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INDUSTRIAL INVESTMENT PROMOTION POLICY 2005-2010

1.0. INTRODUCTION

- 1.1. Government accords highest priority to the industrial sector on account of the vital role it plays in balanced and sustainable economic growth. It plays a crucial role in the process of economic development by value addition, employment generation, equitable distribution of national income, regional dispersal of industries, and mobilization of capital, entrepreneur skills and contribution to exports.
- 1.2. To drive industrial growth by attracting private investments, an industrial policy statement of the State which sets out clear and credible specific measures to improve the investment climate towards better regulation by removing barriers to competition.
- 1.3. The investment climate is central to growth and improves outcomes for society as a whole. It reflects the many location specific factors that shape the opportunities and incentives for firms to invest productively, create jobs, and expand.
- 1.4. Against this back drop, Government have introduced Industrial Policy to drive industrial growth by clearly spelling out various components of incentives being offered, supply of quality power, improved infrastructure facilities etc. To remove the existing barriers; and for creation of congenial and hassle-free investment climate and also to boost investor confidence, a series of proactive measures are being proposed.

2.0. ANDHRA PRADESH – AN ATTRACTIVE INVESTMENT DESTINATION

- 2.1. Andhra Pradesh is the fifth largest State in the country with an area of 2, 76,754 sq. km, accounting for 8.4 % of India's territory with 76.7 million population. Andhra Pradesh is strategically located in the Indian sub-continent and the State has the longest coastline (972 km) among all the States in India. Its capital Hyderabad occupies a central location and is well connected with the rest of the world through its seaports on the eastern coast and its international airport. Well-established air, road, and railway networks link it to the rest of India.
- 2.2. Andhra Pradesh has bountiful natural resources. Endowed with fertile land, water, and conducive agro-climatic conditions and it is an agriculturally-prosperous state. Nearly 75% of its area is covered by the river basins of the Godavari, Krishna and Pennar, and their tributaries. There are 17 smaller rivers like the Sarada, Nagavali and Musi, as well as several streams. Godavari and Krishna are the two major perennial rivers, and with their extensive canal system, provide assured irrigation.
- 2.3. Andhra Pradesh is the only State with abundant energy. It has an installed capacity for generating 10 273.44 MW, the second highest in the country and many projects are under implementation to generate 4715 MW by 2009. Among all Indian States, Andhra Pradesh has progressed furthest in reforming its energy sector (privatisation, separation of generation from transmission and distribution).
- 2.4. Vast natural gas reserves found in Krishna–Godavari basin with 47 million standard cubic metres per day have opened up immense possibilities for environment-friendly industrial and socio-economic development in Andhra Pradesh. In terms of industrial development, Andhra Pradesh has progressed rapidly. Its gross state domestic product (in PPP) was \$150 billion during 2002-03. It has thus emerged as one of the most attractive investment destinations, ranking third in India

High Potential Sectors

- 2.5. Andhra Pradesh's strength lies in its fully diversified industrial base, with the thrust on high-tech sectors including information technology, pharmaceuticals, biotechnology and Nano Technology. Traditional sectors such as textiles, leather, minerals, and food processing are also being further developed for high value addition.

