

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Special Incentives to Scheduled Caste/Scheduled Tribe entrepreneurs for setting up of New Industries in Andhra Pradesh – Industrial Investment Promotion Policy 2005-2010- Operational Guidelines for implementing the scheme – Approved – Orders – Issued.

INDUSTRIES & COMMERCE [IP] DEPARTMENT

G.O.Ms.No.95

Dated:02.04.2008.

Read the following:

- 1)G.O.Ms.No.178 Ind. & Com. [IP] Dept. dated.21.6.2005.
- 2)G.O.Ms.No.327 Ind. & Com. [IP] Dept. dated.13.12.2005.
- 3)G.O.Ms.No.328 Ind. & Com. [IP] Dept. dated.13.12.2005.
- 4)G.O.Ms.No.161 Ind. & Com. [IP] Dept. dated.22.6.2007.
- 5)G.O.Ms.No.267 Ind. & Com. [IP] Dept. dated.06.10.2007.
- 6)G.O.Ms.No.315 Ind. & Com. [IP] Dept. dated.22.11.2007.
- 7)G.O.Ms.No.316 Ind. & Com. [IP] Dept. dated.22.11.2007
- 8)Minutes of 70th State Level Committee meeting held on 10.01.2008.
- 9)From the Commissioner of Industries, Andhra Pradesh, Hyderabad Lr.No.20/1/2007/0722, dated.31.01.2008.

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ORDER:

In the Government Order 1st read above, orders were issued on the Industrial Investment Promotion Policy (IIPP) 2005-2010 and in the reference 2nd read above, ineligible list of industries are made eligible to Scheduled Caste/Scheduled Tribe entrepreneurs and operational guidelines for Industrial Investment Promotion Policy 2005-2010 were issued in the reference 3rd read above.

2) In the references 4th and 5th read above, Government have issued amendments to the reference 1st read above, extending certain concessions/subsidies to the Scheduled Tribe/Scheduled Caste entrepreneurs respectively for setting up of Industries in Andhra Pradesh under Industrial Investment Promotion Policy 2005-2010.

3) In the references 6th and 7th read above, Government have issued amendments to the references 1st and 3rd read above, extending the reimbursement of power cost for a period of 5 years from the date of commencement of commercial production.

4) In the reference 8th read above, the State Level Committee has recommended for issuing necessary amendments to the Operational Guidelines for implementation of Industrial Investment Promotion Policy 2005-2010 Scheme.

5) The Commissioner of Industries, Andhra Pradesh, Hyderabad in the reference 9th read above, has submitted proposals for amending the Operational Guidelines for Industrial Investment Promotion Policy 2005-2010 with reference to benefits extended to the Scheduled Caste/Scheduled Tribe Entrepreneurs for implementation of Industrial Investment Promotion Policy 2005-2010.

P.T.O.

6) Government, after careful examination of the proposal of the Commissioner of Industries, Andhra Pradesh, Hyderabad, hereby amend the Operational Guidelines for Industrial Investment Promotion Policy 2005-2010 with reference to benefits extended to the Scheduled Caste/Scheduled Tribe Entrepreneurs for implementation of Industrial Investment Promotion Policy 2005-2010 as appended to these orders and also decided to consider a period of six months for filing claim applications from the date of issue of operational guidelines for existing units which have already commenced commercial production with effect from 22.06.2007 in case of Scheduled Tribe entrepreneurs and 06.10.2007 in case of Scheduled Caste entrepreneurs and all other units commencing production after issue of operational guidelines, claim applications can be submitted as per the time limit prescribed in the operational guidelines. Accordingly the amendments as shown in the Annexure is appended to this order.

7) The Commissioner of Industries, Andhra Pradesh, Hyderabad is requested to take action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**B.SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad.

The Accountant General, Andhra Pradesh, Hyderabad.

The Chief Secretary to Government, Hyderabad.

The Additional Secretary to Chief Minister.

All Private Secretaries to the Ministers.

Copy to:

The Pay and Accounts Officer, Hyderabad.

All District Collectors.

The A.P. TRANSCO, Hyderabad./All Heads of Departments.

All Departments of Secretariat./All Govt. Companies/Corporations.

The Finance (Expr.I&C) Department.

All General Managers, District Industries Centre in the State through the Commissioner of Industries, A.P. Hyderabad.

