

Special financial aids for Large scale food processing projects

In order to attract more and more investment and encourage various food processing industries with cold storage, cold chain, ripening chamber and individual quick freezing, following special facilities / concessional rates are proposed to be given. The facilities available for food processing projects are subjected to terms and conditions:-

15.1 VAT/CST Aid :- After the adjustment of input tax rebate by the eligible unit, the amount deposited by it in the form of VAT and Central Sales Tax will be made available cent percent as financial aid for 10 years. The maximum amount of aid will not be more than 200 percent of the amount invested by the unit in plant and machinery.

15.2 Power Consumption Aid :- According to the prevailing power tariff, 20 percent rebate or Rs. 1 per unit, whichever is lower will be provided to the high-tension consumers after obtaining a new connection. This discount will be available to the food processing units for five years from the year of production / commercial operations. In the off-season, for 10 percent of contract demand or the demand of actual record, whichever is high, the billing will be done according to the normal tariff. This rebate will be payable to the related food processing unit.

15.3 Aid to establish a cold chain for Agriculture / Horticulture / Dairy processing – A grant aid of 35 percent (Rs. 5 Crore maximum) of the amount invested in establishing a cold chain for agriculture / horticulture / dairy processing will be payable.

15.4 Special aid on developing a food park :-

15.4.1 – Infrastructure Development Aid – In order to promote the establishment of food processing projects in the state and to enhance the infrastructure, the government of India through the ministry of food processing industries will provide a financial aid of 15 percent (Rs. 5 Crores maximum) of the project cost to the private sector for establishing a mega food park according to its guidelines for the establishment of mega food

park. This aid will be payable on the establishment of at least 10 units in the developed park. This aid will be payable in the form of top-up.

15.4.2 Stamp duty aid –

- (i) The stamp duty paid by the promoter for the special purpose vehicles in the transferred land for establishment of mega food park will be reimbursed.
- (ii) According to the provisions contained for the rebate in stamp duty for documents in the notification no. F B-4-29-2014-2-V (01) issued on January 2, 2015 under the Indian Stamp Act, 1899 of the commercial tax department; for the transfer of developed land in the favor of any food processing unit by the developer, the rebate will be subjected to following conditions-
 - (a) The adjustment of the chargeable duty on the written of purchase of the land will be done in the proportion of transferred land; and
 - (b) If no fee is required to be paid on the adjustments, the minimum fee for the transfer will be Rs. 500 only.

15.5 Exemption from Mandi duty –

- 15.5.1 All the eligible food processing units will get a rebate of maximum 50 percent of the amount invested on plant and unit or five years exemption on Mandi duty whichever comes first.
- 15.5.2 The exemption will be valid for those units which will purchase the agricultural products of the state.
- 15.5.3 The exemption facility is not valid on the units involved in the extension / diversification / technical elevation.

15.6 Entry tax exemption – Eligible food processing units will get exemption from entry tax on first raw material for seven years from the purchasing year.

15.7 Exemption from Electricity duty – In view of the provisions contained in notification no. F-3-23-2013-XIII published on March 4, 2014 in the Madhya Pradesh Gazette (Extraordinary), all the eligible food processing units which take new high-tension connection in between March 4, 2014 and March 3, 2019 from the electricity

distribution companies of the state will get five years exemption on 33 KV connection, seven years exemption on 132 KV connection and 10 years exemption on 220 KV connection from electricity duty. The exemption is subjected to terms and conditions.

The benefits of facilities given under special financial aids to the food processing industries will be provided to the large scale units which start the production / operation in the effective duration of special financial aids.

These special financial aids will be effective from the date of notification issued in the official gazette of Madhya Pradesh government and the facilities declared under the special financial aids will be payable for the time period after the publication of the notification and will be effective until any revision or modification done by the government.

The units which get the benefits of these special financial aids will get other facilities announced under the Industrial Promotion Policy, 2014 as well according to the eligibility.