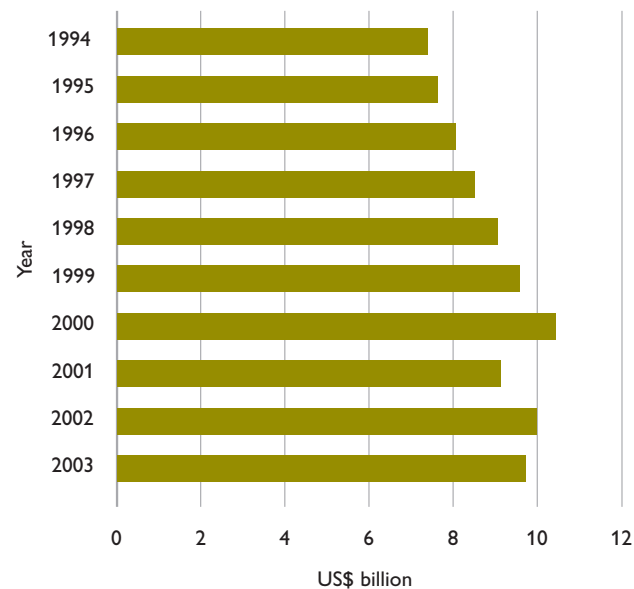


Source: Review of Madhya Pradesh Economy, CMIE, August 2004

## Economic Profile

- The per capita GSDP of Madhya Pradesh is US\$ 369
- Net State Domestic Product (NSDP) of the state at Current Prices (2004-05) was US\$ 9.8 billion
- Minor Forest Produce ( MFP) from the forests, such as Tendu leaves, Sal wood, Teak wood and Lak are a major contributor to the rural economy of the state

Madhya Pradesh - NSDP Growth



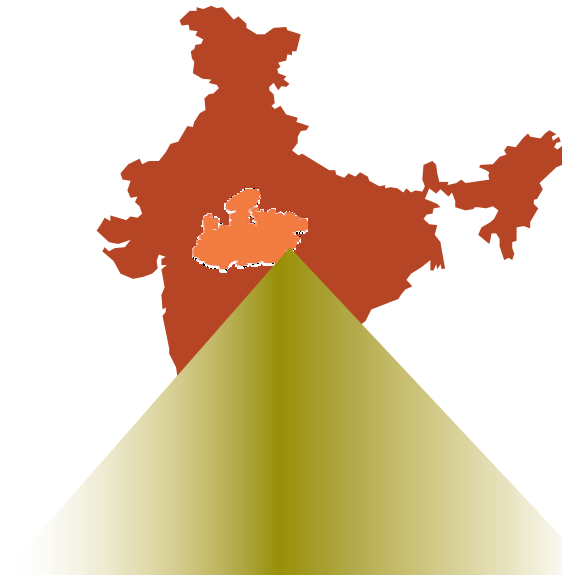
Source: Department of Finance, Government of Madhya Pradesh

# INFRASTRUCTURE STATUS

# Physical Infrastructure

## Railway Network

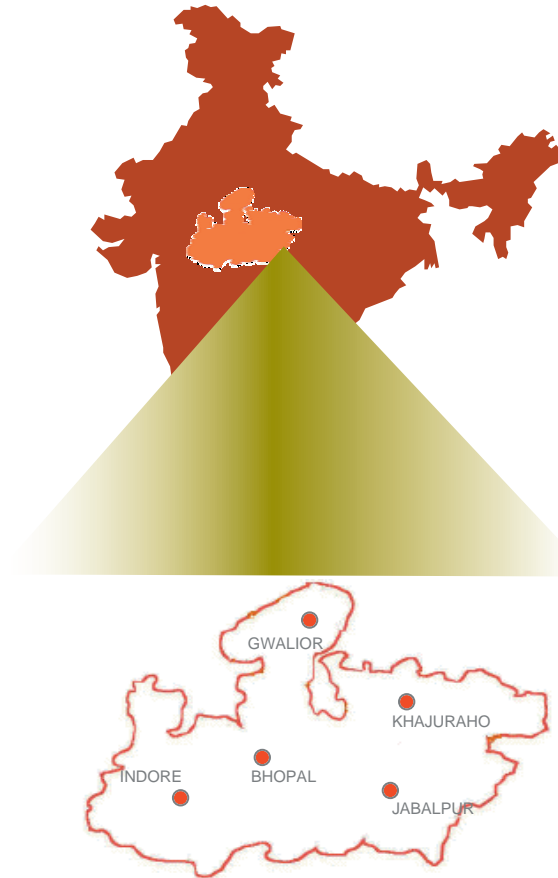
- Well connected with the Rest of India
- Almost 425 Trains pass through the State on a daily basis
- 175 Trains pass through the State capital Bhopal alone



# Physical Infrastructure

## Airports

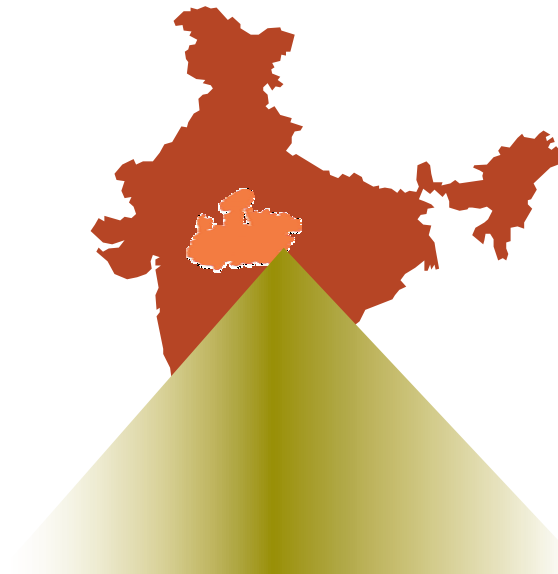
- Convenient air links from Key Indian Cities to Bhopal, Jabalpur, Gwalior, Indore and Khajuraho
- 5 Operational airports, 25 Airstrips
- Indore Airport has the capability of handling International cargo
- An international airport is proposed at Bhopal



# Physical Infrastructure

## Road Network

- Total road length in the State is 67,600 km
- National Highways of 5,200 km run through the State
- 18 National Highways including trunk routes of Delhi-Mumbai, Delhi-Chennai, Delhi-Bangalore, Delhi- Hyderabad.
- The total length of State highways in the State is 9,885 km
- Convenient linkages to Western ports i.e. Kandla Port, Jawaharlal Nehru Port Trust



# Physical Infrastructure

## Power

- The installed electricity generation capacity of Madhya Pradesh is 6,449 MW
- 95.66% of Madhya Pradesh's electricity generation capacity is based on Thermal energy with the remaining from Hydel sources
- On a percapita basis, electricity consumption in Madhya Pradesh stands at 352 kWh per annum, close to the national average of 355 kWh per annum

## Power Fact File for Madhya Pradesh

Power generation installed capacity	6,449.25 MW
Power Generation	24834 MU
Total Power Available	50679 MU
Per capita power consumption	352 kWh/Annum

Source: [www.indiastat.com](http://www.indiastat.com)

## Physical Infrastructure

### Telecom

Telecom Fact File for Madhya Pradesh

No. of Cellular Mobile Subscribers	8,87,990
No. of Telephone Exchanges	2,791
Tele-Density	3.9
Working DELs	23,57,660 (Wired-12,03,458, WLL 2,66,212 & GSM 8,87,990)
OFC Route Length in Km	27,222.7
Working Internet Connections	1,51,999
Working Broadband Connections	34,096

Source: [www.mp.bsnl.co.in](http://www.mp.bsnl.co.in)

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## Social Infrastructure

### Education

- Ranked 12<sup>th</sup> on the Human Development Index
- Literacy levels in the state have improved from 44.2% in 1991 to the current level of over 64.1%
- 45 Engineering colleges, over 200 Technical Training Institutes, 6 Medical colleges and 43 Management Institutes
- Key National Institutes in the state include:
  - Indian Institutes of Management (IIM) at Indore
  - Indian Institute of Forest Management,
  - Indian Institute of Hotel Management
  - International Institute of Professional Studies at Indore

