

Madhya Pradesh

NOVEMBER
2011

THE LAND OF DIAMONDS



IBEF 
INDIA BRAND EQUITY FOUNDATION
www.ibef.org

For updated information, please visit www.ibef.org

Madhya Pradesh

NOVEMBER
2011

THE LAND OF DIAMONDS

Contents

- ❖ Madhya Pradesh – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Madhya Pradesh
- ❖ State Acts & Policies



For updated information, please visit www.ibef.org

Madhya Pradesh Factfile



Source: Maps of India

- Madhya Pradesh is located in Central India. The state is bound in the North by Uttar Pradesh, the East by Chhattisgarh, the South by Maharashtra and the West by Gujarat and Rajasthan.
- The most commonly spoken language of the state is Hindi. English and Marathi are the other languages used.

- Indore, Gwalior, Jabalpur and Ujjain are some of the key cities of the state.
- There are 11 agro-climatic conditions and a variety of soils available in the state to support cultivation of a wide range of crops.

| Parameters | Madhya Pradesh |
|-----------------------------------------|----------------|
| Capital | Bhopal |
| Geographical area (sq km) | 308,000 |
| Administrative districts (No) | 50 |
| Population density (persons per sq km)* | 236 |
| Total population (million)* | 72.5 |
| Male population (million)* | 37.6 |
| Female population (million)* | 34.9 |
| Sex ratio (females per 1,000 males)* | 930 |
| Literacy rate (%)* | 70.6 |

Sources: Government of Madhya Pradesh Website, www.mp.gov.in,
*Provisional Data – Census 2011

Madhya Pradesh in Figures ... (1/2)



| Parameter | Madhya Pradesh | All-States | Source |
|------------------------------------------|----------------|-------------|--------------------------------------------------------------------------|
| Economy | | | |
| GSDP as a percentage of all states' GSDP | 3.7 | 100 | CMIE, as of 2009-10, current prices |
| Average GSDP growth rate (%)* | 13.9 | 15.5 | CMIE, 2004-05 to 2009-10, current prices |
| Per capita GSDP (US\$) | 648.3 | 1,302.4 | CMIE, as of 2009-10, current prices |
| Physical Infrastructure | | | |
| Installed power capacity (MW) | 8,381.3 | 173,626.4 | Central Electricity Authority, as of March 2011 |
| GSM cellular subscribers (No) | 31,677,228 | 618,284,322 | Cellular Operators Association of India, as of September 2011 |
| Broadband subscribers (No) | 418,091^ | 10,737,850 | Ministry of Communications & Information Technology, as of November 2010 |
| National Highway length (km) | 5,027 | 70,934 | Ministry of Road Transport & Highways, Annual Report 2010-11 |
| Airports (No) | 5 | 133 | Airport Authority of India |

*In Indian Rupee Terms
^Includes Chhattisgarh

Madhya Pradesh in Figures ... (2/2)



| Parameter | Madhya Pradesh | All-States | Source |
|----------------------------------------|----------------|------------|-----------------------------------------------------------------------|
| Social Indicators | | | |
| Literacy rate (%) | 70.6 | 74.0 | Provisional Data – Census 2011 |
| Birth rate (per 1,000 population) | 27.7 | 22.5 | SRS Bulletin, 2009 |
| Investment | | | |
| FDI equity inflows (US\$ billion) | 0.6* | 132.9 | Department of Industrial Policy & Promotion, April 2000 to April 2011 |
| Outstanding Investments (US\$ billion) | 293.3 | 7449.3 | CMIE (2009-10) |
| Industrial Infrastructure | | | |
| PPP projects (No) | 89 | 808 | www.pppindiadatabase.com |
| SEZs (No) | 5 | 380 | Notified as of October 2011, www.sezindia.nic.in |

*Including Chhattisgarh

PPP: Public Private Partnership, SEZ: Special Economic Zone, SRS: Sample Registration System

Advantage Madhya Pradesh ... (1/2)

Central Location of the State

Being centrally located, companies in the state have access to key consumer markets and major cities such as Delhi (740 km*), Mumbai (780 km*), Kolkata (1,350 km*) and Chennai (1,435 km*). Because of this advantage, a large number of consumer goods companies have manufacturing bases in the state.

Policy Incentive

The state offers wide range of fiscal and policy incentives for businesses under the Industrial Promotion Policy - 2010 & Action Plan. Additionally, the state has policies for the IT, biotechnology, food processing, tourism sectors and Special Economic Zones (SEZ).

Agricultural and Forest Resources

Around 31 per cent of the state is under forest cover with abundant natural resources. Favourable soil and climatic conditions have helped the state to be a leading producer of coarse cereals, oilseeds and soybean in the country. The state has attracted a large number of agro-based industries because of its agricultural products.

*From Bhopal

Advantage Madhya Pradesh ... (2/2)

Mineral Resources

Madhya Pradesh has rich mineral resources and has the largest reserves of diamond and copper in India. Besides, the state has significant reserves of coal, coal-bed methane, manganese and dolomite.

Large Industrial Base

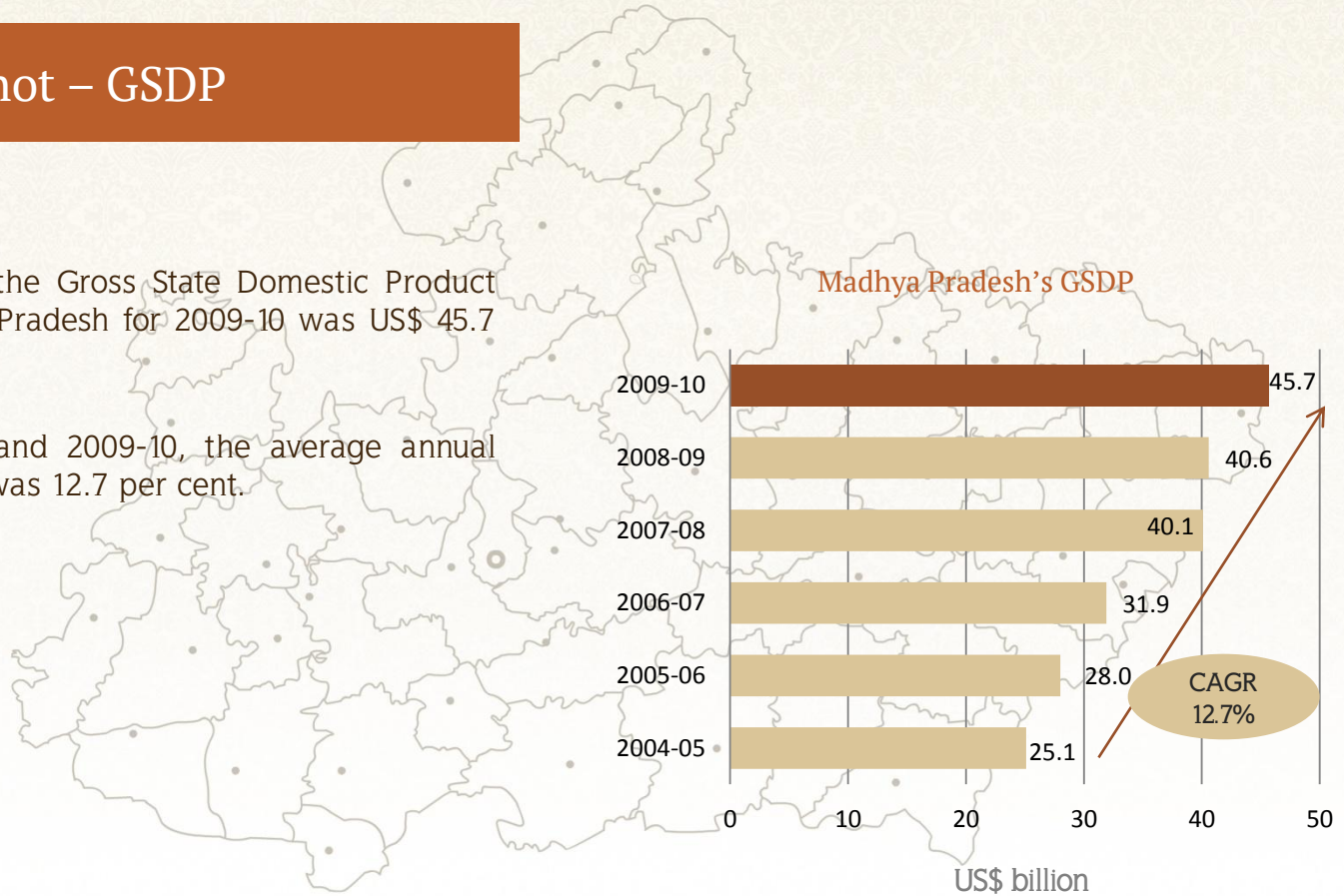
The state is manufacturing base for a number of large and medium scale industries from diverse sectors such as automobile and auto-components, cement, agro-processing, consumer goods, pharmaceuticals, etc. It also has a large pool of industrial labour.

Potential for Tourism

Because of its forest cover, the state has immense potential for tourism, particularly, wild-life and adventure tourism and eco-tourism. It also has globally renowned locations of historical and religious significance. The state attracts large number of domestic and international tourists.