Competitive Investment Climate

- 2.6. The state has an exclusive financial institution APSFC for providing finance to small industry. Apart from this 5288 commercial banks are functioning in the state in rural and urban areas. The state has a good network of specialized SSI branches for extending assistance to small and tiny industry.
- 2.7. In the Industrial infrastructure front, the State has taken lot of initiatives for development of industrial infrastructure for the consistent growth. Government in association with APIIC has initiated a set of prestigious projects that include industrial infrastructure, social infrastructure and infrastructure for the specific sectors. The state owned corporation APIIC has already set up 272 industrial estates and specialized parks like ICICI Knowledge Park, SP Bio-tech Park, Marine Bio-tech Park, Agri Bio-tech Park, Special Economic Zone, Pharma City, Hardware Park, HITEC city, Leather Parks, Food Processing Park, Agri Export Zones etc.
- 2.8. The state has one major port at Visakhapatnam which handles largest tonnage among all Indian ports and minor ports at Kakinada, Krishnapatnam, Vadarevu and Gangavaram.
- 2.9. The State has undertaken wide-ranging measures to nurture its industries: simplified, less restrictive regulations, labour and fiscal reforms, incentives. In line with this objective, the State has enacted a law for single-window clearances. It is the first State in the country to have a law for single-window clearances, which ensures that all clearances to investors are given within a set period. The State has been qualified as "flexible" in its approach to labour regulations and "good" for its simplification of rules and regulations. It introduced the self-certification concept, common annual returns in place of multiple returns with simplified registers, and zero inspection regime through accredited agencies.
- 2.10. As part of its continuing search for ways to ensure a better quality of life, the State has been in the forefront in building its intellectual capital. Andhra Pradesh offers a high quality of life for expatriates and other members. Hyderabad the capital city of A.P has wide ranging facilities for leisure and cultural activities, and entertainment. It has a long culture of social clubs, some of which are over a hundred years old. Swimming Clubs, Golf course and race courses, Food Courts, Shopping malls and floating restaurants provides much needed recreation to the local and foreign people.
- 2.11. Andhra Pradesh Tourism has much more to offer with an ever-expanding infrastructure and array of facilities to take in the beauty of nature and creativity of a vibrant civilization. Cities across the State compete with the best in the country and rich past contributes to the resplendence of its people and culture.
- 2.12. Communal harmony, peaceful industrial relations, lower crime rate and low cost social infrastructure with safety and security make the State a right destination for any business venture.
- 2.13. The State provides better and advanced health care facilities with presence of Super Specialty Hospitals. Hyderabad, the capital of Andhra Pradesh has been recognized as the Health Capital of the country.
- 2.14. The Government has helped to establish, in collaboration with some of the well-known institutions in the world, a number of centres of excellence for training and research: the Indian School of Business, the Indian Institute of Information Technology, the National Academy for Construction and the Knowledge Park are part of this knowledge revolution. Every year, 350 000 skilled graduates pass out from universities, and 81000 engineering graduates from engineering schools, another 10 078 management students graduate from management institutions every year. About 23% of India's software professionals within and outside the country are from Andhra Pradesh.
- 2.15. To provide suitable atmosphere for setting up asset management, venture capital companies, insurance companies, commercial banks, Financial District is being set-up in Hyderabad. With the

establishment of Insurance Regulatory and Development Authority head quarters in Hyderabad, the State has been recognized as Insurance Capital.

2.16. It is the endeavour of the Government of Andhra Pradesh to create a conducive environment for industrial growth by providing necessary support and services.

3.0. ROAD MAP

- To make Andhra Pradesh a strong base for manufacturing sector
- To increase industrial investment by 10% every year with an objective to reach Rs.170 billions by 2010 by promoting rapid growth of market driven, knowledge based, efficient and competitive industrial environment.
- Contribution to the State GDP (GSDP) from industrial sector to be increased from 12.9 % to 15 %.
- Creation of additional employment opportunities
- To improve exports from the State by increasing the present share of exports in India from 4.39% to 10% by 2010
- Rural Industrialization with emphasis for promoting cottage and micro enterprises

4.0. OBJECTIVES

- Promote Andhra Pradesh as an attractive destination for industrial investments
- To market Andhra Pradesh as competitive investment destination for Foreign Investments
- To create enabling environment for ensuring maximum value addition to the abundant locally available resources
- To enhance quality of life in the State to suit to the needs of the investors
- To attract and develop appropriate entrepreneurial leadership, management and HRD systems
- Alleviate regional disparities in economic growth
- Improving infrastructure by facilitating investment in industrial infrastructure in private sector.
- To encourage establishment of New Tiny and Small Scale Industries particularly in rural areas to achieve the twin objectives of employment generation and utilization of local resources
- To encourage, attract and involve women entrepreneurs in industrial capacity building
- To withstand global competition, Special Emphasis on qualitative competitiveness through Technology upgradation and protecting Intellectual Property Rights
- To arrest environmental degradation
- Encourage cluster concept to make the industries in the Clusters Globally Competitive
- To develop effective regulatory mechanism for entry and operation of firms
- Create a market driven environment with the private sector being the primary engine for growth.
- Special Emphasis for restructuring and consolidation of sick industrial units