Educational Institution	Number
Primary Schools	87,620
Higher Secondary Schools	8,481
Degree Colleges	250
Universities	9
Polytechnic Institutes	79
Industrial Training Institutes	200
Engineering Colleges	45
Medical Colleges	6

Source: [www.indiastat.com](http://www.indiastat.com), 2006

# Social Infrastructure

## Health

- Network of health facilities comprises 145 Hospitals, 343 Community Health Centres, 1,705 Primary Health Centres.
- It also has 34 Ayurvedic and 4 Homoeopathic Hospitals
- The number of in-patient beds in Madhya Pradesh's hospitals is 20,839

Health Institution	Number
District Hospitals	145
Sub-centre	20,521
Primary Health Centre	1,705
Community Health Centre	343
Ayurvedic Hospitals	34
Unani Hospitals	204
Homeopathic Hospitals	4

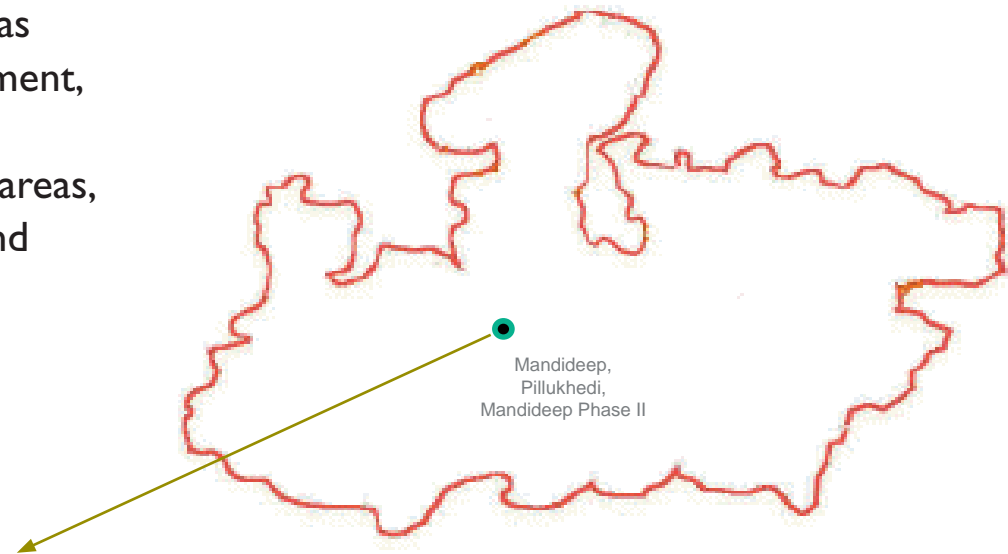
Source: Ministry of Health and Family Welfare, Govt, March 2006

## Industrial Infrastructure - Key Clusters

Through the Madhya Pradesh Audyogik Kendra Vikas Nigam Ltd (MPAKVNs) scheme, the State Government, has identified several Industrial Clusters. Several industrial giants have their establishments in these areas, however 44% of developed area is still untapped and open for investment.

### BHOPAL AKVN

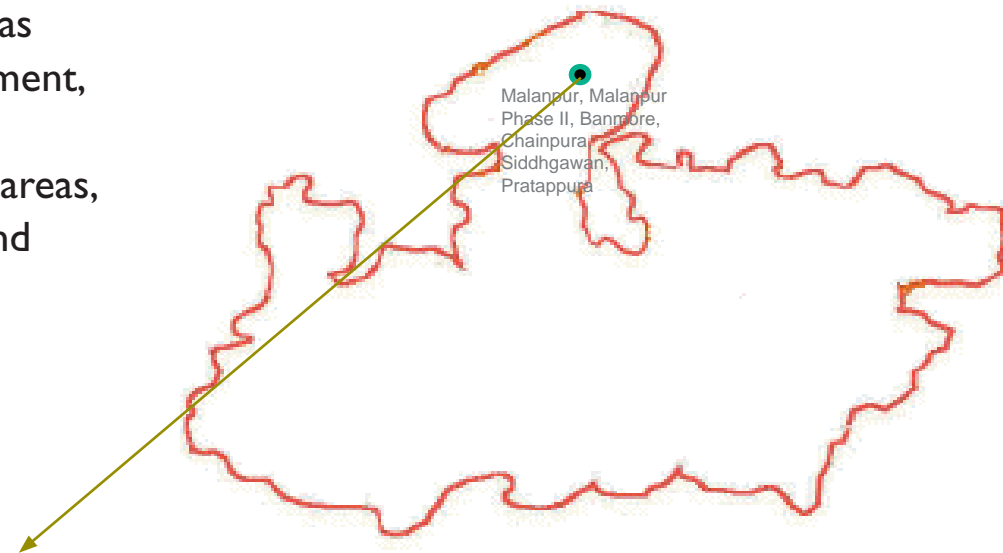
- Area Developed: 1,330 Hectares
- Allotted: 618 Hectares
- Units established: 286
- Major Groups: HEG, Crompton Greaves, P&G, Godrej, Lupin, IFB, Oswal, Nahar
- Special Infrastructure: ICD, Food Park



Total Developed Area	7,147 Hectares
Total Allotted Area	3,089 Hectares
Total Units Established	1,360
Growth Centres	19

## Industrial Infrastructure - Key Clusters

Through the Madhya Pradesh Audyogik Kendra Vikas Nigam Ltd (MPAKVNs) scheme, the State Government, has identified several industrial clusters. Several industrial giants have their establishments in these areas, however 44% of developed area is still untapped and open for investment.



### **GWALIOR AKVN**

- Area Developed: 2,262 Hectares
- Allotted: 800 Hectares
- Units established: 326
- Major Groups: JK, Surya Roshini, Godrej, Grasim, Cadbury, Hotline, Crompton Greaves
- Special Infrastructure: ICD, Food Park

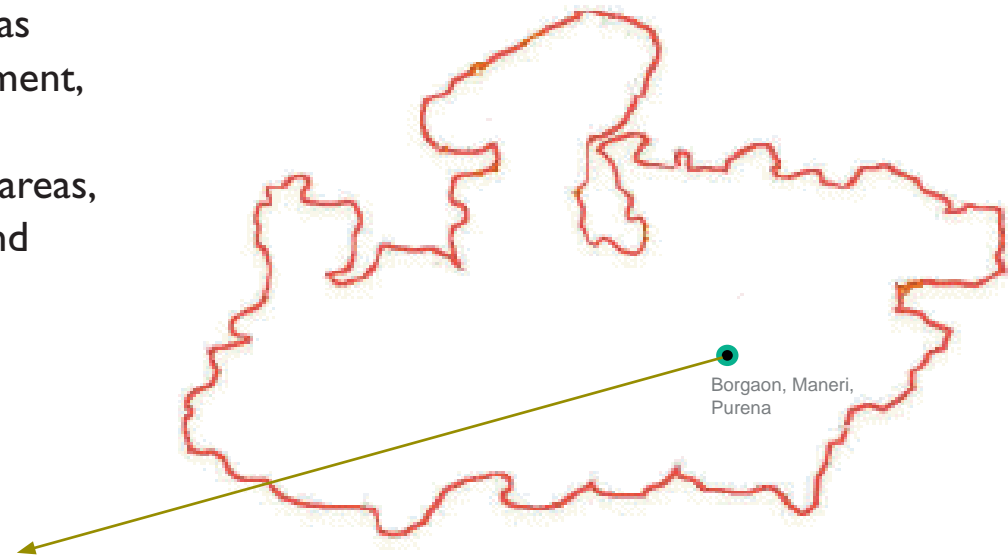
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## Industrial Infrastructure - Key Clusters

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### JABALPUR AKVN

- Area Developed: 790 Hectares
- Allotted: 125 Hectares
- Units established: 52
- Major Groups: Raymond, Hindustan Petroleum, PBM, Ayur
- Special Infrastructure: Stone Park, Food Park