Economic Snapshot – GSDP

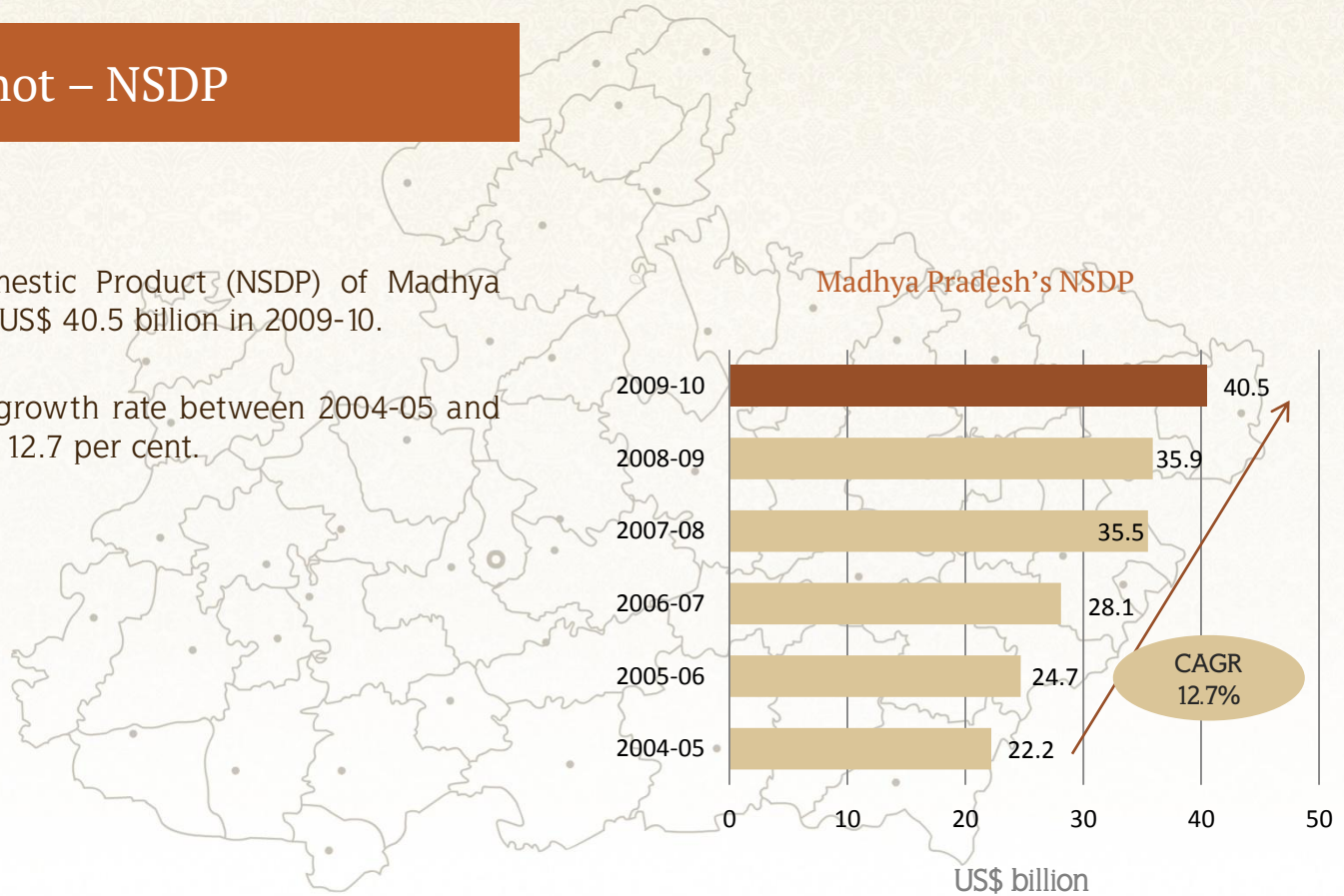
- At current prices, the Gross State Domestic Product (GSDP) of Madhya Pradesh for 2009-10 was US\$ 45.7 billion.
- Between 2004-05 and 2009-10, the average annual GSDP growth rate was 12.7 per cent.



Source: CMIE

Economic Snapshot – NSDP

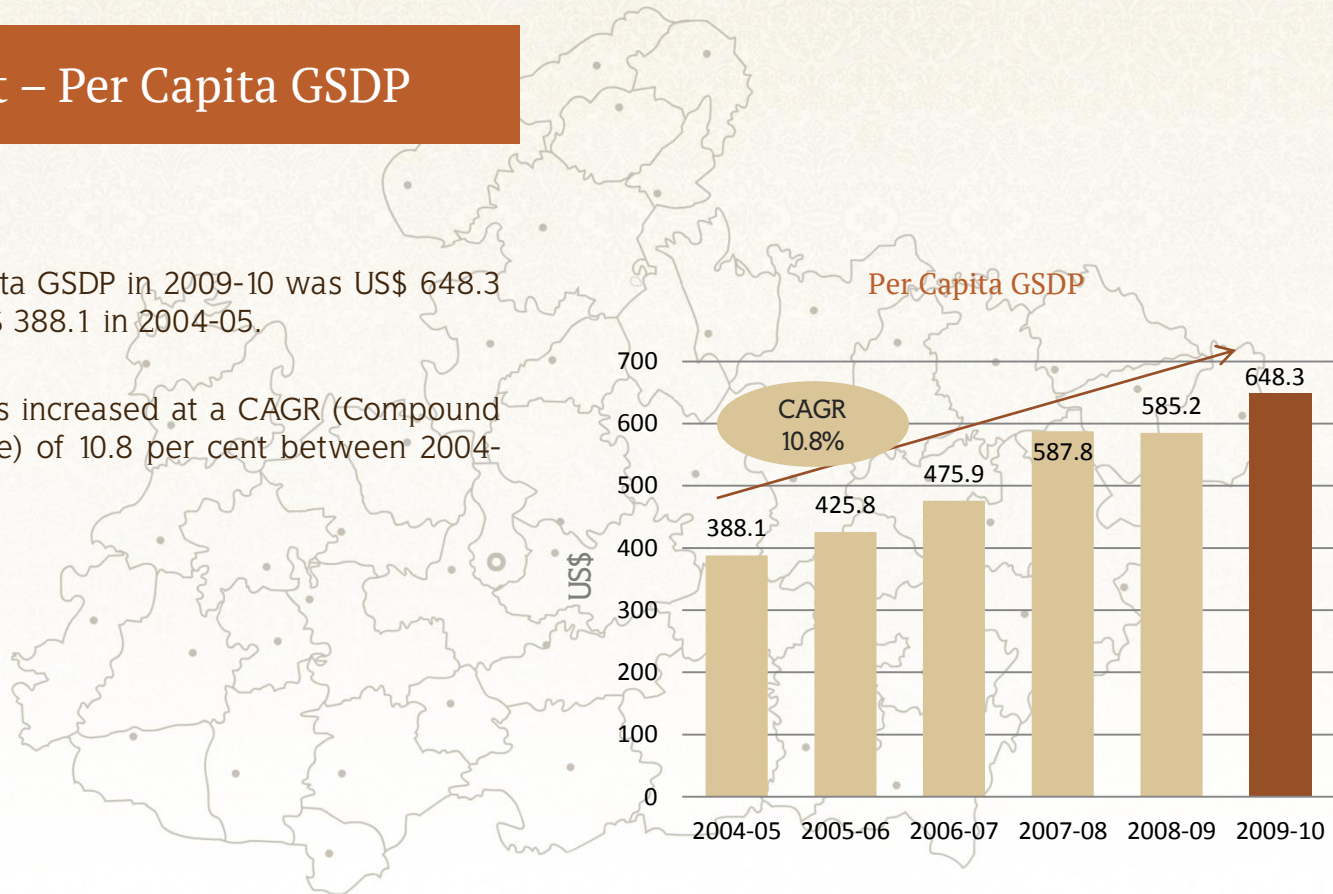
- The Net State Domestic Product (NSDP) of Madhya Pradesh was about US\$ 40.5 billion in 2009-10.
- The average NSDP growth rate between 2004-05 and 2009-10, was about 12.7 per cent.



Source: CMIE

Economic Snapshot – Per Capita GSDP

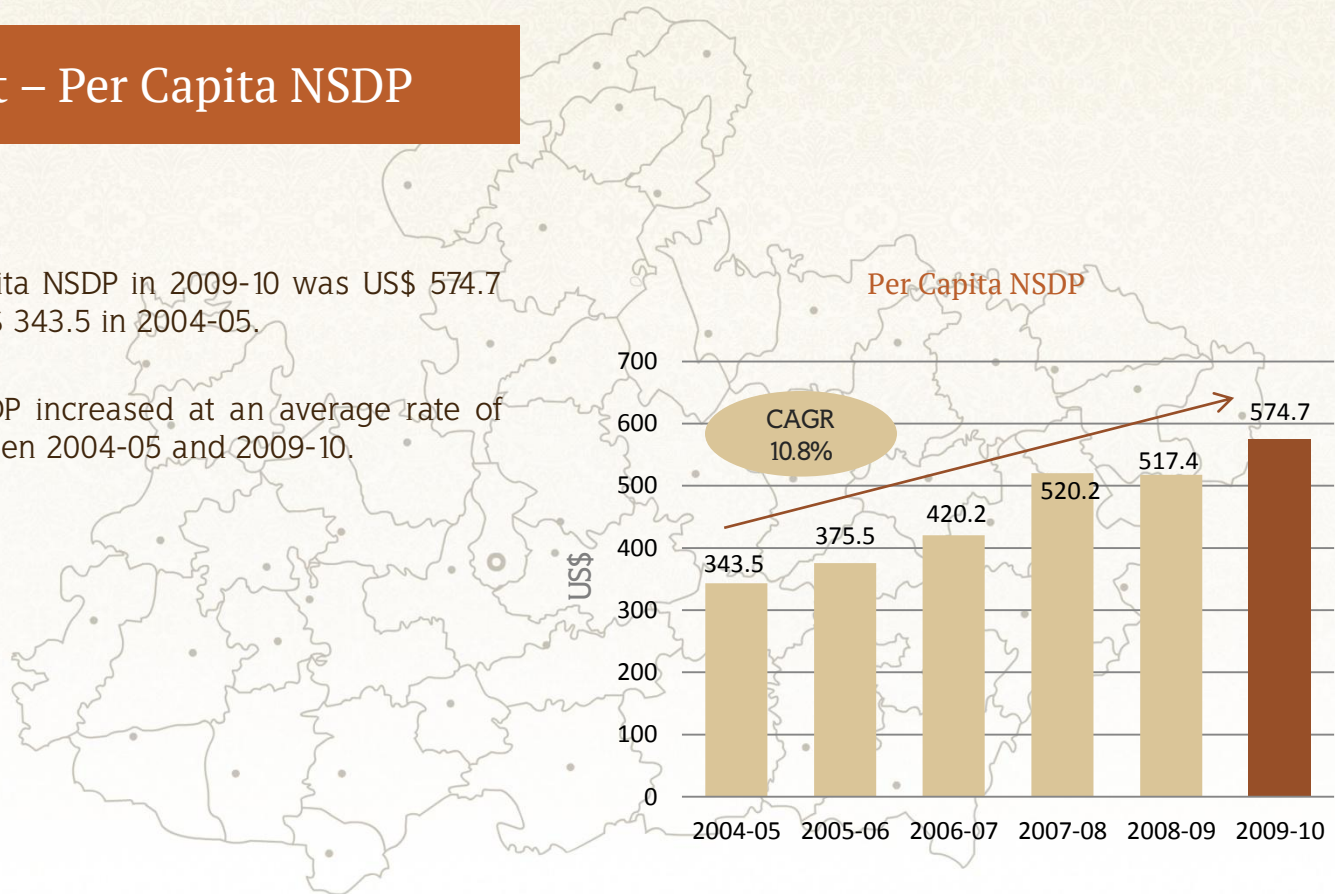
- The state's per capita GSDP in 2009-10 was US\$ 648.3 as compared to US\$ 388.1 in 2004-05.
- Per capita GSDP has increased at a CAGR (Compound Annual Growth Rate) of 10.8 per cent between 2004-05 and 2009-10.