5.0. STRATEGY

1. Creation of Quality Infrastructure
2. Incentivising Investments
3. Building Industrial Competency in Women
4. Quality Competitiveness

5. Export Promotion
6. Environmental Friendly Climate
7. Attracting Mega Investments
8. Attracting Foreign Direct Investment
9. Access to market
10. Intellectual Property Rights
11. Fostering Industrial Clusters
12. Prevention of Industrial sickness
13. PREVENTING MIGRATION
14. Permitting Industries to Exit.
15. Towards better Regulation
16. Policy measures- thrust sectors

Applicability of the Policy

In order to achieve the objectives envisaged, Government offers the following incentives/benefits to all eligible industrial units set up in the State except in the Municipal corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 1.04.2005 but before 31.03.2010. Projects involving substantial Expansion/Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible lines of activities/industries is appended. Operational guidelines of the policy will be notified separately.

5.1. Creation of quality Infrastructure

- 5.1.1 Development of quality infrastructure for industrial growth has been given highest priority through private participation. In line with this objective, Government has constituted Infrastructure Authority (IA) for the rapid development of physical and social infrastructure in the State and to attract private sector participation in the Designing, Financing, and construction of, operation and maintenance of infrastructural projects.

Land

- 5.1.2 100% reimbursement of Stamp duty and Transfer duty paid by the industry.
- 5.1.3 100% reimbursement of Stamp duty paid by the industry on the deeds executed for lease of land/shed and buildings in favour of new industrial units.
- 5.1.4 100% reimbursement of the Stamp duty and Transfer duty paid by the industry on execution of deeds by the industrial units for securing loans, advances, mortgages and hypothecation from financial institutions/ Nationalized Commercial banks
- 5.1.5 Reimbursement of 25% of the land cost purchased for industrial purpose limited to Rs.5 Lakhs in case of Industrial Estates/Industrial Development Areas of APIIC. The units availing this benefit should implement the project within a period of 24 months from the date of purchase of the land. The extent of the land will be limited as per the statutory norms.
- 5.1.6 Land conversion from Agriculture use to industrial use will continue to be automatic on payment required fee as per the rules in vogue.
- 5.1.7 All industrial units continue to be exempted from payment of NALA tax.

Water

- 5.1.8 Government will ensure stable prices of Municipal water for 3 years for industrial use.
- 5.1.9 Reservation of 10% of water for industrial use from the existing projects as well as future projects will continue.

Power

- 5.1.10 Uninterrupted quality power supply plays a crucial role in the production process and any voltage fluctuations disrupt the whole process resulting in loss of money and time. To ensure uninterrupted power supply, dedicated feeders will be provided for units located in industrial estates and industrial areas through IIDF.
- 5.1.11 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 the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level.
- 5.1.12 Feeders having more than 50% of the industrial loads will be converted as dedicated industrial feeders and they will be exempted from power cuts

Critical Infrastructure

- 5.1.13 Government besides creating quality infrastructure, emphasis is being given for creation and maintenance of critical infrastructure required in the industrial estates. Ongoing schemes like Industrial Infrastructure Development Fund (IIDF) and Critical Infrastructure Balancing Fund (CIBF) will be continued
- 5.1.14 The service Societies will be permitted to contribute 30% from the revenue earnings towards their share to get the assistance under Critical Infrastructure Balancing Fund (CIBF), if the revenue collection of the service society is more than 50% of the demand continuously for a period of 2 years.
- 5.1.15 Industrial Infrastructure Development Fund of Rs 175 crores created to provide infrastructure at the door step of the industry.
- 5.1.16 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 cr subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/sheds for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.
- 5.1.17 Interest Subsidy will be provided to APTRANSCO/ DISCOMs/Local Bodies/Water Boards on the loans raised by them for creation of infrastructure like power and water at the door step to the industries located in Industrial Estates and Clusters. Equated Monthly Installments (EMI) on the loans raised by these organisations will be paid by the Government till such time industrial units are established and revenue inflows start to these agencies /utilities.
- 5.1.18 In order to ensure optimum utilization of the new gas find of 47 MSCMD at Krishna Godavari basin, pipeline and other infrastructure will be developed to encourage gas based power generation as well as individual industries.