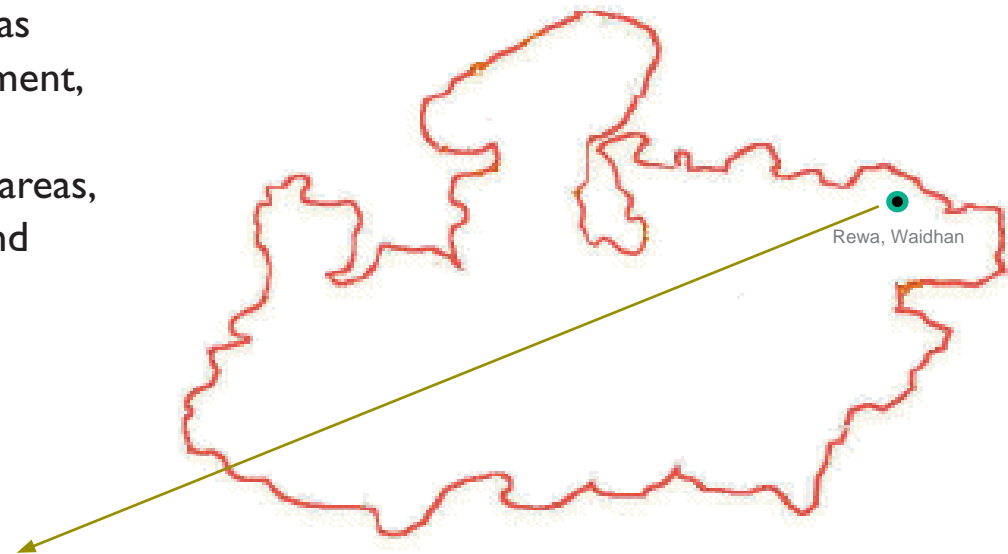
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## Industrial Infrastructure - Key Clusters

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### Rewa Akvn

- Area Developed: 273 Hectares
- Allotted: 115 Hectares
- Units established: 121
- Major Groups: Birla, Jaypee
- Special Infrastructure: Integrated infrastructure development centres (IIDC)



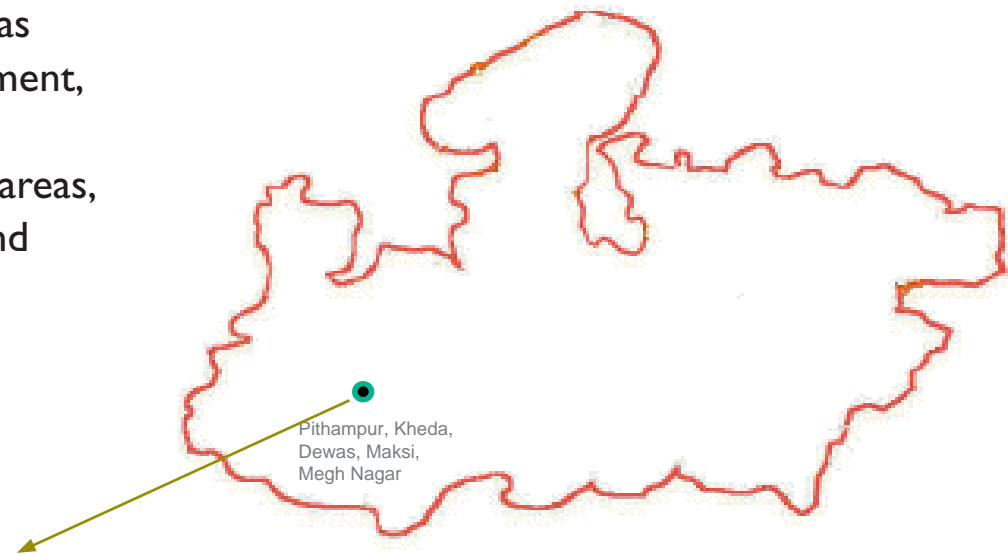
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## Industrial Infrastructure - Key Clusters

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### Indore Akvn

- Area Developed: 2,492 Hectares
- Allotted: 1431 Hectares
- Units established: 575
- Major Groups: Tata, Ranbaxy, Eicher, Bridgestone, Hindustan Motors, Kinetic, SRF, S Kumars, Gajra, Nicholas Piramal, Indorama, IPCA, Bhilwara
- Special Infrastructure: SEZ, Crystal IT Park, Food Park, Apparel Park



Total Developed Area	7,147 Hectares
Total Allotted Area	3,089 Hectares
Total Units established	1,360
Growth Centres	19

# STATE POLICIES & INCENTIVES

## State Level Policies

### Industrial Promotion Policy 2004

- The Industrial Promotion Policy would be effective for 5 years from 1<sup>st</sup> April 2004
  - The new policy envisages creating an Industry-friendly Administration, maximizing employment opportunities, tackling industrial sickness, rationalizing rates of commercial taxes and bolstering private sector participation
-

## State Level Policies

### Objectives of the Policy

- To make State Administration industry friendly by simplifying rules and procedures
  - To accelerate the pace of Industrialization and make Madhya Pradesh a leading Industrial state
  - To maximize Employment prospects
  - To attract NRI and Foreign investment by developing World-class Infrastructure
-

## State Level Policies

### Objectives of the Policy

- To create a congenial environment for the development of Small, Medium and Large Industries
  - To ensure balanced regional development by generating employment in the non-farm sector
  - To chalk out special packages for removing Industrial sickness
  - To integrate the different employment oriented schemes in order to provide employment opportunities on a sustainable basis
-

## State Level Policies

### IT Policy – 2006

- Improve the life of the common man leveraging the strengths of e-Governance
  - Attract Investment in the sector so that the Educated Youth is able to contribute to the development of the State
  - Create a pool of highly skilled professionals who are at par with the best in the country
  - Transforming MP from a Resource Based Economy to a Knowledge Based Economy
-

## State Level Policies

### Biotechnology Policy – 2003

- Conservation of the state's Biodiversity and the sustainable use of its Biotic resources
  - Production of High-yielding, Draught and Pest resistant seeds for Agriculture and Horticulture crops suited to different Agro-climatic zones
  - Improvement of the quality of Livestock and Poultry, especially the breeds indigenous to the state
  - Enhancement of the productive Potential of the Aquatic Eco-system
-

## State Level Policies

### Biotechnology Policy – 2003

- Promotion and cultivation of Medicinal and Aromatic plants, and the processing and value addition of their produce
  - Production of Cost Effective drugs that help counter diseases common in the tropical and sub-tropical regions of the country
  - Promote environmentally safe technologies for pollution abatement, especially treatment of Urban waste and Industrial effluents
  - Afforestation and especially the quick revival of species which have shown a tendency to decline
-

## State Level Policies

### Special Economic Zone policy

- Exemption of all State and Local taxes and levies for transactions with the SEZ and for supply from domestic tariff areas to the SEZ
  - Exemption from Stamp duty and Registration fees
  - Grant of labour, energy, environment, industrial health and safety related permits and approvals through a dedicated Single Window Mechanism
  - Exemption from electricity duty, cess and any other tax or levy on sale of electricity for self generated and purchased power
  - Expeditious process for land acquisition to setup SEZs
-

## State Level Policies

### Tourism Policy

- Improvement and creation of Adequate Basic Infrastructure
  - Special package of incentives for Tourism Industry including exemption from Luxury tax, Sales tax and Entertainment tax for new projects for 10 years
  - Designation of 25 Tourist Circuits for Commercial Tax exemption for Tourist Vehicles
-

## Power Sector-Policy Environment

### Policy Initiatives by GOI

- 100% FDI is allowed under the Automatic Approval route in all segments of the industry i.e generation (based on Coal, Gas or Hydro), transmission and retail distribution
  - Under the Mega Power Policy, incentives such as capital import duty concessions, waiver of local levies to improve cost attractiveness are extended to large generation projects
  - All Power projects are extended a Tax Holiday i.e deduction of 100% of profit of the generation, transmission or distribution company, for 10 consecutive years out of 15 years from commencement.
-