Source: CMIE

Economic Snapshot – Per Capita NSDP

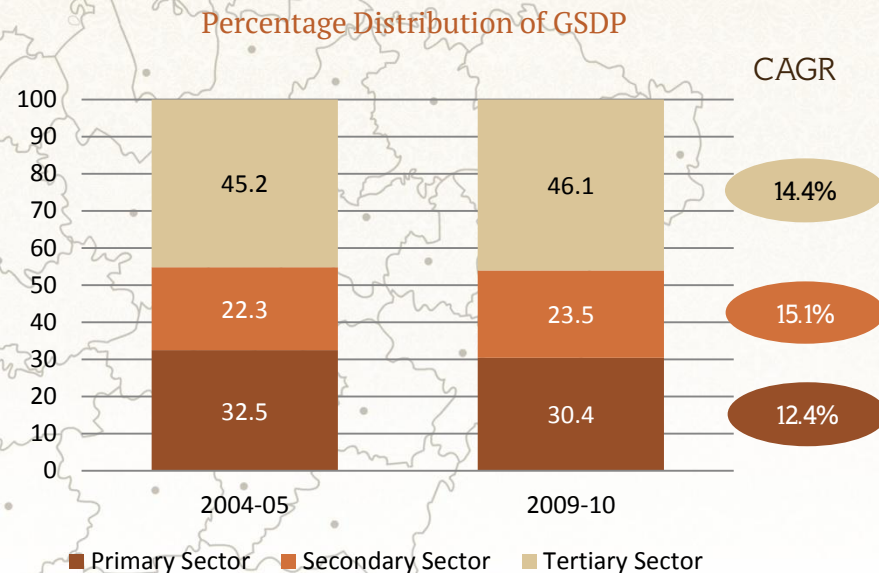
- The state's per capita NSDP in 2009-10 was US\$ 574.7 as compared to US\$ 343.5 in 2004-05.
- The per capita NSDP increased at an average rate of 10.8 per cent between 2004-05 and 2009-10.



Source: CMIE

Economic Snapshot – Percentage Distribution of GSDP

- In 2009-10, the tertiary sector contributed 46.1 per cent to the state's GSDP at current prices, followed by primary sector (30.4 per cent) and secondary sector (23.5 per cent).
- At a CAGR of 15.1 per cent, the secondary sector has been the fastest growing among the three sectors from 2004-05 to 2009-10. It was driven by manufacturing, construction and electricity, gas and water supply.
- The tertiary sector grew at a CAGR of 14.4 per cent between 2004-05 and 2009-10. The growth has been driven by trade, hotels, real estate, finance, insurance, transport, communications and other services.
- The primary sector grew at a CAGR of 12.4 per cent between 2004-05 and 2009-10.



Source: CMIE

Economic Snapshot – Agricultural Production

- Wheat, soybean, gram, sugarcane, rice, maize, cotton, rapeseed & mustard and arhar are the major crops of the state.
- In 2009-10, total food grain production of the state was around 15.9 million tonnes.
- Total oilseeds production of the state was around 7.6 million tonnes and total pulses production of the state was around 4.2 million tonnes, in 2009-10.
- In 2008-09, Madhya Pradesh was the largest producer of pulses, oilseeds and soybean in the country.
- The state is a leading producer of garlic and coriander.

| Crop | Annual Production - 2009-10** (‘000 metric tonnes) |
|----------------------|-------------------------------------------------------|
| Wheat | 8,410.0 |
| Soybean | 6,406.3 |
| Gram | 3,304.1 |
| Sugarcane^ | 2,980.0 |
| Rice | 1,260.6 |
| Maize | 1,045.2 |
| Cotton^ | 860* |
| Rapeseed and Mustard | 840.9 |
| Arhar | 308.0 |

Sources: Economic Survey of Madhya Pradesh 2010-11, Department of Agriculture and Cooperation, Government of India,

* ‘000 Bales (170 kgs each)

^As of 2008-09

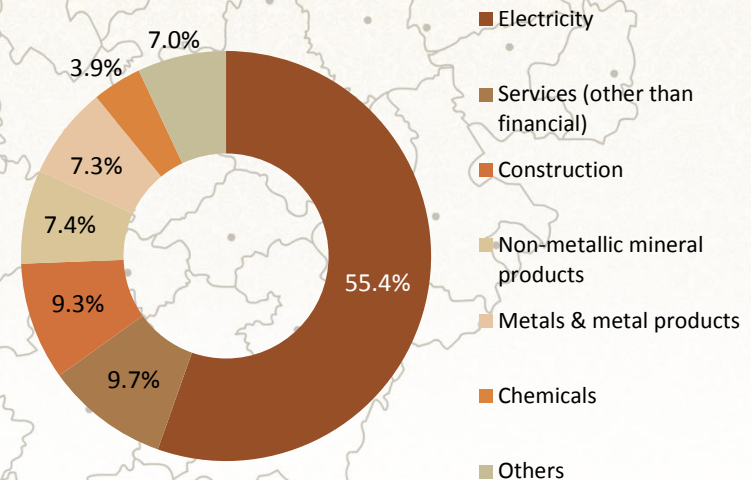
**Provisional

Economic Snapshot – FDI Inflows & Investments

- According to the Department of Industrial Policy & Promotion, the cumulative FDI inflows from April 2000 to April 2011 amounted to US\$ 654 million*.
- In 2009-10, the outstanding investments in the state were US\$ 293.3 billion.
- Of the total outstanding investments, the electricity sector accounted for around 55.4 per cent followed by services (other than financial) sector (9.7 per cent) and construction sector (9.3 per cent).

*Including Chhattisgarh

Break up of Outstanding Investments by Sector (2009-10)



Others include food & beverages, textiles, machinery. Mining and irrigation

Source: CMIE

Madhya Pradesh

NOVEMBER
2011

THE LAND OF DIAMONDS

Contents

- ❖ Madhya Pradesh – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Madhya Pradesh
- ❖ State Acts & Policies



For updated information, please visit www.ibef.org

Physical Infrastructure – Roads



Source: Maps of India

- Madhya Pradesh has 18 National Highways in the state, measuring 5,027 km. The state also has 10,249 km of State Highways.
- The total road length in the state is around 99,043 km.

- Construction of major roads in the state is supervised by Madhya Pradesh Road Development Corporation Limited (MPRDC), which implements projects taken up under public private partnership and those funded by Asian Development Bank (ADB).
- The state has 67 Public Private Partnership (PPP) projects in the roads sector, at various stages of development as of September 2011.
- The state is well connected to the major cities of the country, consumer markets, and ports on the West-coast such as Kandla and Jawaharlal Nehru Port Trust.

| Road Type | Road Length (km) |
|----------------------|------------------|
| National Highways | 5,027 |
| State Highways | 10,249 |
| Major District Roads | 19,241 |

Sources: Ministry of Road Transport & Highways, Annual Report 2010-11, Economic Survey of Madhya Pradesh, 2010-11

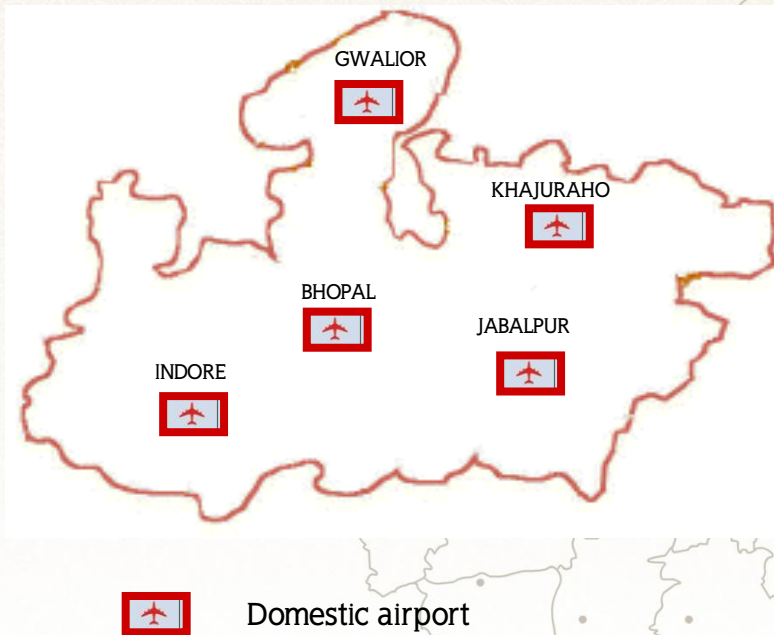
Physical Infrastructure – Railways



Source: Maps of India

- Madhya Pradesh has around 4,948 km of railway lines passing through it.
- The railway network in Madhya Pradesh primarily falls under the West-Central Railways, which was formed in 2003 and is headquartered in Jabalpur. Part of the state is also covered by Central and Western Railways.
- Because of the central location of the state, the railway network in Madhya Pradesh plays an important role. Bhopal, the state's capital, is one of the major railway junctions in India.
- The railway network supports the mineral- and agro-based industries in the state by carrying bauxite, limestone, dolomite and clinker, fertiliser and de-oiled cake.

Physical Infrastructure – Airports

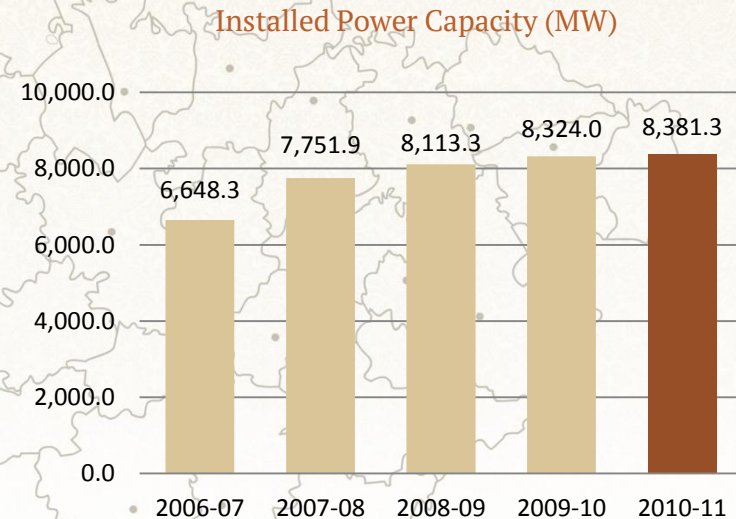


Source: Maps of India

- Madhya Pradesh has five operational airports, one each at: Bhopal, Jabalpur, Gwalior, Indore and Khajuraho.
- Indore is the busiest airport in the state.
- During 2010-11, Indore Airport and Bhopal Airport received 879,279 passengers and 321,940 passengers, respectively.
- The Government is planning to upgrade the airports at Bhopal and Indore, both for cargo as well as passengers to international standards.

