

मध्यप्रदेश शासन
उद्योग नीति एवं निवेश प्रोत्साहन विभाग
:: आदेश ::

भोपाल दिनांक 17/09/2021

क्र. एफ 16-36/2021/ए-ग्यारह: राज्य शासन द्वारा प्रदेश में निवेश को आकर्षित करने के लिये एथेनॉल एवं जैव ईंधन इकाईयों को प्रोत्साहन/वित्तीय सहायता प्रदान किये जाने हेतु संलग्न परिशिष्ट अनुसार "एथेनॉल एवं जैव ईंधन प्रोत्साहन योजना" स्वीकृत की जाती है।

मध्यप्रदेश के राज्यपाल के नाम

से तथा आदेशानुसार


(संजय कुमार शुक्ल)

प्रमुख सचिव

मध्यप्रदेश शासन

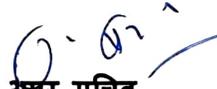
औद्योगिक नीति एवं निवेश प्रोत्साहन विभाग

पृ. क्र. एफ 16-36/2021/ए-ग्यारह

भोपाल, दिनांक 17/09/2021

प्रतिलिपि:-

1. उप सचिव, मध्यप्रदेश शासन, मुख्य सचिव कार्यालय, मंत्रालय, भोपाल।
2. अपर मुख्य सचिव, प्रमुख सचिव, सचिव, मध्यप्रदेश शासन, वित्त विभाग, ऊर्जा विभाग, वाणिज्यिक कर विभाग, कृषि एवं किसान कल्याण विभाग एवं खाद्य, नागरिक आपूर्ति एवं उपभोक्ता संरक्षण विभाग, तकनीकी शिक्षा एवं कौशल विकास विभाग मंत्रालय, बल्लभ भवन, भोपाल।
3. प्रबंध संचालक, मध्यप्रदेश इण्डस्ट्रीयल डेवलपमेंट कॉर्पोरेशन लि., भोपाल।
- की ओर आवश्यक कार्यवाही हेतु प्रेषित।


अपर सचिव

मध्यप्रदेश शासन

औद्योगिक नीति एवं निवेश प्रोत्साहन विभाग



GOVERNMENT OF MADHYA PRADESH

Scheme for Promotion of Ethanol and Bio-fuel Production

**DEPARTMENT OF INDUSTRIAL POLICY & INVESTMENT PROMOTION (DIPIP)
GOVERNMENT OF MADHYA PRADESH**

Government of Madhya Pradesh
Department of Industrial Policy & Investment Promotion
Scheme for Special Financial Assistance for Ethanol and Bio-Fuel Production

1. Preamble

Madhya Pradesh is progressively making policies to attract investment and to create an investor friendly environment in the state. Measures like Single Window Clearance, online payments, online verification, self- certification, time-bound approval of licenses/clearances, availability of information online, standard operating procedures for approvals, deemed approvals, etc. are being adopted by various departments and government agencies.

These initiatives will result in creating a conducive industrial ecosystem in the state by setting up industries across the state and generate employment opportunities.

In view of the above, this Special Financial Assistance has been introduced after extensive deliberation with industry experts, industry associations, investors, subject experts etc. This policy is proposed to make Ethanol manufacturing in the State more attractive for potential investors.

2. Background:

The National Policy on Biofuels, 2018 approved in May 2018 is aimed at achieving multiple outcomes such as addressing environmental concerns, reducing import dependency and providing boost to agriculture sector. The National Policy on Biofuels, 2018 allowed production of Ethanol from B-heavy Molasses, Sugarcane Juice, and Damaged food grains like wheat, broken rice etc which are unfit for human consumption.

In adherence to this, Government of India has fixed a target of 10% blending of fuel grade ethanol with petrol by 2022 and 20% by 2025.

Government of Madhya Pradesh is introducing an "Special Financial Assistance Policy for Ethanol and Bio-fuel". The scope of the Policy package encompasses following categories of fuels as "Ethanol and Bio-Fuel" which can be used as transportation fuel or in stationery applications.

2.1. **Bio ethanol:** Ethanol produced from biomass such as:

- 1) Sugar content such as sugar cane, sugar beet, sweet sorghum etc
- 2) Starch containing materials such as corn, cassava, rotten potatoes, algae etc
- 3) Cellulosic materials such as bagasse, wood waste, agricultural and forestry residues, or
- 4) Other renewable resources like industrial waste

2.2. **Biodiesel:** A methyl or ethyl ester of fatty acids produced from non-edible vegetable oils, acid oil, used cooking oil or animal fat and bio-oil.

2.3. **Advanced Biofuels:** Fuels which are (1) produced from lignocellulosic feedstocks (i.e. agricultural and forestry residues, e.g. rice & wheat straw/corn cobs & stover / bagasse, woody biomass), non-food crops (i.e. grasses, algae),

or industrial waste and residue streams, (2) having low CO2 emission or high GHG reduction and do not compete with food crops for land use. Fuels such as Second Generation (2G) Ethanol, Drop-in fuels, algae based 3G biofuels, bio-CNG, bio-methanol, Di Methyl Ether (DME) derived from bio-methanol, biohydrogen, drop in fuels with MSW as the source / feedstock material will qualify as "Advanced Biofuels".