Development of Industrial Corridors

- 5.1.19 To capitalize the natural resources and other advantages available in the sub-regions, Government is proposed to develop industrial corridors in various parts of the State for sustainable and equitable industrial development.

Special Economic Zone

- 5.1.20 Government of India is coming out with a Special Economic zone Act for streamlining the development of Special Economic Zones in the Country. The State Government will take full advantage of the Act for promoting Special Economic Zones in various parts of the State for balanced trade and commerce with liberal tax, fiscal and administrative regime.

Government of Andhra Pradesh is promoting an SEZ at Visakhapatnam over an area of 1400 hectares in the first phase and another one is under contemplation in Kakinada.

5.2.0. Incentivising Investments

a. Investment subsidy

- 5.2.1. To provide support to the investors at entry level and to give fillip to industrial growth, Government is considering the Small/Tiny industrial units for providing cash subsidy.
- 5.2.2. 15% investment subsidy on fixed capital investment will be given to SSI/Tiny industrial units subject to a maximum of Rs.15 lakhs
- 5.2.3. An additional subsidy of 5% on fixed capital investment subject to a maximum of Rs.5 lakhs will be provided to SC/ST entrepreneurs.

b. Growth enabling incentives:

- 5.2.4 25% of the tax paid during one financial year will be ploughed back to Tiny/SSI/Large & Medium 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. This will act as impetus for sustained growth of industrial production.

c. Credit Support

- 5.2.5 Finance has been identified as the most important factor determining the survival and growth of small and medium enterprises. Access to finance allows industrial units to undertake productive investments to expand their businesses and to acquire the latest technologies, thus ensuring their competitiveness and that of the nation as a whole.
- 5.2.6 Lowering interest rates is often proposed as the best way to spur investment and the Government of AP will provide subsidy for Small and Tiny industrial units.
- 5.2.7 A 3% interest rebate on 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 lakh per year for a period of 5 years.
- 5.2.8 5% of the project cost will be provided as seed capital assistance to SSI/Tiny industries started by SC /ST entrepreneurs as a grant for the industries which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme subject to a maximum of Rs.5 lakhs
- 5.2.9 Under Credit Guarantee Fund (Scheme) operated by SIDBI, credit will be provided without any collateral security for industrial units upto a limit of Rs.25 lakhs of investment. To support this initiative and also to improve credit flow to small scale sector, a corpus fund will be provided matching the contribution made by the consortium of industries in IE's/Clusters subject to a maximum limit of Rs.25 Lakhs.

d. Scarce Raw Materials

- 5.2.10 Industries Department has taken initiative to simplify the procedures for allotment of scarce raw materials like coal, alcohol etc for timely and easy allotment of these materials on the recommendation of the Industries Department.

5.3.0 Building Industrial Competence in Women

- 5.3.1. According to the National Foundation for Women Business Owners (NFWBO), women Entrepreneurs represent one-quarter to one-third of the total business population in the world. Nevertheless, several studies have shown that women in developing and developed countries have serious difficulties to access finance especially for start-ups, but also for the expansion of established enterprises. Studies have shown that women entrepreneurs who deal with financial

institutions are often confronted with problems of gender bias. Besides, loan requests will require additional and unnecessary documentation, additional guarantees or co-signers or other conditions different from male applications.

- 5.3.2. As per figures available from 3rd All India Census of Small Scale Industries, women entrepreneurs in Andhra Pradesh account for 5.4 % of the total number of units and 0.05% of the total investment.
- 5.3.3. To create a level playing field for the women entrepreneurs to establish new industrial units, Government gives special treatment by providing special incentives.
- 5.3.4. This facility provided to the units started by the women as sole proprietrix or having 51% share in partnership private limited companies.
- 5.3.5. An additional investment subsidy of 5% on fixed capital investment subject to a maximum of Rs.5 lakhs will be provided to women entrepreneurs over and above the general investment subsidy.
- 5.3.6. Women belonging to SC/ST community will be given another 5% investment subsidy on fixed capital investment subject to a maximum of Rs.5 lakhs
- 5.3.7. 5% of the project cost will be provided as seed capital assistance to SSI/Tiny industries started by women entrepreneurs as a grant for the industries which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme subject to a maximum of Rs.5 Lakhs.
- 5.3.8. Women entrepreneurs will be provided with 5% interest rebate on Prime Lending Rate (PLR) subject to a maximum of Rs.5.00 lakh per year for a period of 5 years.