Physical Infrastructure – Power

- As of March 2011, Madhya Pradesh had total installed power generation capacity of 8,381.3 MW, which comprised 4,537.9 MW under state utilities, 3,603 MW under central utilities and 240.4 MW under the private sector.
- Of the total installed power generation capacity, 4,617.3 MW was contributed by thermal power, 3,223.7 MW was contributed by hydro power, 273.2 MW was contributed by nuclear power and renewable power contributed 267.1 MW of capacity.
- NTPC, the central-sector operator in the state, had plant of 3,260 MW of thermal power generation in the state.
- An Ultra-Mega Power Plant (UMPP) is being constructed in Sasan, with an installed capacity of 3,960 MW.



Source: Central Electricity Authority

Physical Infrastructure – Telecom

- As of December 2010, Madhya Pradesh had 2,416 telephone exchanges.
- According to Department of Telecommunications, Government of India, Madhya Pradesh had nearly 40.2 million wireless subscribers and 1.2 million wire-line subscribers as of December 2010.
- As of December 2010, tele-density (telephone connections per 100 persons) in Madhya Pradesh was 57.6 per cent.
- The total number of broadband users, as of November 2010, was 418,091 (including Chhattisgarh).
- The state has about 8,316 post offices as of March 2010.

Telecom Infrastructure (December 2010)

| | |
|---------------------------------------|------------|
| GSM Cellular Subscribers [^] | 31,677,228 |
| Broadband Subscribers* | 418,091 |
| Wireless Connections | 40,262,366 |
| Wire-line Connections | 1,267,875 |
| Post Offices** | 8,316 |
| Telephone Exchanges | 2,416 |

Sources: Cellular Operators Association of India, Department of Telecommunications, Annual Report 2010-11, Madhya Pradesh Annual Plan 2011-12
 *As of November 2010, Includes Chhattisgarh,
[^]As of September 2011,
 **As of March 2010

Some of the Major Telecom Operators in Madhya Pradesh

Bharat Sanchar Nigam Limited (BSNL)
 Bharti Airtel
 Vodafone Essar
 Idea Cellular
 Reliance Communications
 Tata Teleservices

Source: Cellular Operators Association of India

Development Projects: Urban Infrastructure ... (1/2)

- Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), 22 projects, costing US\$ 507.9 million have been sanctioned for urban centres such as Bhopal, Indore, Jabalpur and Ujjain.
- Some of the key projects are in sectors such as roads and flyovers, water supply, storm-water drainage, sewerage, solid-waste management and mass rapid transport systems.
- The Asian Development Bank (ADB) has funded 16 projects worth US\$ 33.8 million for Bhopal in the areas of water supply, sewerage and sanitation, storm-water drainage and solid-waste management. Out of the 16 projects, two have been completed and others are at various stages of development.

Sources: Bhopal Municipal Corporation website, www.bhopalmunicipal.com, JNNURM Ministry of Urban Development, Government of India

Development Projects: Urban Infrastructure ... (2/2)

Focus Areas of Urban Development in Madhya Pradesh

| Water Supply | Sewerage System | Solid-Waste Management | Others |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> The average per capita supply of water in major cities such as Indore is around 80 litres per day. Under the JNNURM, cities are planned to achieve per capita water supply of 135 litres per day between 2015 and 2021. Six projects worth US\$ 194.7 million have been sanctioned between 2005-06 and 2008-09 for water supply under the JNNURM. | <ul style="list-style-type: none"> In cities such as Indore, around 50 per cent of the population is connected to sewage network. Under the JNNURM, the entire population in the cities will be connected to sewage network. Three projects worth US\$ 100 million have been sanctioned in 2006-07 for sewage treatment under the JNNURM. | <ul style="list-style-type: none"> Indore and Ujjain generate around 500 Tonnes Per Day (TPD) and 160 tpd of solid-waste respectively. Under the JNNURM, the entire solid-waste is expected to be collected and treated. A project worth US\$ 10.7 million has been sanctioned. | <ul style="list-style-type: none"> Two projects worth US\$ 75.6 million have been sanctioned between 2006-07 and 2009-10 for improvement of drainage system. Six projects worth US\$ 97.9 million have been sanctioned for improvement of transport system. |

Source: JNNURM, Ministry of Urban Development, Government of India

Development Projects: Key Public Private Partnership Projects

| Name of Project | Sector | PPP Type | Project Cost (US\$ million) | Status |
|----------------------------------------------------------------------------------------------------|-------------------|--------------|-----------------------------|---------------|
| Development of Central Business District in South TT Nagar, Bhopal | Urban Development | BOT-Toll | 326.1 | Under Bidding |
| Sports City, International Convention Centre, Star Hotel, Shopping Complex and Residential Complex | Urban Development | BOT-Toll | 195.7 | Construction |
| Gwalior-Jhansi National Highway Road Project | Roads | BOT-Annuitiy | 131.1 | Construction |
| Khalaghat-Maharashtra Border | Roads | BOT-Toll | 119.3 | Construction |
| Indore to Khalaghat | Roads | BOT-Toll | 102.6 | Construction |
| Four-Laning of Bhopal-Devas State Highway | Roads | BOT-Toll | 92.8 | Construction |
| Four-Laning of Lebad-Jaora State Highway | Roads | BOT-Toll | 91.5 | Construction |
| 50 km Road between Jhansi-Lalitpur on NH-25 and NH-26 | Roads | BOT-Annuitiy | 91.5 | Construction |
| Lakhnadon to Maharashtra Border | Roads | BOT-Annuitiy | 88.7 | Construction |
| Four-Laning of Joura-Nayagaon State Highway | Roads | BOT-Toll | 87.8 | Construction |
| Water Supply Augmentation at Khandwa | Urban Development | BOT-Annuitiy | 22.6 | Construction |

BOT: Build-Operate-Transfer

Source: www.pppindiadatabase.com

Development Projects: Special Economic Zones (SEZs) ... (1/2)

- As of October 2011, formal approval has been given to 14 SEZs proposed to be set up in Madhya Pradesh.
- Bhopal, Indore, Gwalior and Jabalpur are the major locations where SEZs have been approved. These SEZs have been proposed for IT/ITeS, mineral-based, agro-based and multi-product industries.
- There is one operational multi-product SEZ in Indore.

| Indore SEZ | |
|---------------------------------|--------------------------------|
| Area | 2,500 acre (1,114 hectares) |
| Number of Allotment | 42 |
| Number of Units Operating | 20 |
| Total Investment | US\$ 216.7 |
| Investment Under Implementation | US\$ 106.7 (13 units) |
| Export (2008-09) | US\$ 211.2 million |

Source: Madhya Pradesh State Industrial Development Corporation

| Key Companies in Indore SEZ |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • SRF • Flexituff • India Nets • New Tech Abrasives • Advance Enzyme Technology • Ipca Laboratories • Amulya Exports • Emerald Tobacco • Pratibha Syntex |

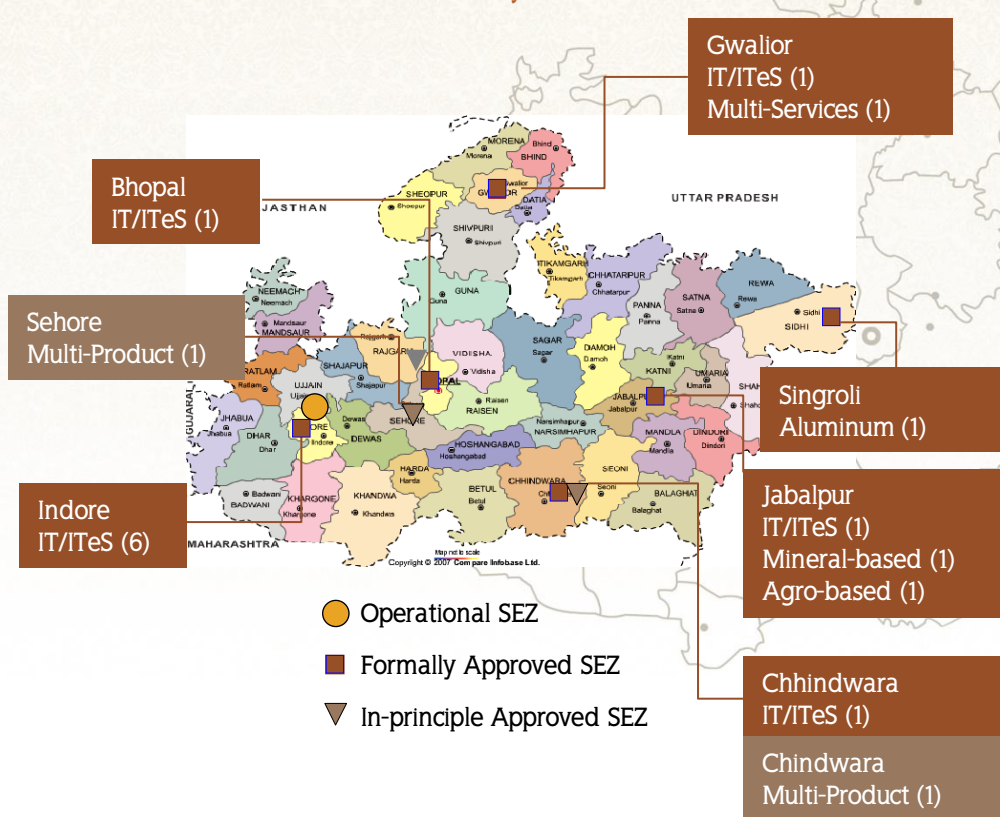
Source: Madhya Pradesh State Industrial Development Corporation

| Notified SEZ as of October 2011 | | |
|---------------------------------|-----------------|------------|
| Industry | Location | No of SEZs |
| IT/ITeS | Indore, Gwalior | 3 |
| Mineral-based | Jabalpur | 1 |
| Agro-based | Jabalpur | 1 |

Source: www.sezindia.nic.in

Development Projects: Special Economic Zones (SEZs) ... (2/2)

SEZs in Madhya Pradesh



| Industry | Location | No of SEZs |
|-------------------------------------------------|----------------------------------------------|------------|
| Formally Approved SEZ as of October 2011 | | |
| IT/ITeS | Indore, Gwalior, Chindwara, Jabalpur, Bhopal | 10 |
| Multi-Services | Gwalior | 1 |
| Mineral-based | Jabalpur | 1 |
| Agro-based | Jabalpur | 1 |
| Aluminium | Singroli | 1 |
| In-Principle Approved SEZ | | |
| Multi-Product | Chindwara, Sehore | 2 |