2.4. Any Other, as declared by Centre / State Government from time to time.

3. **Objective:** The policy aims to achieve the following objectives for the overall growth and development of Ethanol manufacturing industries in the State with a broad agenda to ensure farmer inclusion in country's energy economy:

3.1. Allow production of Ethanol from all grain based permitted under National Policy on Biofuels, 2018 and by the National Biofuel Coordination Committee.

3.2. Promote, facilitate and financially incentivize investment in fuel-grade standalone green field Ethanol manufacturing units as well as existing distilleries planning to expand in the area of ethanol production in Madhya Pradesh

3.3. Increase incomes of farmers producing grain based raw material which may be used for Ethanol manufacturing.

3.4. Generate local employment opportunities through promotion of new Ethanol industries.

4. Eligibility :

4.1. Green-field standalone Ethanol manufacturing units investing more than **INR 10 Crore** on the date of commercial production.

4.2. Units which are producing fuel-grade Ethanol and are supplying minimum **75%** of Ethanol to Oil Manufacturing Companies (OMCs) under Ethanol Blending Programme (EBP) of Government of India.

4.3. Ethanol production from all food grains **except sugarcane (molasses) and Mahua**, under National Policy on Biofuels, 2018 and by the National Biofuel Coordination Committee shall be allowed in the State of Madhya Pradesh.

4.4. Existing units, expanding or diversifying into Ethanol Production, should have clearly demarcated unit, to be eligible for assistance under this package. The quantum of assistance to expansion or diversification units shall be at par with new standalone units.

4.5. All units which achieve commercial date of production before 31st March 2024 shall be eligible for incentive under this policy.

5. Subsidy, Concessions and Incentive:

S No.	Type of Incentive	Quantum of Incentive
1.	Production Linked Fiscal Assistance	INR 1.50 per Litre of Ethanol supplied to OMC's, and manufactured in the unit , upto a maximum limit of 100% investment in Plant & Machinery, in 7 years from the date of commercial production
2.	StampDuty& Registration	100% Reimbursement of Stamp Duty and Registration Charges will be given to units on

	Charges	purchase of land
3.	Electricity Duty	100% exemption for 5 years from the date of commencement of the commercial operation
4.	Quality Certification	Reimbursement of 50% of Quality Certification cost or ₹ 1 Lakh whichever is less.
5.	Patent Charges	Reimbursement @100% upto ₹ 5 Lakh
6.	Zero Liquid Discharge	50% capital subsidy on equipment for Zero Liquid Discharge facility subject to maximum ₹ 1 Cr
7.	Infrastructure development subsidy	50% assistance subject to a maximum of INR 1crore each shall be provided for developing power, water & road infrastructure, if the investor acquires private land or gets undeveloped government land for setting up of the project.
8.	Incentive to provide employment to differently abled persons.	<ol style="list-style-type: none"> 1. 100% reimbursement of skill development expenses upto INR 5000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹ 6000/- per month for 5 years 3. Medical insurance premium reimbursement for 5 years
9.	Mandi Tax	100% Mandi Tax will be reimbursed for 5 years on procurement of grains for ethanol production.

6. Incentive under Government of India Schemes

Financial assistance offered under "The National Policy on Biofuels, 2018" shall be over and above the incentive, offered by the Government of Madhya Pradesh under "Scheme for Special Financial Assistance for Ethanol and Bio-Fuel Production" policy. Howsoever, the manufacturing unit will be able to avail incentives only under one policy at a time, from the state government.

7. Policy implementation & Guidelines

- 7.1 Madhya Pradesh Industrial Development Corporation (MPIDC) will be the nodal agency for implementation of this Policy.
- 7.2 Plant and machinery means the investment made by the unit in plant, machinery, co-gen plant, buildings, shed, quality certification, testing laboratories, handling equipment, measurement equipment, safety equipment, generator set, pollution control devices, R&D equipment, transformers, necessary maintenance equipment excluding investment made in land and dwelling units.
- 7.3 Any clarification regarding the policy will be issued by DIPIP, GoMP from time to time.

- 7.4 Incentive under this policy shall be processed as per the provisions of Madhya Pradesh Industrial Promotion Policy, 2014 (as amended in Oct 2020) or prevalent industrial promotion policy.
- 7.5 Units applying for incentive under this policy shall apply on the Single Window System of Madhya Pradesh (<https://invest.mp.gov.in>).
- 7.6 If a unit gives false declaration for obtaining incentive under the policy or incentive are availed by an ineligible unit, the amount of incentive is liable to be recovered from the date of availing of such incentive with the interest compounded annually @ 10% per annum.

BY Zuna
अनुभाग अधिकारी, विभाग-1
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