All Sections in the Department.

SF/SC.

//Forwarded:: By order//

SECTION OFFICER

ANNEXURE
(G.O.Ms.No.95, Industries & Commerce [IP] Department, dated:02.04.2008)
AMENDMENTS

Para No.	FOR	Para No.	READ AS
5.2.2.	25% rebate on land cost in IE/IDA's limited to Rs.5.00 lakhs	5.2.2	25% rebate on land cost in IE/IDA's limited to Rs. 5.00 lakhs.
		5.2.2(a)	33 1/3 % rebate on land cost in IE/ IDAs limited to Rs. 5.00 lakhs for Scheduled Caste / Scheduled Tribe Entrepreneurs.
5.3.2	Power cost will be reimbursed @ Rs.0.75 per unit on energy charges during the first year of the policy and thereafter for the remaining four years the rate of reimbursement would be so regulated on yearly basis, keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level throughout the policy period.	5.3.2	Power cost will be reimbursed @ Rs.0.75 per unit during the first year of the policy (i.e., 2005-06) and thereafter for the remaining years the rate of reimbursement would be so regulated on yearly basis, keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level of the policy throughout the availment period of the benefit.(vide G.O.Ms.No.316 Industries .& Commerce (IP) Department, dated. 22-11-2007).
		5.3.2(a)	Power cost will be reimbursed @ Rs.1.00 per unit for Scheduled Caste/ Scheduled Tribe Entrepreneurs during the first year of the policy (i.e., 2005-06) and thereafter for the remaining years the rate of reimbursement would be so regulated on yearly basis, keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level of the policy throughout the availment period of the benefit.
5.4.2	15% investment subsidy on fixed capital investment will be given subject to a maximum of Rs. 15.00 lakhs.	5.4.2	15% investment subsidy on fixed capital investment will be given subject to a maximum of Rs. 15.00 lakhs.
		5.4.2(a)	35% subsidy on fixed capital investment for Scheduled Tribe Entrepreneurs and additional 5% subsidy for women Scheduled Tribe Entrepreneurs. Further, an additional 5% subsidy for the units set up in Scheduled areas by Scheduled Tribe Entrepreneurs / Women Scheduled Tribe Entrepreneurs, subject to maximum limit of Rs. 50.00 lakhs per unit.
		5.4.2 (b)	35% subsidy on fixed capital investment for Scheduled Caste Entrepreneurs and additional 5% subsidy for women Scheduled Caste Entrepreneurs, subject to maximum limit of Rs.50.00 lakhs per unit.
5.4.3	An additional investment subsidy of 5% on fixed capital investment limited to Rs.5.00 Lakhs for SC/ST entrepreneurs	5.4.3	- Deleted -

5.4.5	Another 5% investment subsidy on fixed capital investment limited to Rs.5.00 Lakhs for SC/ST Women Entrepreneurs.	5.4.5	- Deleted -
5.4.7	In respect of existing Tiny/SSI industries, going for expansion/ diversification, the capital investment subsidy would however be limited to such a limit duly considering investment subsidy amount already availed in earlier schemes so as to ensure that the total subsidy should not exceeding Rs.15 lakhs under all the schemes. This limit however would be Rs.20 lakhs and Rs.25 lakhs in case of Women/SC/STs and Women SC/ST Entrepreneurs as per the limits prescribed in the IIPP scheme.	5.4.7	In respect of existing Tiny/SSI industries, going for expansion/ diversification, the capital investment subsidy would however be limited to such a limit duly considering investment subsidy amount already availed in earlier schemes so as to ensure that the total subsidy should not exceed Rs.15 lakhs under all the schemes. This limit however would be Rs.20 lakhs in case of Women Entrepreneurs.
		5.4.7(a)	In respect of existing Tiny/SSI industries, going for expansion/ diversification, the capital investment subsidy would however be limited to such a limit duly considering investment subsidy amount already availed in earlier schemes so as to ensure that the total subsidy should not exceed Rs.50 lakhs in case of Scheduled Caste/Scheduled Tribe Entrepreneurs and women Scheduled Caste/Scheduled Tribe Entrepreneurs as per the limits prescribed in the IIPP scheme.
5.5.2	3% interest subsidy on the interest paid over and above the Prime Lending Rate (PLR) will be given on the term loan taken by new Tiny/SSI industrial units subject to a maximum of Rs. 5.00 lakhs per year for a period of 5 years.	5.5.2	3% interest subsidy on the interest paid over and above the Prime Lending Rate (PLR) will be given on the term loan taken by new Tiny/SSI industrial units subject to a maximum of Rs. 5.00 lakhs per year for a period of 5 years.
		5.5.2(a)	5% Interest subsidy on the Interest paid over and above Prime Lending Rate (PLR) will be given for SC / ST Entrepreneur on Term Loan and Working Capital taken by the New Tiny / SSI Industrial Units subject to a maximum of Rs. 5.00 lakhs per year for a period of 5 years.
5.7.2	25% of the tax paid during one financial year will be ploughed back to industries as a grant by the Government towards the payment of tax during next year. Benefit will be available for 5 years from the date of commencement of production i.e., upto 6th year.	5.7.2	25% of the tax paid during one financial year will be ploughed back to industries as a grant by the Government towards the payment of tax during next year. Benefit will be available for 5 years from the date of commencement of production i.e., upto 6th year.
		5.7.2 (a)	50% of the Tax paid during one financial year will be ploughed back as a grant by the Government to the Scheduled Caste/Scheduled Tribe Entrepreneurs towards the payment of tax during the next year. Benefit will be available for 5 years from the date of commencement of production ie., upto 6 th year.