Source: www.sezindia.nic.in

Sources: Maps of India, www.sezindia.nic.in

Social Infrastructure – Education

- Madhya Pradesh has a literacy rate of 70.6 per cent according to the provisional data of Census 2011; the male literacy rate is 80.5 per cent and the female literacy rate is 60.0 per cent.
- The state has 208 engineering & architecture colleges, 208 management institutes and 12 medical colleges.
- In 2009-10, the state has 105,592 primary schools, 6,352 high schools and 5,161 higher secondary schools.

| Category | Literacy Rate (%) |
|----------|-------------------|
| Total | 70.6 |
| Male | 80.5 |
| Female | 60.0 |

Source: Census 2011 (provisional data)

| Educational Institutions (2009-10) | |
|-------------------------------------|---------|
| Primary Schools | 105,592 |
| High Schools | 6,352 |
| Higher Secondary Schools | 5,161 |
| Degree Colleges* | 305 |
| Universities* | 15 |
| Polytechnic Institutes | 49 |
| Engineering & Architecture Colleges | 208 |
| Management Institutes | 208 |
| Medical Colleges* | 12** |

Sources: Economic Survey of Madhya Pradesh, 2010-11,
Website of Government of Madhya Pradesh (www.mp.gov.in),
Madhya Pradesh Annual Plan 2011-12

*As of August 2011,

**Recognised by Medical Council of India

Reputed Institutes of Madhya Pradesh

Indian Institute of Management (IIM), Indore
Indian Institute of Forest Management, Bhopal
Institute of Hotel Management, Bhopal
International Institute of Professional Studies, Indore
Indian Institute of Technology (IIT), Indore

Social Infrastructure – Health

- As of March 2011, the healthcare services network of Madhya Pradesh comprises 50 District Hospitals, 333 Community Health Centres, 1,157 Primary Health Centres and 8,867 Sub-centres.
- The state also has 28 Ayurvedic, 4 Homoeopathic and one Unani Hospitals as of March 2011.

| Health Indicators of Madhya Pradesh (2009) | |
|--------------------------------------------|------|
| Birth Rate* | 27.7 |
| Death Rate* | 8.5 |
| Infant Mortality Rate** | 67 |
| Life Expectancy at Birth (years) | |
| Male (2002-06) | 58.1 |
| Female (2002-06) | 57.9 |

Source: Sample Registration System 2009

*Per thousand persons

**Per thousand live births

| Health Institutions (2010-11) | |
|-------------------------------|-------|
| District Hospitals | 50 |
| Primary Health Centres | 1,157 |
| Sub-Centres | 8,867 |
| Community Health Centres | 333 |
| Ayurvedic Hospitals | 28 |
| Unani Hospitals | 1 |
| Homeopathic Hospitals | 4 |

Sources: Economic Survey of Madhya Pradesh, 2010-11,
Madhya Pradesh Annual Plan 2011-12

Cultural Infrastructure

- Madhya Pradesh's history dates back to the pre-historic age. The United Nations Educational, Scientific and Cultural Organisation (UNESCO) has declared three locations in the state as heritage sites: Temples at Khajuraho, Buddhist Monuments at Sanchi and Rock Shelters of Bhimbetka.
- The Directorate of Archaeology, Archives and Museums, is responsible for the maintenance of 349 monuments and 44 museums across the state.
- The State Government has established sports academies to promote sports such as hockey, shooting, equestrian, water sports and martial arts.
- Eminent sports personalities are awarded with the Vikram Awards, the Ekalavya Awards and the Vishwamitra (lifetime achievement) Award.

→ Among the cultural festivals of Madhya Pradesh, the Khajuraho Festival of Dance and the Tansen Music Festival in Gwalior celebrate classical Indian dance and music. These festivals are well attended by both, domestic and international tourists.

| Type of Museum (No) | |
|---------------------------------------------|----|
| State-level Museums | 6 |
| District-level Museums | 11 |
| Local Museums | 6 |
| Site Museums | 5 |
| District Archaeological Association Museums | 16 |

Source: Directorate of Archaeology, Archives and Museums, Government of Madhya Pradesh

| State-level Museums in Madhya Pradesh |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • State Museum, Bhopal • Central Museum, Indore • Rani Durgawati Museum, Jabalpur • Tulsi Museum, Ramvan, Satna • Maharaja Chhatrasal Museum, Chhatarpur • Gujri Mahal Museum, Gwalior |

Source: Directorate of Archaeology, Archives and Museums, Government of Madhya Pradesh

Industrial Infrastructure ... (1/3)

- Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) is the nodal agency for industrial growth in the state.
- For balanced and sustainable growth of industry across the state, MPSIDC has set up Madhya Pradesh Audyogik Kendra Vikas Nigam Limited (AKVN) at Bhopal, Gwalior, Jabalpur, Indore, Rewa and Ujjain.

| Infrastructure | Bhopal AKVN | Gwalior AKVN | Jabalpur AKVN |
|--------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------|
| Area Developed (hectare) | 1,350.3 | 2,473.8 | 1,250.0 |
| Growth Centres | Mandideep, Pillukhedi, Babai, Piparia | Malanpur, Ghirongi, Banmore, Chainpura, Siddhgawan, Pratappura | Borgaon, Maneri |
| Units Established | Large and Medium Industries (LMI): 40 Small Scale Industries (SSI): 328 | LMI: 44 SSI: 223 | LMI: 10 SSI: 44 |
| Major Companies | HEG, Crompton Greaves, Procter & Gamble, Godrej, Lupin. | Surya Roshini, Godrej, Grasim, Cadbury, Crompton Greaves | Raymond, Hindustan Petroleum, Ayur |
| Special Infrastructure | Inland Container Depot (ICD), food park | ICD, Food Park, Stone Park | Stone Park, Food Park, Mineral SEZ |
| Proposed Project | Engineering Cluster, Logistic Hub, Food Park | Habitat Centre, SEZ | SEZ (Agro-based) |

SEZ: Special Economic Zone

Source: MPSIDC

Industrial Infrastructure ... (2/3)

| Infrastructure | Indore AKVN | Rewa AKVN | Ujjain AKVN |
|--------------------------|------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------|
| Area Developed (hectare) | 3,254.8 | 307.4 | 431.6 |
| Growth Centres | Pithampur, Kheda, Megh Nagar | Rewa, Waidhan, Purena, Maiher | Ujjain, Dewas, Maksi, Jaggakhedi |
| Units Established | LMI:153, SSI: 832 | LMI: 14, SSI: 139 | LMI: 52, SSI: 23 |
| Major Companies | Eicher, Bridgestone, Hindustan Motors, Force, Mahindra | Birla, Jaypee | Ranbaxy, S.Kumars, Gajra, Kirloskar |
| Special Infrastructure | SEZ, Food Park, Apparel Park, Inland Container Depot (ICD) | - | Food Park |
| Proposed Project | Auto Testing Track, Food Park | Industrial Area | Knowledge City, New Industrial Area under the Delhi Mumbai Industrial Corridor project |

SEZ: Special Economic Zone
Source: MPSIDC

Industrial Infrastructure ... (3/3)

Industrial Clusters in Madhya Pradesh



Sources: Maps of India, Madhya Pradesh State Industrial Development Corporation

Madhya Pradesh

NOVEMBER
2011

THE LAND OF DIAMONDS

Contents

- ❖ Madhya Pradesh – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Madhya Pradesh
- ❖ State Acts & Policies



For updated information, please visit www.ibef.org

Key Industries

- The natural resources including agro-based products, forest products and minerals, the state's policy incentives and its central location have attracted major investments in the agro-products, consumer goods, drugs and pharmaceuticals, mines and minerals, manufacturing and textiles sectors.
- The State Government is keen to develop industrial infrastructure. The Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) and its subsidiary, Madhya Pradesh Audyogik Kendra Vikas Nigam Limited (MPAKVN) are the key nodal agencies for industrial development in the state.
- Major industrial areas in the state are Bhopal, Sehore, Raisen, Harda, Mandideep, Dewas, Pithampur, Khandwa, Jhabua, Dhar, Ujjain and Mandsaur.

Key Industries in Madhya Pradesh

- Auto and Auto Components
- Textile
- Cement
- Agro-based Industries
- Forest-based Industries
- Pharmaceuticals
- Mineral-based Industries
- Manufacturing
- Tourism
- IT and ITeS

Key Players



Key Industries – Auto and Auto Components ... (1/2)

- Madhya Pradesh has an automotive cluster located at Pithampur, which is an industrial growth centre near Indore.
- The basic industrial infrastructure available in the automotive cluster includes power, water supply, telecommunication services, road and a dry port.
- The Pithampur automotive cluster is among the industrial clusters in India that have been identified by the Central Government for implementation of the Industrial Infrastructure Up-gradation Scheme (IIUS). The scheme aims at improving the competitiveness of functional clusters across the country.
- The Pithampur automotive cluster has automotive Original Equipment Manufacturers (OEMs) such as Force Motors, Eicher Motors, Hindustan Motors and Mahindra Two wheelers, major tyre producing unit of Bridgestone and about 30 auto component and ancillary units.

Some of the Key Players

- Eicher Motors Ltd
- Force Motors Ltd
- Hindustan Motors Ltd
- Mahindra Two Wheelers Ltd

Key Industries – Auto and Auto Components ... (2/2)

Eicher Motors Ltd



- Eicher began its business operations in 1959 with the rolling out of the first tractor in India. Today, the Eicher Group has diversified business interests such as design and development, manufacturing and local/international marketing of trucks and buses, motorcycles, automotive gears and components. The Pithampur plant of Eicher has state-of-the-art manufacturing facility with a capacity of producing 20,000 vehicles, annually. It has an auto component manufacturing facility at Pithampur (an SEZ covering 38,000 sq metre) and Dewas (plant area of 18,000 sq metre). Volvo-Eicher Commercial Vehicles (VECV), a joint venture of EML with AB Volvo, Sweden will invest US\$ 60.8 million for a new engine plant in the existing facility at Pithampur. The new plant, which will be completed by 2012, will add capacity of 85,000 units and will serve domestic and export markets. The company recorded revenues of US\$ 106.2 million in the year ending December 2010.

Force Motors Ltd



- Force Motors is a vertically integrated automobile company which designs, manufactures and markets its range of vehicles – tractors, three wheelers, light commercial vehicles, multi-utility vehicles and heavy commercial vehicles. The manufacturing plant at Pithampur was set up in 1987 under license from Daimler-Benz to manufacture utility vehicles. The plant was further expanded in 1997. Subsequently, it also obtained ISO 9001: 2000 certification in 2003. The company recorded revenues of US\$ 324.8 million in 2010-11.