## Power Sector-Policy Environment

### Key GOI initiatives under the Electricity Act 2003

- Generation other than for large hydro projects, is de-licensed
  - Open access on Transmission and Distribution networks
  - Retail competition mandates that by July 2008 all consumers above 1MW are free to choose their suppliers
  - For rural power development, generation and distribution is de-licensed in rural areas
  - Power trading and market development are recognized
  - Strong anti-theft and malpractice provisions
  - Functional unbundling of the Integrated State Electricity Boards and setting up of State Electricity Regulatory Commission made mandatory by states
-

## Power Sector-Policy Environment

### State Policy initiatives

- Competitive bidding for awarding projects
  - Incentives for Mega Power Projects
  - Relaxation of 40% cap for debt exposure by Indian Financial Institutions
  - Inter Institution Group for speedy financing
  - Encouragement to FDI in transmission via Joint Venture route and Independent Power Transmission Company route
  - National Electricity Policy & National Tariff Policy notified
-

## State Level Incentives

### Special Incentives

- Special package for Mega Projects on project basis by apex level empowered committee headed by the Chief Minister
  - Industrial Investment Promotion Assistance – 50% to 75% of Commercial tax for 3-10 years
  - Concessional registration charges and Stamp duty exemption for Term Loans.
  - Interest subsidy on Term loan for 5 – years @ 3% to 5%.
  - For Thrust sector industries, 25% Capital subsidy would be provided limited up to a maximum of US\$ 56,000
-

## State Level Incentives

### Special Incentives

- Land on 75% Concessional rate for Mega Projects limited to US\$ 4.4 million.
  - Entry Tax Exemption for 5 years.
  - 5 years electricity duty exemption on Captive power generation
  - 15% capital subsidy to SSI up to US\$ 33,000 in backward areas
  - Infrastructure grant up to US\$ 0.22 million for developing private sector Industrial Parks
  - Partial reimbursement for Project report, ISO Certification, Patent and Technology Purchase cost
-

# BUSINESS OPPORTUNITIES

## Thrust Areas of the State

### Auto & Auto Components

- The size of the Auto Component Industry in the State is around US\$ 306 million.
  - 60% of the Auto Industry in MP is dominated by Auto Component players
  - The State has developed an Industrial Cluster at Pithampur which provides readily available infrastructure for companies to set up manufacturing facilities in the State. The estate is spread over an area of 5,000 hectares.
  - The Union Government of India has sanctioned an Auto Cluster in the Pithampur Industrial Area.
  - The Government of India will grant an amount of US\$ 11 million for the purpose.
-

## Thrust Areas of the State

### Textiles

- A large number of Cotton Textile Mills are clustered around Indore, Ujjain, Burhapur etc.
  - Major Textile players are Bhilwara, Indo-Rama, Bhaskar, S-Kumar's, Oswal and Parasrampuria
  - To further support the business endeavours Government of Madhya Pradesh has created specialised infrastructure in the form of Apparel Parks
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## Thrust Areas of the State

### Cement

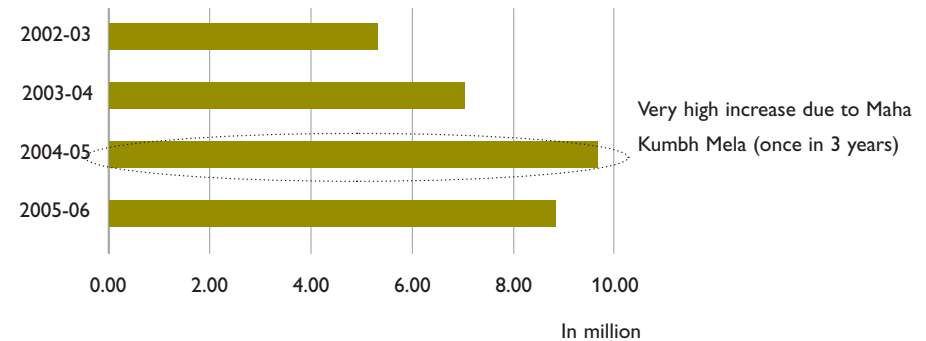
- Total reserves of Limestone is 3625.98 million tonnes spread across more than 15 districts
  - Seven major Cement plants are operating in the State with an annual installed capacity of 15.97 million tonnes.
  - M.P. State Industrial Development Corporation has prospected that Damoh-Panna area, and Bela-Pagra of Rewa have Limestone deposits of 8 million tonnes and 20 million tonnes respectively.
  - An estimated scope of further investment to the tune of US\$ 2.5 billion exists in this sector in the state
-

## Thrust Areas of the State

### Tourism

- The tourism sector in MP has been identified as one of the key propellers of growth for MP by the State Government
- The domestic tourist inflow has been approximately 8 million in 2005-06
- The foreign tourist arrival was relatively less at 0.16 million
- The State Government has sanctioned US\$ 12.2 million for development of 17 Tourist Spots across the State

Domestic Tourist Arrivals in MP  
has been Continuously increasing



## Thrust Areas of the State

### Tourism

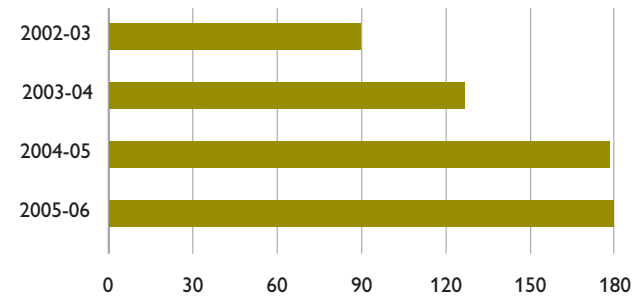
- The Government is also making concrete efforts to improve air connectivity to and from other states
  - The State has taken initiatives to promote Eco & Adventure Tourism
  - It is also keen on promoting Medical/Herbal Tourism in association with private parties
-

## Thrust Areas of the State

### Major Tourist Places

- Kanha is the largest Wildlife Sanctuary in Asia
- Khajuraho has some of the Most Famous Sculptures in the world
- Bhimbeteka has the Oldest Cave Paintings in the world Sanchi houses the oldest Buddhist Stupa in the world
- 9 National Parks and 25 Game Sanctuaries

Foreign Tourists Arrivals in Madhya Pradesh (In '000)



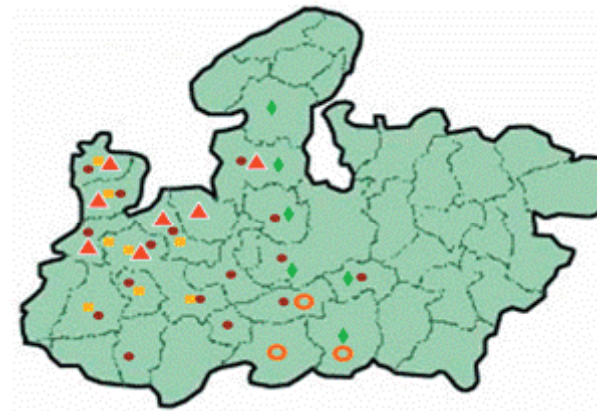
Source: MP Tourism Development Corporation

## Thrust Areas of the State

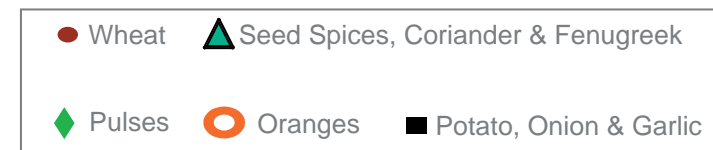
### Agriculture

- Several AEZs (Agri Export Zones) have been set up for facilitating export of specific products from a geographically contiguous area
- The commodities that have high potential are Potato, Spices (in the western parts), Pulses (in the central part of the State), Wheat (in the western and central regions) and Oranges (south districts)
- Of the total gross cropped area, 59% is sown in the Kharif season and 41% in the Rabi season.