5.8.2	8% subsidy on capital equipment for technology upgradation is provided to the units availing credit facilities from SIDBI/ Financial Institution under credit linked capital subsidy scheme. This facility is being provided to encourage diversification and modernization of Tiny/SSI sector in eligible lines of activities. However, the amount of subsidy to be sanctioned would be so limited duly keeping in view the benefits availed/ to be availed under investment subsidy components to ensure that no unit is allowed amount exceeding Rs.15 lakhs. This limit however would be Rs. 20 lakhs and Rs. 25 lakhs in case of Women/SC/STs and Women SC/ST Entrepreneurs as per the limits prescribed in the IIPP Scheme.	5.8.2	8% subsidy on capital equipment for technology upgradation is provided to the units availing credit facilities from SIDBI/ Financial Institution under credit linked capital subsidy scheme. This facility is being provided to encourage diversification and modernization of Tiny/SSI sector in eligible lines of activities. However, the amount of subsidy to be sanctioned would be so limited duly keeping in view the benefits availed/ to be availed under investment subsidy components to ensure that no unit is allowed amount exceeding Rs.15 lakhs. This limit would be Rs.20 lakhs in case of Women Entrepreneurs.
		5.8.2(a)	8% subsidy on capital equipment for technology upgradation is provided to the units availing credit facilities from SIDBI/Financial Institution under credit linked capital subsidy scheme. This facility is being provided to encourage diversification and modernization of Tiny/SSI sector in eligible lines of activities. However, the amount of subsidy to be sanctioned would be so limited duly keeping in view the benefits availed/ to be availed under investment subsidy components to ensure that no unit is allowed amount exceeding Rs. 50 lakhs in case of SC/ST Entrepreneurs and Women SC/ST Entrepreneurs as per the limits prescribed in the IIPP Scheme.
5.12.1	Infrastructure like roads, power and water will be provided at door step of the industry for stand alone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.	5.12.1	Infrastructure like roads, power and water will be provided at door step of the industry for stand alone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.
		5.12.1 (a)	Infrastructure like Roads, Power and Water will be provided at Doorsteps of the Industry as in Para 5.12.1 of G.O.Ms.No. 328 Inds.&Com.(IP) Dept. Dt. 13-12-2005, shall be extended to the units in Small Scale Sector also , set up by the ST Entrepreneurs and the contribution of the cost of infrastructure is raised from 50% to 75% for investment in Scheduled Areas.
		5.12.1(b)	Infrastructure like Roads, Power and Water will be provided at Doorsteps of the Industry as in Para 5.12.1 of G.O.Ms.No. 328 Inds. & Com.(IP) Dept. Dt. 13-12-2005, shall be extended to the units in Small Scale Sector also , set up by the Scheduled Caste Entrepreneurs.