Hindustan Motors Ltd



- Hindustan Motors Limited (HML), pioneer in automobile manufacturing in India, is the flagship company of the C. K. Birla Group. The company manufactures passenger cars, multi-utility vehicles and Road-Trusted Vehicles (RTV). In technical collaboration with Australian OKA Motor Company, HML manufactures RTV in its plant at Pithampur. The company recorded revenues of US\$ 145.1 million in 2010-11.

Mahindra Two Wheelers Ltd



- Mahindra Two Wheelers Limited was founded in 2008 when Mahindra & Mahindra Limited (M&M), India's leading automotive companies took over Pune-based Kinetic Motor Company Limited (KMCL). The company has a state-of-the-art, ISO 9001 certified manufacturing facility at Pithampur in Madhya Pradesh. The group company, M&M recorded revenues of US\$ 5.6 billion in 2010-11.

Key Industries – Textiles ... (1/2)

- Madhya Pradesh is one of the major cotton producing states of India. In 2008-09, cotton was grown on 620,000 hectares in the state with a total production of 0.86 million bales (170 kgs each).
- A large number of cotton textile mills are clustered around Indore, Dewas, Ujjain and Malanpur.
- The Indore SEZ has been identified by Central Government for setting up an Apparel Park under the Apparel Park for Exports Scheme (APES). Further, Indore has been identified for infrastructure development under the Textiles Centre Infrastructure Development Scheme (TCIDS).

Some of the Key Players

- Century Textiles and Industries Ltd
- Grasim Industries Ltd
- Vardhman Textiles Ltd
- Raymond Ltd

Key Industries – Textiles ... (2/2)

Century Textiles and Industries Ltd



- Century Textiles and Industries Ltd was incorporated in 1897. The company has interests in textile, rayon, cement and paper. Yarn and denim production units of the textile business are located at Satrati in Madhya Pradesh. The plant is equipped with 24,960 spindles for manufacture of yarn and produced about 3,992 tonnes of yarn during 2009-10. The denim division has production capacity of 21 million meters of denim fabrics per annum. The company recorded revenues of US\$ 1.12 billion in 2010-11.

Grasim Industries Ltd



- Grasim Industries Ltd, a flagship company of the Aditya Birla Group, is one of the leading companies in India with diverse interests in cement, chemicals and textiles. Its textile plants are located at Bhiwani, Haryana and Malanpur, Madhya Pradesh. The Malanpur unit of the company manufactures worsted dyed yarn spun from pure merino wool along with polyester and other blends. The company has a wide retail network and also serves international apparel manufacturers. The company recorded revenues of US\$ 1.02 billion in 2010-11.

Vardhman Textiles Ltd



- The Vardhman Group is a leading textile conglomerate in India having a turnover of US\$ 700 million. The yarn manufacturing units are located in Mandideep (74,496 spindles), Satlapur (170,528 spindles) and Bhudhni (60,000 spindles). Further, the Bhudhni plant has fabric weaving unit (400 looms) and a fabric processing unit with a capacity of 40 million metre per annum. The company recorded revenues of US\$ 985.7 million in 2010-11.

Raymond Ltd



- Raymond is a major fabric manufacturer in India. Besides, the company has also business interests in engineering and aviation. The company is one of the largest integrated manufacturer of worsted fabric in the world and commands around 60 per cent market share in worsted suiting in India. The total production capacity of the company is around 31 million metres of wool and wool-blended products. One of the four plants of the company is located at Chhindwara in Madhya Pradesh. The company recorded revenues of US\$ 670.6 million in 2010-11.

Key Industries – Cement ... (1/2)

- Jawad and Neemuch of Madhya Pradesh belong to one of the seven major limestone clusters in India and hence provide easy access to critical raw material resource for the cement industry.
- The state has total limestone reserves of 3,625.9 million tonnes, spread across more than 15 districts.
- As of March 2010, total installed capacity in the state was around 18.2 million tonnes of cement per annum – one of the highest among the Indian states. The cement plants in the state operate at a high efficiency level with total production being close to capacity.
- The cement consumption in the state was 8.12 million tonnes during 2009-10.

Some of the Key Players

- Birla Corporation Ltd
- ACC Limited
- Everest Industries Ltd
- Heidelberg Cement India Ltd

Key Industries – Cement ... (2/2)

Birla Corp Ltd



- Birla Corporation Limited is the flagship company of the M P Birla Group with business interests in cement, jute, polyvinyl chloride, floor covering and auto trims. The cement plant of the company is located in Satna, Madhya Pradesh. The plant has a capacity of 1.73 million tonnes per annum. The company recorded revenues of US\$ 530 million in 2010-11.

ACC Ltd



- ACC Limited is one of the largest cement manufacturers in India with 16 cement plants, more than 40 ready-mix concrete plants, 21 sales offices and over 9,000 dealers. In Madhya Pradesh, it has plants in Kymore with a capacity of 2.2 Million Tonnes Per Annum (MTPA). The company recorded revenues of US\$ 1.8 billion in the year ending December 2010.

Everest Industries Ltd



- Everest Industries Limited manufactures a range of building solutions which include ceilings, walls, flooring, cladding, doors, roofing and pre-engineered steel buildings. In 2010-11, total revenue of the company was US\$ 158.6 million. One of the five manufacturing facilities of the company is located at Kymore in Madhya Pradesh. It is among the first manufacturers of fibre-cement roofing sheets and accessories in India. The plant has been awarded by State Government for excellence in the fields of safety, health and environment.

Heidelberg Cement India Ltd



- Heidelberg Cement India Ltd is a subsidiary of the Heidelberg Cement Group, which is one of the largest cement manufacturers in the world. The company has a cement plant at Damoh in Madhya Pradesh. Its cement is sold under brand name 'Mycem'.

Key Industries – Pharmaceutical and Biotechnology Industry ... (1/2)

- Madhya Pradesh has a rich bio-diversity. About 31 per cent of the state is under forest cover; 11 of the 25 agro-climatic zones are present in the state and a large variety of rare and valuable medicinal and herbal plants are available.
- The state has formulated a Biotechnology Policy, which is expected to create a conducive environment for the bio-pharmaceutical industry in the state.
- Biotechnology and pharmaceuticals have been recognised as thrust sectors and incentives are provided for setting up industries in these sectors.

Some of the Key Players

- Ipca Laboratories Ltd
- Lupin Ltd
- Piramal Healthcare Ltd
- Ranbaxy Laboratories Ltd

Key Industries – Pharmaceutical and Biotechnology Industry ... (2/2)



Ipca Laboratories Ltd



→ Ipca is a fully integrated Indian pharmaceutical company with a strong thrust on exports. The company has operations in over 110 countries and exports account for over 50 per cent of the income. The company has eight manufacturing plants in India. In Madhya Pradesh, it has plants at Indore, Pithampur and Ratlam. The plants manufacture drug intermediaries, tablets liquids, injectables, etc., and are certified by apex global agencies. In 2010-11, total revenue of the company was US\$ 409.4 million.

Lupin Ltd



→ Lupin Ltd is an innovation-led pharmaceutical company producing a wide range of generic and branded formulations and Active Pharmaceutical Ingredients (API). The company has two plants in Madhya Pradesh – one at Indore for formulations and another at Mandideep for API. The plant at Mandideep is approved by global authorities such as World Health Organisation (WHO), United States Food and Drug Administration (USFDA) and United Kingdom Medicine and Healthcare products Regulatory Agency (UKMHRA). In 2010-11, the company recorded revenues of US\$ 1.26 billion.

Piramal Healthcare Ltd



→ Piramal Healthcare Ltd (PHL) is a globally integrated healthcare company with revenue of around US\$ 357.1 million in 2010-11. The company caters to a large range of therapeutic products under a number of divisions such as acute care, biotech, cardiac, diabetes, general medicine, orthopaedic, pain management, etc. The company has six manufacturing facilities in India, one of which is located at Pithampur in Madhya Pradesh.

Ranbaxy Laboratories Ltd



→ Ranbaxy Laboratories, one of India's largest pharmaceutical company, is an integrated, research-based pharmaceutical company with a global presence. In 2010, the total revenue of the company was US\$ 1.8 billion. The company manufactures a wide range of generic medicines in its manufacturing facilities located in seven countries. It has a manufacturing facility at Dewas, Madhya Pradesh, where it has three independent units engaged in the production of cephalosporins, semi-synthetic penicillin and non-beta-lactum products.

Key Industries – Manufacturing ... (1/2)

- Madhya Pradesh State Industrial Development Corporation and its subsidiaries have successfully developed several growth centres across the state.
- The Industrial Policy of the state provides incentives for setting up manufacturing units.
- Industrial infrastructure, policy incentives, labour resources and central location of the state are some of the growth drivers for the manufacturing industry in the state.

Some of the Key Players

- Bharat Heavy Electricals Ltd
- Kirloskar Brothers Ltd
- Kores (India) Ltd
- Crompton Greaves

Key Industries – Manufacturing ... (2/2)

Bharat Heavy Electricals Ltd



- Bharat Heavy Electricals Ltd (BHEL) is a large engineering and manufacturing enterprise in India in the energy-related and infrastructure sector. In 2009-10, total revenue of the company was US\$ 7.2 billion. The Bhopal unit of BHEL was set up in Piplani in 1956 with technical assistance from Associated Electricals (India) Limited, a UK-based company. The unit has capability to manufacture hydro, steam, marine and nuclear turbines, heat exchangers, hydro and turbo generators, transformers, switchgears, control gears, transportation equipment, capacitors, bushings, electrical motors, rectifiers, oil drilling rig equipments and diesel generating sets. The unit also has a material testing and instrument calibration laboratory and a township spread across 20 sq km for its employees.

Kirloskar Brothers Ltd



- Kirloskar Brothers Ltd (KBL) is the flagship company of the US\$1.4 billion Kirloskar Group. KBL has business interests in large infrastructure projects such as water supply, power generation and irrigation, manufacturing of pumps for domestic, agricultural and industrial use. The net sales of KBL in 2010-11 was around US\$ 426.1 million. The company has four manufacturing plants, one of which at Dewas in Madhya Pradesh was established in 1962. The plant manufactures pumps for domestic and agricultural use.

Kores (I) Ltd



- Kores (India) Ltd was incorporated in 1936 and has business interest in diverse fields such as office products, foundry, textiles, pharmaceuticals, engineering, etc. The engineering division of the company has a plant at Pithampur in Madhya Pradesh. The plant is set up on an area of over 71,192 sq m and has facilities such as machine shop, fabrication shop and assembly shop. The company produces hydraulic tank, pump and drills in the plant at Pithampur.