The state's multiple cropped area is about 24% which can be exploited for cultivation at any time of the year irrespective of the season



AGRI EXPORT ZONES IN MP FOR VARIOUS PRODUCTS/ CROPS

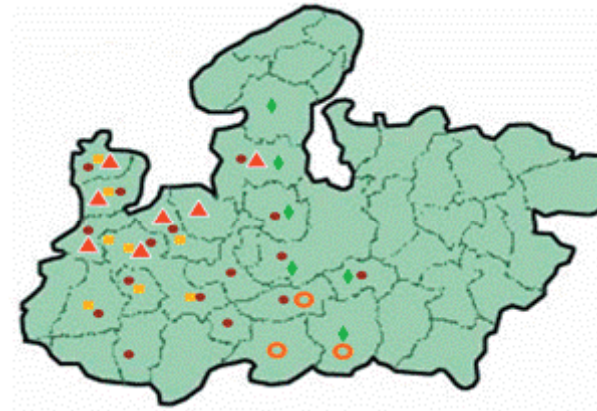


## Thrust Areas of the State

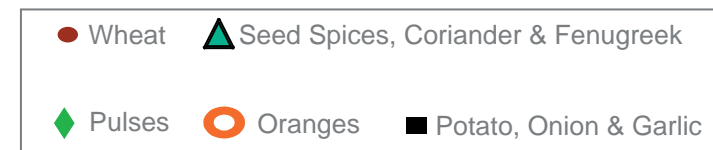
### Agriculture

- Madhya Pradesh is the leading producer of Garlic and accounts for 37% of the total national production
- MP's share in the total national production of Pea is 15%
- State is the largest producer of Soyabean, Gram and second largest producer of Lentil, Oilseeds and Jowar

The state's multiple cropped area is about 24% which can be exploited for cultivation at any time of the year irrespective of the season



AGRI EXPORT ZONES IN MP FOR VARIOUS PRODUCTS/ CROPS

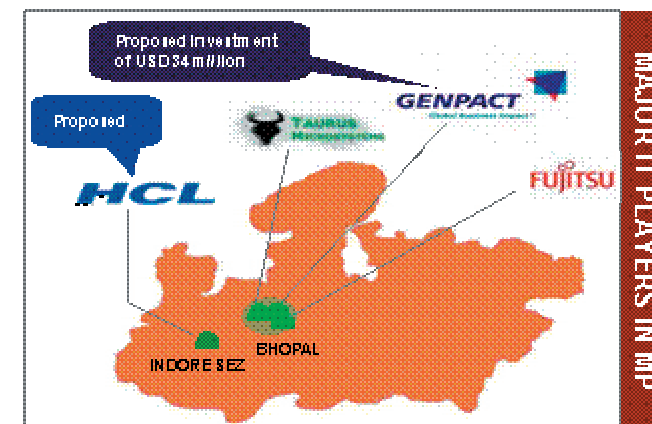
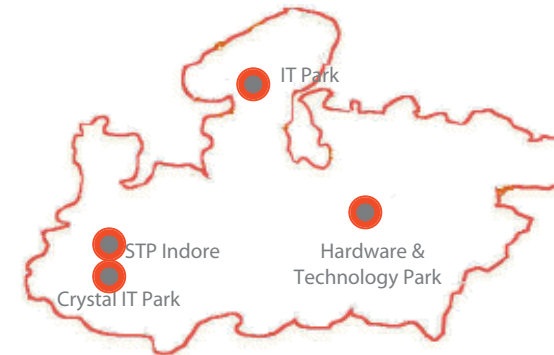


## Thrust Areas of the State

### IT/ITES Sector

- The State has set up over 24,000 km of Optical fibre backbone to cover all its 313 Developmental blocks across 45 Districts
- Four Software Technology Parks (STP units) are in the pipeline to be setup in Bhopal, Indore and Gwalior
- 38 IT Engineering colleges provide a learning ground for the future IT professionals
- Country's first Indian Institute of Information Technology and Management (IIITM) is at Gwalior
- Large IT players like HCL and Genpact have shown interest in setting up the facilities in the state
- Genpact India has proposed to set up a 7,000-seat BPO facility on 50 acres in Bhopal, with an investment of US\$ 34 million

PROPOSED/ EXISTING PROJECTS IN M.P.



# Thrust Areas of the State

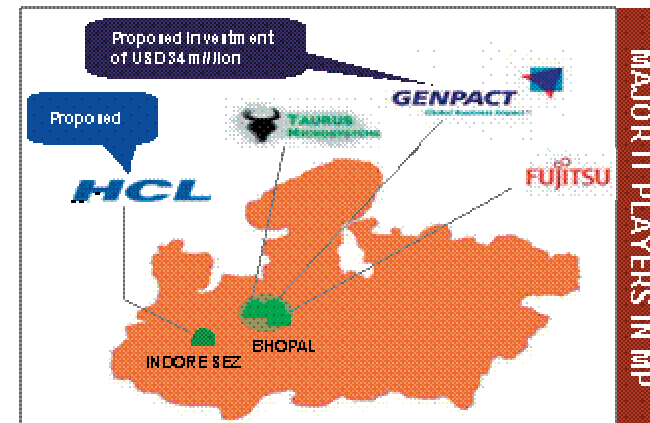
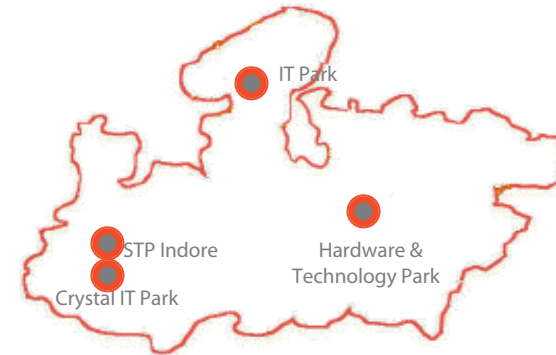
## Exports

- IT/ ITeS exports from MP are US\$ 655 million
- Software exports: US\$ 11 million & IT enabled Services: US\$ 644 million

## IT Parks

Crystal IT Park(5,50,000 sq ft)	Indore
Hardware & Software Technology Park (200 acres)	Bhopal
Software Technology Park(1,00,000 sqft)	Indore
IT Park(50 acres)	Gwalior

PROPOSED/ EXISTING PROJECTS IN M.P.

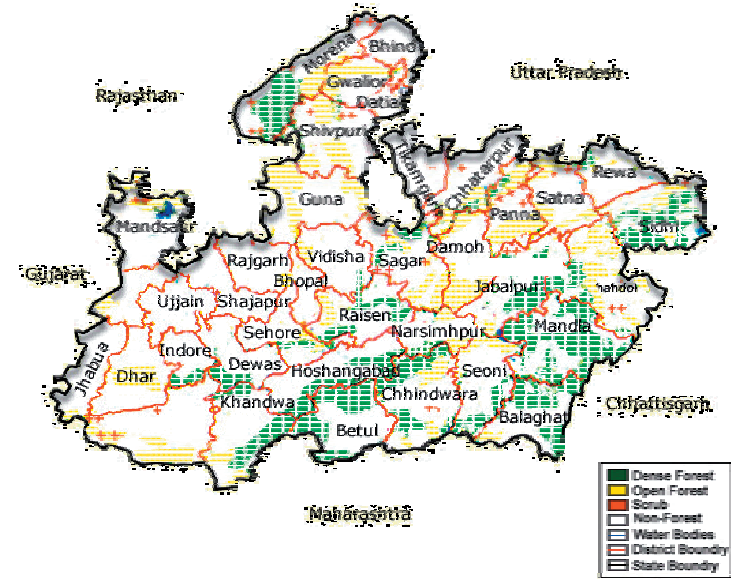


## Thrust Areas of the State

### Forest Based Industries

- Madhya Pradesh has a Forest area of 94689.38 sq km which constitutes nearly 31% area of the state
- With a share of nearly 13% of the total forest area of the country, Madhya Pradesh has the largest forest covered area among all the States in India.
- Forest based industries are a key contributor to the State's economy and provide employment to a large part of the population
- In 2004-05 Forests and Logging contributed 2.1% to the State GDP

