

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2005-2010 to M/s Aurobindo Pharma Limited, Polepally Village, Jedcherla Mandal, Mahabubnagar District - Sanction - Orders- issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 121

Dated: 24 -11-2010

Read the

following:-

- 1) From the Managing Director, M/s Aurobindo Pharma Limited, Hyderabad Lr.dt.25.03.2010.
- 2) Minutes of the State Investment Promotion Committee (SIPC) Meeting held on 17.06.2010.
- 3) Minutes of the State Investment Promotion Board (SIPB) Meeting held on 28.06.2010.
- 4) Govt. Memo.No.8640/IP/A2/2010, dated 7.9.2010.
- 5) From the COI, AP., Hyderabad Letter No.15/01/10/0464/1252 ID, dated 17.9.2010.

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O R D E R:

In the reference 1st read above, the Managing Director, M/s Aurobindo Pharma Limited, Hyderabad has stated that, it is proposed to set up a “Pharmaceutical Formulations” unit at Polepally Village, Jedcherla Mandal, Mahabubnagar District with a capacity of 5297 Million Numbers per annum with an investment of Rs.164.33 Crores and likely to create employment of 1500 persons directly and 2000 persons indirectly and requested the Government to extend the incentives under IIPP 2005-10 and also issue pipe line certificate for sanction of incentives.

2. State Investment Promotion Committee (SIPC) have discussed the proposal and recommended to place the matter before the State Investment Promotion Board (SIPB).

3. The State Investment Promotion Board (SIPB) in its meeting held on 28.06.2010 have recommended to extend 50% Value Added Tax (VAT)/ Central Sales Tax (CST) or State Goods and Services Tax (SGST) reimbursement for a period of 5 years and all other incentives as per the Industrial Investment Promotion Policy, (IIPP) 2005-10 Policy and also felt that the Exemption of the condition of “Achievement of Financial Closure” for Pipeline status is not required, if the tie-up of finances through own means is already reflected, can also be taken as financial closure and accordingly they may be considered for Pipeline Status.

4. Government after careful examination of the proposal and keeping in view of the recommendations of the State Investment Promotion Board (SIPB), hereby extend the following incentives/ benefits to M/s Aurobindo Pharma Limited, Hyderabad District for their proposed “Pharmaceutical Formulations” unit at Polepally Village, Jedcherla Mandal, Mahabubnagar District under Industrial Investment Promotion Policy 2005-10 as decided by the State Investment Promotion Board:

- (a) 50% Value Added Tax (VAT)/ Central Sales Tax (CST) or State Goods and Services Tax (SGST) reimbursement for a period of 5 years from the date of commencement of commercial production:

- (a) The following are the other Incentives as per IIPP 2005-2010 Policy:-

- (1) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use;
- (2) 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.;
- (3) 25% rebate in land cost in Industrial Estates (IEs) / Industrial Development Authorities (IDAs) limited to Rs.5.00 lakhs;

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- (4) Power cost will be reimbursed @ Rs.0.75 per unit 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;
- (5) 50% subsidy on the expenses incurred for quality certification limited to Rs.1.00 Lakh;
- (6) 25% subsidy on cleaner production measures limited to Rs.5.00 Lakhs; and
- (7) 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs.

- (c) Exemption of the condition of "Achievement of Financial Closure" for Pipeline status is not required, if the tie-up of finances through own means is already reflected, can also be taken as financial closure and accordingly the unit is considered for Pipeline Status.

5. The Commissioner of Industries, Andhra Pradesh Hyderabad shall take necessary action in the matter, accordingly, and intimate the status of the progress of work done by the unit from time to time to Government.

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

B.P.ACHARYA,
PRINCIPAL SECRETARY TO
GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, Andhra Pradesh, Hyderabad
M/s Aurobindo Pharma Limited, Mahabubnagar Dist. through the
Commissioner of Industries, A.P. Hyderabad.
The District Collector, Mahabubnagar District..

Copy to

The Accountant General, Andhra Pradesh, Hyderabad/ The Finance (Exp. I&C) Dept.

The Law Dept./ The Energy Dept./The Irrigation & CAD (Reforms) Dept.
The Revenue (CT) Dept. / The Revenue (Reg.) Dept.

The Commissioner of Commercial Taxes, Hyderabad/ The VC & MD, APIIC, Hyderabad The C&MD, APTRANSCO., Hyderabad /The MD, APCPDC Ltd., Hyderabad

The GM, DIC, Mahabubnagar/P.S. to Minister(Major Industries)/P.S. to
Prl. Secy. to CM

P.S. to Prl. Secy. & CIP, Ind. & Com. Dept. / P.S. to Secretary to Govt.
(Legal Affairs).

SC/SF

// FORWARDED:: BY:: ORDER //

SECTION OFFICER