Crompton Greaves



- Crompton Greaves is a part of US\$ 4 billion Avantha Group. The company is engaged in designing, manufacturing and marketing of technologically advanced electrical products and services. The company manufactures transformers and DC machines at its plant in Mandideep, Madhya Pradesh. The company has another plant in Malanpur where it manufactures transformers. The company recorded revenues of US\$ 2.1 billion in 2010-11.

Key Industries – Fast Moving Consumer Goods ... (1/2)

- A number of factors such as industrial infrastructure in growth centres, labour pool and central location of the state are the drivers for setting up consumer goods manufacturing facilities in Madhya Pradesh.
- A number of multinational companies such as Cadbury, Procter & Gamble, Hindustan Unilever Limited, Coca Cola and Cargill have their manufacturing plants in the state.
- Majority of the manufacturing plants are located in industrial areas of the state such as Malanpur, Mandideep, Pithampur and Chhindwara.

Some of the Key Players

- Cadbury India Ltd
- Procter & Gamble (P&G) Home Products Ltd
- Dabur India Ltd
- Hindustan Unilever Ltd

Key Industries – Fast Moving Consumer Goods ... (2/2)

Cadbury India Ltd



→ Cadbury (a part of Kraft Foods), is a leading global confectionery company with a portfolio of chocolate, gum and candy brands. It has operations in over 60 countries. In India, the company started its operation in 1948 and has six factories and four sales offices. The company has a factory at Malanpur industrial area in Gwalior.

Procter & Gamble (P&G) Home Products Ltd

Procter&Gamble

→ P&G Home Products Ltd, one of India's large consumer goods companies, is a 100 per cent subsidiary of Procter & Gamble Company, USA. The company owns some of the reputed brands in fabric care products, hair care and baby care segments. The company has its manufacturing plant at Mandideep in the Raisen district of Madhya Pradesh.

Dabur India Ltd



→ Dabur India Ltd is one of the leading consumer goods company in India with revenues of US\$ 894.7 million in 2010-11. The company has three major divisions: consumer care, consumer health and international business. One of the 17 manufacturing plants of the company, is located at Katni in Madhya Pradesh.

Hindustan Unilever Ltd



→ Hindustan Unilever Ltd (HUL) is a subsidiary of Unilever and is India's largest consumer goods company with a portfolio of brands in 20 distinct categories. Established in 1930, the company has its manufacturing plant at Chhindwara in Madhya Pradesh. The company recorded revenues of US\$ 4.2 billion in 2010-11.

Key Industries – Agro-based Industry

... (1/2)

- Of the total gross area under crop cultivation in the state, 53.6 per cent is sown during the Kharif season while the other 46.4 per cent is sown during the Rabi season.
- In 2009-10, the total cropped area was 20.419 million hectares in the state.
- In 2009-10, Madhya Pradesh was one of leading producer of soybean with a total production of around 6.4 million tonnes.
- The state is the largest producer of oilseeds; it produced 6.9 million tonnes in 2008-09, accounting for 25.1 per cent of the national production.
- The state leads in the production of spices and is amongst the largest producers of garlic.
- Jawaharlal Nehru Krishi Vishwavidyalaya is located in Jabalpur and serves as a centre for teaching and research in agriculture and allied sciences.

Some of the Key Players

- Adani Wilmar Ltd
- Anik Industries Ltd
- K S Oils Ltd
- Ruchi Soya Industries Ltd

Key Industries – Agro-based Industry

... (2/2)

Adani Wilmar Ltd



→ Adani Wilmar Ltd (AWL) is a joint venture between two global corporations - Adani Group of India and Wilmar International Limited of Singapore. The company has production infrastructure across the country, with a crushing capacity of over 6,000 tonnes per day and refining capacity of over 5,000 tonnes per day. The company has a production unit in Chindwara and a packaging plant at Dewas in Madhya Pradesh.

Anik Industries Ltd



→ Anik Industries Limited manufactures and markets dairy and milk derivative products, wind power, soya protein isolate and concentrate. The company has two milk processing units in Madhya Pradesh for manufacturing of dairy products, one at Dewas (capacity of 240,000 litre of milk per day) and another at Bhopal (capacity of 100,000 litre of milk per day). These units are supported by 11 chilling centres spread across the state which collect milk from more than 5,000 villages. The company recorded revenues of US\$ 257.9 million in 2009-10.

K S Oils Ltd



→ K S Oils is a leading Indian integrated edible oil company which produces and markets mustard oil, refined oil and vanaspati. The company has its fully integrated plant at Morena in Madhya Pradesh with a crushing capacity of 1,475 metric tonnes of mustard seed per day. The plant also has an in-house packaging unit. The company recorded revenues of US\$ 849.3 million in 2009-10.

Ruchi Soya Industries Ltd

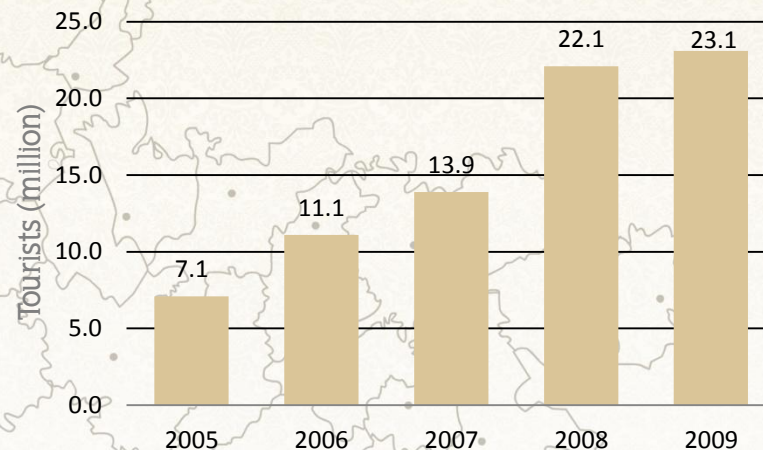


→ Ruchi Soya Industries Ltd is one of the major agro-based product manufacturers in India. Product portfolio of the company includes edible oil, soya foods, bakery fat and vanaspati. It is also the largest exporter of soya foods and lecithin from India. The company has wide presence in Madhya Pradesh with six manufacturing plants located at Mangla, Shujalpur, Guna, Piaparia, Gaderwada and Jabalpur and three depots at Gwalior, Jabalpur and Indore. The company recorded revenues of US\$ 3.6 billion in 2010-11.

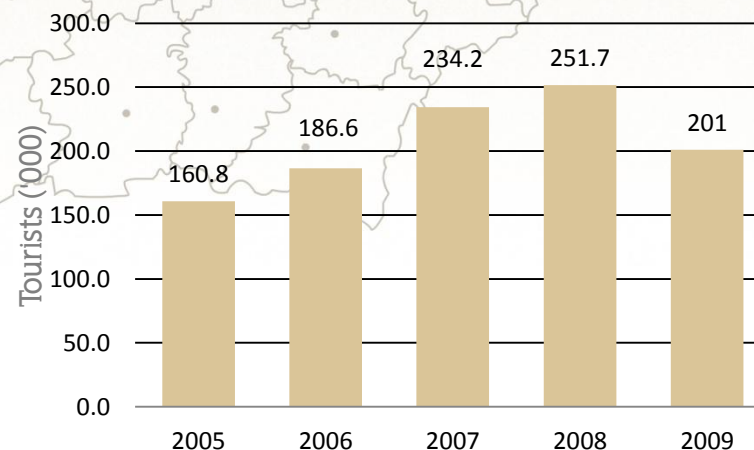
Key Industries – Tourism ... (1/2)

- The State Government has identified the tourism sector as one of the key areas for growth.
- In 2009, domestic tourist inflow stood at over 23 million, registering average growth of 34 per cent per annum over last four years. In 2009, foreign tourist arrival was over 201,000.
- The State Government has shortlisted 18 major centres, which attract a large number of domestic and foreign tourists, for comprehensive development.
- The State Government has taken initiatives to promote eco-tourism, wild-life and adventure tourism, leisure and business tourism and pilgrim tourism.
- The Ministry of Tourism, Government of India has identified Chitrakoot as one of the 29 mega tourist centres to be developed across the country. Chitrakoot will be developed as a spiritual and wellness destination.

Domestic Tourist Arrivals



International Tourist Arrivals



Source: Tourism Statistics 2009, Ministry of Tourism, Government of India

Key Industries – Tourism ... (2/2)

- 
- Major places of tourist interest in Madhya Pradesh are as follows:
 - Kanha: One of the largest wild-life sanctuary in Asia.
 - Khajuraho: Has some of the most famous sculptures in the world.
 - Bhimbetka: Has the oldest cave paintings in the world.
 - Sanchi: Houses the oldest Buddhist Stupa in the world.
 - In addition, the state has nine national parks and 25 wildlife sanctuaries.
 - A number of festivals such as All India Kalidasa Festival, Tansen Samaroh (Gwalior), Lokranjan and Khajuraho Dance Festival (Khajuraho) are celebrated in the state, which attracts tourists.

Key Industries – Forest-based Industries

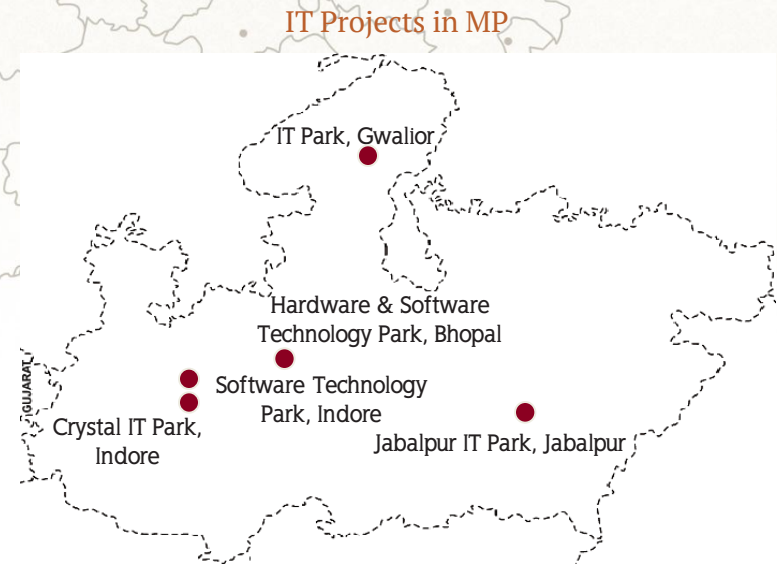
- Madhya Pradesh has a forest area of 95,221 sq km, which accounts for nearly 31 per cent of the total area of the state.
- With a share of about 12.4 per cent of the total forest area of the country, Madhya Pradesh has the largest area covered by forest among all the states in India.
- Madhya Pradesh accounts for nearly 25 per cent of all tendu leaves produced in India. The average annual production of tendu leaves in the state is around 2.5 million standard bags.
- In 2009-10, 258,000 cubic metre of timber was produced and the total revenue received from sale of forest products was US\$ 170 million.