Forest Map of MP

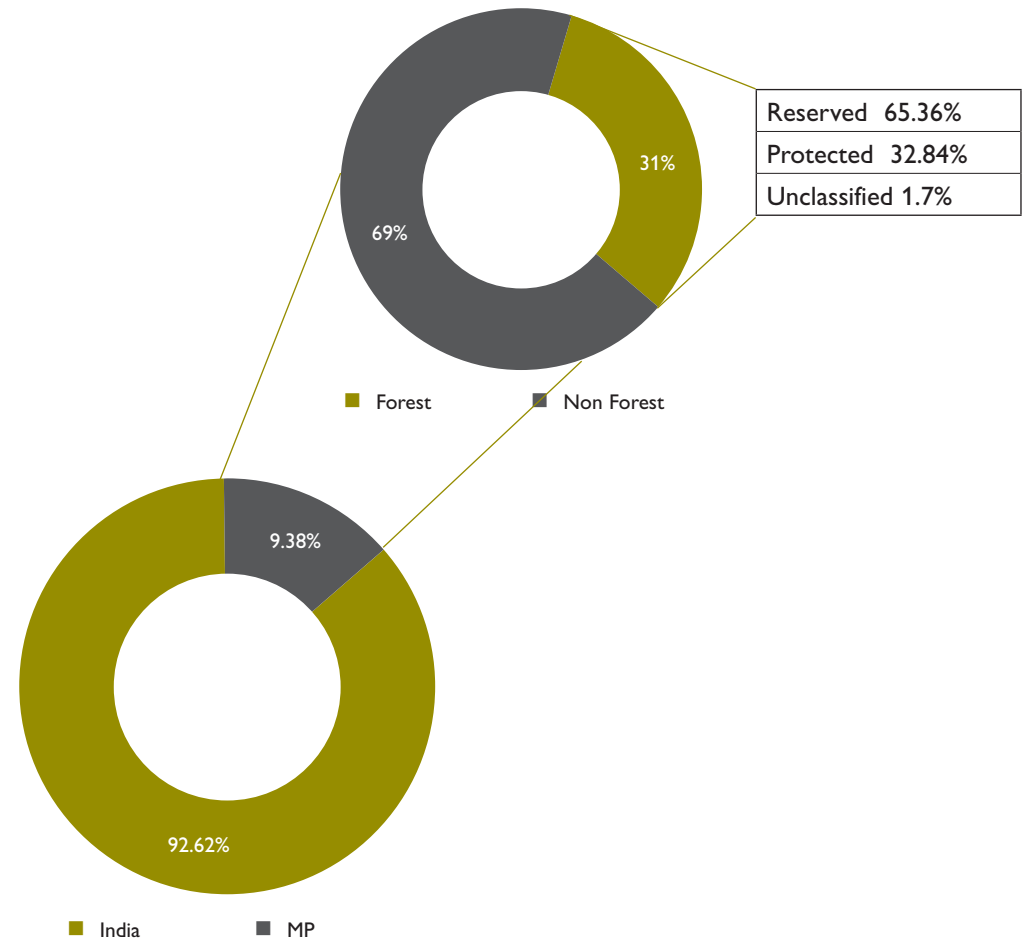


## Thrust Areas of the State

### Forest Based Industries

- The total growing stock (volume of timber/wood) in MP is 50 million cubic meters valued worth US\$ 55.5 billion
- The average annual production of Tendu Leaves in the state is around 2.5 million standard bags
- MP accounts for nearly 25% of all the Tendu Leaves produced in India
- Sales of Forest Product generates revenues of US\$ 109 million in 2005-06

Classification of MP land mass

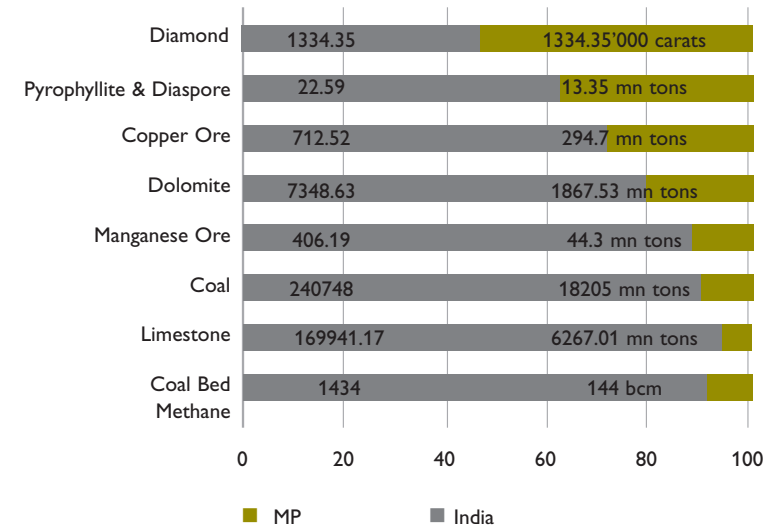


## Thrust Areas of the State

### Mineral & Stores

- Rich and vast Mineral deposits which includes Diamond, Slate, Pyrophyllite, Diaspore, Coal, Limestone, Copper ore, Manganese among others. Besides, the state also has favourable geological and geotectonic settings
- Active mining of these minerals is generating revenue of more than US\$ 118.65 million per annum
- MP is the sole producer of Diamonds in India
- 41.36% of the total national reserves of copper ore
- Thickest coal seam (135m) of Asia at Singrauli coalfield in Sidhi district.
- Major producer of Coal, Diaspore and Pyrophyllite, Manganese, Dolomite, Glass sand and Fire clay

Reserves of Important Minerals of Madhya Pradesh v/s India



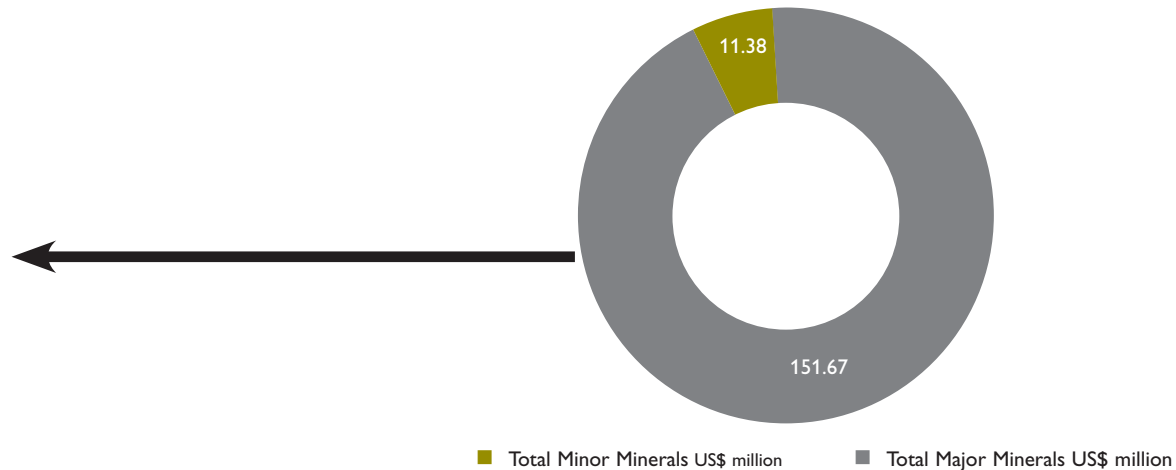
Source: Directorate of Geology & Mining, MP

## Thrust Areas of the State

Mineral-based Industry	No. of Units	Location
Cement	7	Rewa, Satna, Damoh, Katni, Neemuch
Thermal Power	10	Shahdol, Umaria, Sidhi, Satna, Betul, Damoh, Katni, Rewa, Ujjain
Hydrated Lime	25	Katni & Satna
Slate Pencil	155	Mandsaur
Roofing (Manglore) Tiles	8	Hoshangabad, Balaghat

Madhya Pradesh's Mineral-wise Revenue (2004-05)

Minerals	US\$'00	Minerals	US\$'00
Coal	118,656	Ocher	4
Limestone	26,500	Bauxite	280
Copper ore	2,044	Rock phosphate	144
Manganese	927	Pyrophyllite/ Diaspore	178
Diamond	929	Calcite	4
Dolomite	229	Shale Slate	2
Laterite	89	Kaolin	7
Fire Clay	116	Other Minerals	1,562