9.3.1	If any unit taking up expansion/ diversification had availed investment subsidy under any earlier scheme, the subsidy amount already availed would be deducted from the eligible Investment Subsidy, and the total subsidy would be limited to Rs.15 lakhs in case of general and Rs.20 lakhs and Rs.25 lakhs in case of Women /SC/STs and Women SC/ ST Entrepreneurs as per the limits prescribed in the IIPP scheme.	9.3.1	If any unit taking up expansion/ diversification had availed investment subsidy under any earlier scheme, the subsidy amount already availed would be deducted from the eligible Investment Subsidy, and the total subsidy would be limited to Rs.15 lakhs in case of general and Rs.20 lakhs in case of women entrepreneur.
		9.3.1(a)	If any unit taking up expansion/ diversification had availed investment subsidy under any earlier scheme, the subsidy amount already availed would be deducted from the eligible Investment Subsidy, and the total subsidy would be limited to Rs.50 lakhs in case of SC/ST Entrepreneurs and Women SC/ST Entrepreneurs as per the limits prescribed in the IIPP scheme.
		9.3.3	The SC /ST Entrepreneurs shall obtain the Entrepreneurs Memorandum from the concerned General Manager, DIC under MSMED Act, 2006 of Govt.of India for setting up the industry as a precondition for claiming benefits/ concessions, since the ineligible list of industries are made eligible to SC/ST entrepreneurs vide G.O.Ms.No.327 Inds .& Com.(IP) Dept. Dt. 13-12-2005.

Further, the following amendments are also made in the prescribed forms of claim Applications under Industrial Investment Promotion Policy 2005-10 Scheme:

Annexure No.	Description of Format	For		Read As	
Annexure-V Part-A	Application cum Verification for Claiming Investment Subsidy under IIPP	13.1	Investment Subsidy (15% of the Investment subsidy or maximum of Rs. 15.00 lakhs).	13.1	Investment Subsidy of (15% of fixed capital Investment or maximum of Rs. 15.00 lakhs)
		13.2	Additional investment subsidy of 5% limited to Rs.5 lakhs for SC/ST entrepreneurs.	13.2	35% subsidy on fixed capital investment for SC/ST Entrepreneurs and additional 5% subsidy for women SC/ ST Entrepreneurs. Further, an additional 5% subsidy for the units set up in Scheduled areas by Scheduled Tribe Entrepreneurs / Women Scheduled Tribe Entrepreneurs. (Limited to Rs.50.00 lakhs per unit).
		13.3	Additional investment subsidy of 5% limited to Rs.5 lakhs for women entrepreneurs	13.3	Additional investment subsidy of 5% limited to Rs.5 lakhs for women entrepreneurs

Annexure-V Part-B	Verification- Cum- Recommendat ion of GM, DIC	6.1	15% investment subsidy on fixed capital investment (limited to Rs.15.00 lakhs.)	6.1	15% investment subsidy on fixed capital investment (limited to Rs.15.00 lakhs.)
		6.2	An additional investment subsidy of 5% limited to Rs.5 lakhs for SC/ST entrepreneurs.	6.2	35% subsidy on fixed capital investment for SC/ST entrepreneurs and additional 5% subsidy for women SC/ ST entrepreneurs. Further, an additional 5% subsidy for the units set up in Scheduled areas by ST entrepreneurs / Women ST Entrepreneur. (Limited to Rs.50.00 lakhs per unit).
Annexure - VIII	Application cum Verification for Reimburseme nt of Sales Tax under IIPP.	12	25% Reimbursement amount claimed by the unit	12	25% Reimbursement amount claimed by the unit.
				12 (a)	50% Reimbursement amount claimed by the unit in case of SC/ST entrepreneurs.

Effective Date of Implementation :

The modified benefits extended to the Scheduled Tribe Entrepreneurs in G.O.Ms.No. 161 Industries. & Commerce (IP) Department.dated..22-6-2007 are eligible to the units which have commenced commercial production on or after the date of issue of G.O., i.e., 22-6-2007 (with prospective effect). Similarly benefits extended to Scheduled Caste Entrepreneurs in G.O.Ms.No.267 Industries & Commerce (IP) Dept. Dt. 6-10-2007 are eligible to the units which have commenced commercial production on or after the date of issue of G.O., i.e., 6-10-2007 (with prospective effect).

**B.SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

//Forwarded:: By order//

Section Officer