Key Industries – IT and ITeS

- The state has optical fibre backbone of over 24,000 km that cover its 313 developmental blocks across 45 districts.
- The state is home to the country's first Indian Institute of Information Technology and Management (IIITM), which is located in Gwalior.
- Five information technology parks, located at Bhopal, Indore (2), Gwalior and Jabalpur, are at various stages of development.
- All the IT parks in the state has been given SEZ status.
- The IT Policy of the state provides incentives to the investors in the information technology sector.
- A government society MAP_IT (Madhya Pradesh Agency for Promotion of Information Technology) headed by the Chief Minister of the state and represented by government and industry has been established to implement the IT policy and propel the growth of IT in Madhya Pradesh.

IT Parks

| | |
|---------------------------------------------------|----------|
| Crystal IT Park (49,927 sq m) | Indore |
| Hardware and Software Technology Park (200 acres) | Bhopal |
| Software Technology Park (1,00,000 sq ft) | Indore |
| IT Park (50 acres) | Gwalior |
| IT Park (90 acres) | Jabalpur |



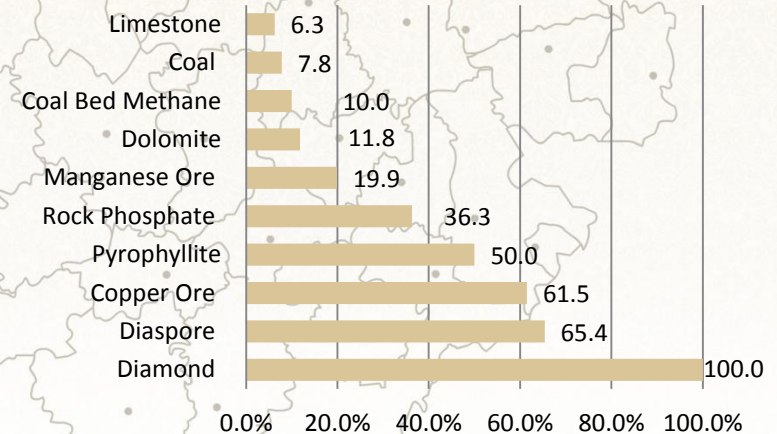
Source: Maps of India

Key Industries – Mineral-based Industry

... (1/3)

- The state has vast mineral deposits of diamonds, slate, pyrophyllite, diaspore, coal, limestone, copper ore and manganese among others.
- In 2009-10, mining and quarrying contributed around US\$ 1.5 billion to the GSDP of the state.
- Madhya Pradesh is the sole producer of diamonds in India. Besides, the state is the largest producer of minerals such as pyrophyllite and copper.
- The state has over 60 per cent of the total national reserves of copper ore.
- The thickest coal seam (135 m) of Asia is found at the Singrauli coalfield in the Sidhi district of Madhya Pradesh.
- Major mineral-based industries in the state are cement, thermal power generation, ceramic-products, tiles and refractory.

Mineral Reserves as Percentage of India's Reserves*



Source: Directorate of Geology and Mining, Madhya Pradesh
*As of 2005

Key Industries – Mineral-based Industry ... (2/3)

Reserves and Production of Minerals in Madhya Pradesh

| Name | Reserves [^] as of 2005 (million tonnes) | Share of the State in the National Reserve (per cent) | Production (tonnes)* | Share of the State in the National Production (per cent) |
|-------------------|------------------------------------------------------|-------------------------------------------------------------|----------------------|----------------------------------------------------------------|
| Diamond ** | 1,205 | 100.0 | 498 | 100.0 |
| Pyrophyllite | 10.3 | 50.0 | 118,201 | 79.1 |
| Copper Ore | 227.1 | 61.5 | 1,202,000 | 54.8 |
| Diaspore | 2.0 | 65.4 | 8,701 | 43.8 |
| Manganese Ore | 27.5 | 19.9 | 439,000 | 21.3 |
| Clay (others) | - | - | 95,000 | 19.4 |
| Shale | - | - | 414,000 | 18.4 |
| Coal [#] | 19,758.4 | 7.8 | 51,426,000 | 15.1 |
| Limestone | 795.1 | 6.25 | 19,312,000 | 12.8 |
| Rock Phosphate | 19.2 | 36.3 | 162,000 | 12.3 |

Source: Directorate of Geology and Mining, Madhya Pradesh

[^]Reserve: Proved and Probable

**Unit for Diamond Reserve in Thousand Carat

[#]As of January 2006

*Production between March and December 2008

Key Industries – Mineral-based Industry

... (3/3)

Hindustan Copper Ltd



→ Hindustan Copper Ltd (HCL) is a vertically integrated copper manufacturing company. In 1982, the company established its Malanjkhand copper project, which has the single-largest copper deposit in the country. The Malanjkhand mine has a copper deposit of 221 million tonnes with 1.31 per cent copper concentration. The company possesses an open-pit mine with capacity of 2 million tonnes per annum, concentrator plant, tailing disposal system and other auxiliary facilities. The plant contributes to 80 per cent of the production of the company. The company recorded revenues of US\$ 275.9 million in 2010-11.

NMDC Ltd



→ NMDC is a public sector unit involved in mining of wide range of minerals such as iron, copper, lime stone, dolomite, gypsum, tin, graphite, diamond among others. NMDC is the only organised producer of diamond in India and produces diamond from its Majhgawan mine at Panna in Madhya Pradesh. The production capacity at the mine is around 84,000 carat per annum. The mine employs around 240 persons. The company recorded revenues of US\$ 2.4 billion in 2010-11.

Madhya Pradesh

NOVEMBER
2011

THE LAND OF DIAMONDS

Contents

- ❖ Madhya Pradesh – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Madhya Pradesh
- ❖ State Acts & Policies



For updated information, please visit www.ibef.org

Key Investment Promotion Offices

| Agency | Description |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department of Commerce, Industry & Employment | <ul style="list-style-type: none">The department is responsible for industrialisation in the state by way of development of small, medium and large scale industries and new investment. The department is also responsible for creation of basic infrastructure and development of industrial parks. The department has several support institutions such as Madhya Pradesh State Industrial Development Corporation (MPSIDC) and Audhyogik Kendra Vikas Nigam (AKVN) in six cities. |
| District Trade and Industries Centre | <ul style="list-style-type: none">District Trade and Industries Centres are district-level offices of the Department of Commerce, Industry and Employment of the State Government. These centres are empowered to provide clearance for setting up industrial units. |
| Madhya Pradesh State Industrial Development Corporation | <ul style="list-style-type: none">Madhya Pradesh State Industrial Development Corporation (MPSIDC) is a support institution of Department of Commerce, Industry and Employment of the State Government. The organisation had the mandate to promote the state as an industrial destination and help companies set up and expand industries in Madhya Pradesh. |

Contact List

| Agency | Contact Information |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department of Commerce, Industry & Employment | Mantralaya, Vallabh Bhawan, Bhopal - 462 004 Madhya Pradesh, India Phone: 91-755-2441688 Fax: 91-755-2559974 |
| Directorate of Industries | Directorate of Industries 4th Floor, Vindhyaachal Bhawan Bhopal - 462 004 Madhya Pradesh, India Phone : 91-755-2551534, 2551280, Fax : 91-755-2552727 Email : indsbpl@mp.nic.in Website : www.mpindustry.org |
| Madhya Pradesh State Industrial Development Corporation Limited | AVN Towers 192 Zone-1, M.P. Nagar Bhopal-462 011, Madhya Pradesh Phone: 91-755 - 427 0370 Fax: 91-755- 427 0280 E-mail: admin@mpsfdc.org , mpsfdc@sancharnet.in Website: www.mpsfdc.org |

Key Approvals Required



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

Cost of Doing Business in Madhya Pradesh

| Cost Parameter | Cost Estimate | Source |
|-------------------------------------------------------------|-------------------------------------|--------------------------------------------------------|
| Cost of Industrial Land (per sq m) | US\$ 23 to US\$ 70 | Industry Sources |
| Hotel Costs Per Room Per Night (four-star, five-star hotel) | US\$ 90 to US\$ 130 | Leading Hotels in the State |
| Residential Rent (per month for 1,200 sq ft apartment) | US\$ 130 to US\$ 220 | Industry Sources |
| Commercial Rent (per sq ft per month) | US\$ 0.7 to US\$ 1.1 | Industry Sources |
| Power Cost (per kWh) | Industrial: 6.6 cents to 10.5 cents | Madhya Pradesh Electricity Regulatory Commission |
| Labour Cost (minimum wages per day) | US\$ 2.5 to US\$ 4.6 | Ministry of Labour and Employment, Government of India |

Madhya Pradesh

NOVEMBER
2011

THE LAND OF DIAMONDS

Contents

- ❖ Madhya Pradesh – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Madhya Pradesh
- ❖ State Acts & Policies



For updated information, please visit www.ibef.org

State Acts & Policies ... (1/2)

Industrial Promotion Policy 2010 & Action Plan

Objective

- The policy envisages creating an industry-friendly administration, quality infrastructure, maximizing employment opportunities, tackling industrial sickness, rationalising rates of commercial taxes and bolstering private sector participation.

[Read more](#)

Tourism Policy 2010

Objective

- To promote balanced and sustainable tourism which enables socio-economic development and establishes the state as a destination that provides a complete tourism experience.

[Read more](#)

IT Policy 2006

Objective

- The objective of the policy is to improve the life of common man by leveraging the strength of e-governance and attract investment in the sector by providing conducive environment and highly skilled manpower to transform the state from a resource-based economy to a knowledge-based economy.

[Read more](#)

State Acts & Policies ... (2/2)

Biotechnology Policy 2003

Objectives

- 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 quality of livestock and poultry, especially the breeds indigenous to the state.

[Read more](#)

Special Economic Zone Policy 2000

Objectives

- To promote development of SEZ in the state.
- To increase employment opportunities in the state.

[Read more](#)

Annexure

Exchange Rates

| Year | INR equivalent of one US\$ |
|---------|----------------------------|
| 2004-05 | 44.95 |
| 2005-06 | 44.28 |
| 2006-07 | 45.28 |
| 2007-08 | 40.24 |
| 2008-09 | 45.91 |
| 2009-10 | 47.41 |
| 2010-11 | 45.57 |

Average for the year

Disclaimer

India Brand Equity Foundation ("IBEF") engaged GenX Info Technologies Pvt Ltd ("GenX") to prepare this presentation and the same has been prepared by GenX in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this

presentation to ensure that the information is accurate to the best of GenX's and IBEF's knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

GenX and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither GenX nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.