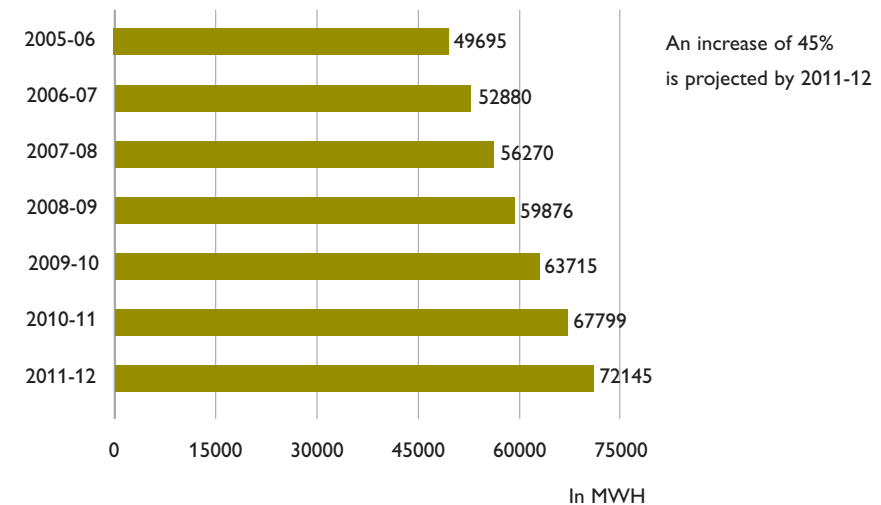
Source: Directorate of Geology & Mining, MP

## Thrust Areas of the State (Power Sector)

### Ultra Mega Project in M.P.

- The Central Government is setting up Ultra Mega Power Projects at 5 locations in the country
- The project has been first initiated in MP and is at an advanced stage of establishment.
- Sasan in Madhya Pradesh, a pithead location based on domestic coal availability (while other proposed plants would be imported fuel based) is identified for setting up this project
- Project would require an investment of about US\$ 3.3 billion.
- The project would utilize Super Critical Technology to ensure higher efficiency and lower CO<sub>2</sub> emissions.

Energy Demand Projections in Madhya Pradesh



Source: MPERC

## Thrust Areas of the State (Power Sector)

### IT Drivers in MP

- Electricity duty exemption, sales tax benefits, land incentives, etc.
  - These investors have the option of using the power themselves as captive power and selling it to the MPEB @ US\$ 0.05 per unit
  - Government also provides incentives for setting-up captive plants in the State.
-

## Thrust Areas of the State (Power Sector)

### Power

Major private players such as Reliance, Essar and Jaypee Group have acknowledged the potential of Madhya Pradesh and have proposed investment plans in the State.

Up-Coming Projects In Madhya Pradesh (Indicative)		
Thermal Power Projects		
Malwa TPS,	Purni, District Khandwa	2X500 MW
Essar Group Project,	Mahan coal field at Sidhi-Singrauli fields	1000MW
Jaypee Group	Sidhi	1000 MW
Hydel Power Projects		
Marhikheda hydro project, extension,	Shivpuri.	1x20 MW
Tawa HEP (M/s Hindustan Electro Graphite)	Hoshangabad	13.5 MW
Coal Bed Methane		
Reliance Energy	Shahdol	-

## Key Players

- The State houses around 1,800 Companies and 19 Industrial Growth Centers, that are close to major cities. This makes good Social Infrastructure accessible to industrial units
- There are around 171,000 Small-scale units that contribute significantly to the State's economy
- MNCs such as Cadbury, Bridgestone, Hindustan Lever, Coke and renowned Indian companies such as Ranbaxy, Tata, Grasim, Hindustan Motors, Eicher, Kinetic, Raymonds, Ruchi Soya, Lupin, Crompton Greaves, Godrej and several other big groups have presence in Madhya Pradesh.
- These companies not only meet local requirements, but also export a variety of products and services to both developed and developing countries.



## Key Players

### ACC Ltd

- ACC is one of the largest cement manufacturing companies in India, with a cement production capacity of 16 million tonnes per annum.
- ACC is a pioneer in Cement and RMC
- The company has a countrywide distribution network and manufactures all types of cement
- In Madhya Pradesh, ACC has a 1.7 MTPA Cement Plant at Kymore and plans to invest US\$ 3.3 million to expand its manufacturing capacity of Roofing products.
- This will increase its production from 68,000 tonnes of Asbestos roofing to 78,000 tonnes.



## Key Players

### Cadbury India Ltd

- Cadbury India is a subsidiary of Cadbury Schweppes, the world's largest confectionery and third largest soft drinks company
- Cadbury India had sales of over US\$ 150 million in 2003
- The company employs nearly 2000 people across India
- Cadbury India has one of its main production plants at Malanpur, near Gwalior



## Key Players

### Coca Cola India

- Coca-Cola India, one of the largest companies in the beverage market, has invested more than US\$ 1 billion in India over the past decade.
- In Madhya Pradesh, Coca-Cola has a plant at Pilukhedi in Raisen district, near Bhopal.
- The company plans to invest US\$ 6.7 million for expanding the operations in its plant at Pilukhedi.



## Key Players

### Nicholas Piramal India Ltd

- One of India's leading Pharmaceutical and Healthcare companies
- NPIL ranks fourth in Domestic Formulations Sales and second in total Domestic Pharmaceuticals Sales
- Its Pithampur plant in Madhya Pradesh is accredited by reputed organisations like Allergan, Novartis, Solvay and VAX.
- Plans to invest US\$ 45 million to enhance its R&D activities besides strengthening manufacturing facilities



## Key Players

### Procter & Gamble

- Procter & Gamble India is one of India's most well established and fast growing FMCG companies
- The company has a turnover of over US\$ 200 million
- The company has a high technology detergent manufacturing plant in Raisen district in the state



## Key Players

### **Birla Corporation Ltd**

- Birla Corporation Ltd is the flagship company of the MP Birla Group
  - The company's main areas of business are Jute, Cement, Synthetic yarn, Calcium Carbide, Industrial Gases, PVC coated fabrics, PVC floor coverings, Auto trims, Healthcare and Education
  - Birla Corporation has joint ventures and collaborations with world leaders like DLW AG of Germany, Rhone Poulenc of France, Sweden-based Ericsson Cables & AB and ABB, GE, Toshiba and AEI Cables
-

## Key Players

### Eicher Motors Ltd

- Eicher Motors, part of the US\$ 355 million Eicher Group, is a significant player in the Indian Automobile Industry
- Manufactures and markets commercial vehicles with Gross Vehicle Weight (GVW) ranging from 5 to 25 tonnes
- One of the leading manufacturers of commercial vehicles in India
- Manufacturing facility is located at Pithampur, Madhya Pradesh. This state-of-the-art plant is spread over an area of 72 acres with 18,000 sq mt as the covered area
- The Plant houses top-of-the-line equipment, a robust infrastructure and has an annual production capacity of 30,000 vehicles
- The company has recently invested US\$ 22 million for manufacturing heavy commercial vehicles at its Pithampur plant



# DOING BUSINESS

## Key Approvals Required

List of Approvals and Clearances Required	Departments to be Consulted
<b>Prior to Setting up the Unit</b>	
Registration	District Trade & Industries Centre
Allotment of Land/ Shed	District Trade & Industries Centre
Permission for land Use	District Authorities
No Objection Certificate under Water & Air Act	Madhya Pradesh Pollution Board
Approval for Construction Activity and Building Plan	Development Authority
No Objection Certificate	Fire Department
Provisional Trade Tax Registrations	Central and State Excise Departments
Registration under Central Sales Tax Act	Central and State Excise Departments
<b>Before commencement of Production</b>	
No Objection Certificate under of Water & Air Act	Madhya Pradesh Pollution Board
No Objection Certificate	Fire Department
Permanent Trade Tax Registration under	Central and State Excise Departments
Registration under Central Sales Tax Act 1956	Central and State Excise Departments
<b>After Commencement of Production /Activity</b>	
Registration	Industries Department

## Average Cost of Doing Business in the State

Sr. No.	Sector	Cost*
1	Manufacturing	
A	Land Price (US\$/sq mt)	4.8 - 28.7
2	Electricity (US cents)	0.086 - 0.124
3	Office space rent (US\$/sq mt/month)	0.48 - 0.96
4	Residential rent (US\$/3 bedroom flat/month)	268 - 335
5	5-star hotel room (US\$ per night)	76.6 - 95.7

\*These costs are merely indicative

## Overall Business Climate

- 31% of the State under forest cover with a largely unexploited species of rare, valuable medicinal-herbal plants
- Over 2,000 kms of roads being developed with Private Partnership (BOT)
- India's 1<sup>st</sup> operational Greenfield SEZ at Indore
- Offers diverse Tourists Destinations catering to various segments of tourism such as Religious (Bhojpur), Eco/ Adventure (Panchmari), Heritage (Sanchi, Khajuraho) Tourism etc.
- Over 100 Agricultural Farms with an area of over 20,000 acres is available on lease to investors
- Favourable climatic conditions for cotton and over 40,000 power-looms driving the textile industry



## Overall Business Climate

- Largest producer of Pulses and Oilseeds in the Country (75% of Soyabean production)
- Availability of Coal and Natural Gas (G.A.I.L pipeline) along with support from Government to make investment in Thermal Power Plants lucrative
- Over 144 BCM of coal bed methane reserves available
- 12 blocks with reserves totalling 2,585 million tons of coal has been identified
- Over 18,000 technical graduates and 230,000 graduates add to workforce each year
- Various blocks available for Power, Cement, Iron and Steel units
- Third largest producer of Cement in India\*



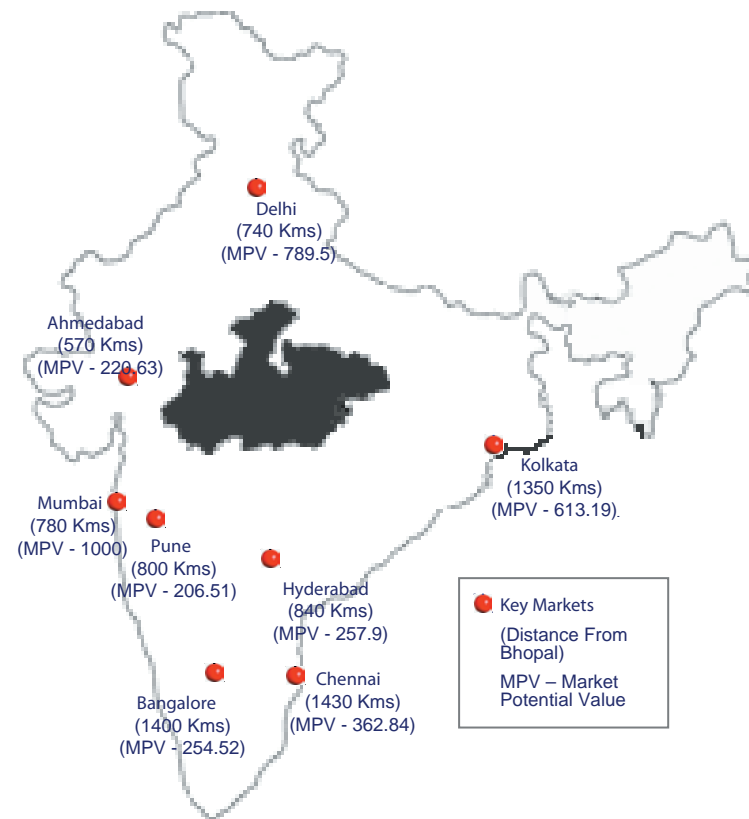
# OVERALL STATE COMPETITIVENESS

## Advantage Madhya Pradesh

- Fastest mover in overall performance among the large States in the Country
- Fastest mover in Agriculture
- Fastest mover in infrastructure development.
- Ranks 2<sup>nd</sup> in terms of Governance
- Ranks 3<sup>rd</sup> in terms of law & order
- Cost of skilled labour is US\$ 2.4/day vis-à-vis US\$ 3.5 – US\$ 4.0/day in metros

\* Fastest mover is the State where the rate of improvement between 2003 & 2006 was greater than that between 1991 & 2003

### Destination Madhya Pradesh

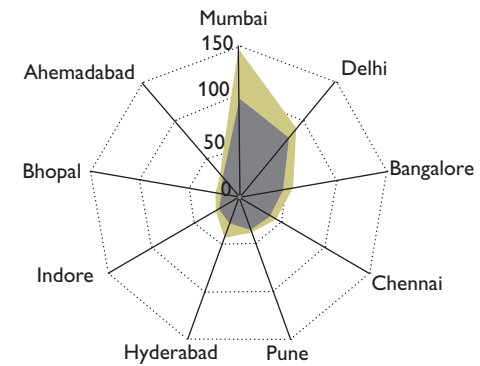


Madhya Pradesh is centrally located. The State is at an easy distance from all the key consumer markets in the Country.

## Advantage Madhya Pradesh

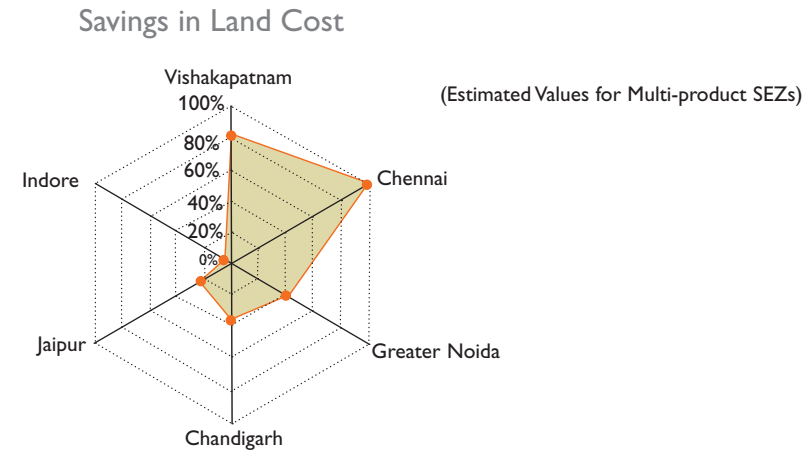
- Bhopal and Indore have substantial cost advantages, when compared to other Tier III and IV cities

Savings in Office Space Rates  
(A comparison of rates in Central Business Districts)



## Advantage Madhya Pradesh

- The cost of land is one of the lowest in the Country. Even central hubs such as Indore and Bhopal fare well against other cities in terms of low land cost.



# OVERALL STATE COMPETITIVENESS

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## Overall State Competitiveness

Parameter

Madhya Pradesh

### Opportunities in Type of Industry

Tourism



IT Based Industries



Food Processing Industry



Pharmaceuticals & Bio-tech



Agro Based Industry



Mineral Based Industry



● High    ● Medium    ● Low    ○ Proposed

# OVERALL STATE COMPETITIVENESS

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## Overall State Competitiveness

Parameter

Madhya Pradesh

### Opportunities in Type of Industry

Engineering Industry



Chemicals Industry



Handloom & Handicrafts Sector



● High    ● Medium    ● Low    ○ Proposed

# OVERALL STATE COMPETITIVENESS

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## Overall State Competitiveness

### Parameter

### Madhya Pradesh

#### Policy Incentives

Setting up and Carrying out Business



#### Industrial Infrastructure Existing and Proposed

Power



Transportation



Industrial Growth Centre



STP/IT Parks



High Medium Low Proposed



# OVERALL STATE COMPETITIVENESS

MADHYA PRADESH • October 2007



## Overall State Competitiveness

Parameter

Madhya Pradesh

### Industrial Infrastructure Existing and Proposed

EPZ



IIDC



Industrial Growth Center



Food Processing Park



High Medium Low Proposed

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