5.4.0 Quality Competitiveness

a. Technology upgradation

- 5.4.1. Technology is the key element, contributing to productivity, quality, competitiveness and market acceptability of products. In rapidly changing global scenario, technology and business incubators have emerged as useful instruments for innovation.
- 5.4.2. To provide technology support to the local industries, Government of Andhra Pradesh, Confederation of Indian Industry and TIFAC jointly promoted Andhra Pradesh Technology Development and Promotion Centre (APTDC) for transfer of technologies, providing technological know how, commercialization of technologies, technology upgradation etc.
- 5.4.3. In line with this objective, APTDC is in the process of developing “T” Incubator – a technology incubation programme is an innovative system designed to assist entrepreneurs in the development of new technology based firms, both start-ups and fledglings linking talent, technology, capital and know how to leverage entrepreneurial talents in the State.
- 5.4.4. This apart, the Indian School of Business “K-hub” was developed to create linkages among the technology providers, academicians, incubators, business development service, leverage existing infrastructure and centers to promote development of high quality of entrepreneurship and to pool and share international best practices in incubation/mentoring processes.
- 5.4.5. To make the industries technically competitive and also to adopt latest technologies, SIDBI is operating Credit Linked Capital Subsidy Scheme. To further accelerate the process of technology upgradation, the State Government offers
- 5.4.6. An additional subsidy of 8% over and above 12% subsidy provided by SIDBI under Credit Linked Capital Subsidy Scheme (CLCSS) for new industrial units

- 5.4.7. Industries will be facilitated in getting assistance from the funding agencies like NEDCAP, IREDA etc in implementing the Energy conservation and non-conventional energy equipment in their manufacturing Process

b. Quality Promotion

- 5.4.8. Quality is the standard acceptable by the customer. Qualitative competitiveness plays crucial role in marketing the products due to the image its products have or due to higher quality and / technological or market specifics. To encourage quality manufacturing, industrial units will be considered for incentives to obtain quality certification.
- 5.4.9. Reimbursement of 50% of the expenditure incurred by the industrial units in getting the BIS, ISO 9000 / 14000 or any other national or international certification subject to a maximum of Rs.1.00 lakhs
- 5.4.10. Motivation campaigns for quality upgradation in association with BIS, Ministry of Food Processing and other reputed agencies will be organized and a special cell will be created for providing necessary guidance.
- 5.4.11. Best entrepreneurs from SSI/Tiny units will be honoured with awards in recognition to their best performance

5.5.0. Export Promotion

- 5.5.1. Export plays major role in the industrial and economic development. In view of the trends in the world market, exports gained much significance and long term export opportunities emerged besides opening up of avenues for exports. To capture this opportunity, the State needs to actively develop export markets. In order to boost exports from Andhra Pradesh Government is offering a special package of incentives to Export oriented units
- 5.5.2. Sales tax exemption on Purchase of raw materials for export oriented units
- 5.5.3. For export oriented units, APSFC will extend financial assistance at a concessional rate of interest
- 5.5.4. Export Industries will be given a 30% grant for ground rent for participation in the international trade fairs subject to a maximum limit of 9 sq mts
- 5.5.5. To Sensitize Exporters, programmes will be conducted with the assistance of EAN India and SISI about the bar-coding.
- 5.5.6. Export Awards will be provided to EOUs to recognise best performing units in regard to quality, R &D and Performance.
- 5.5.7. Government will set up a State-of-Art external information centre in collaboration with local chamber of commerce and associations like CII, FAPCCI, FAPSIA, FIEO etc. and with the assistance of reputed National/International organizations for dissemination of information and assistance to export fraternity of the State.

5.6.0. Environment Friendly Climate

- 5.6.1 Adopting a pollution prevention programme as a way of doing business can yield a number of significant benefits for a company. The major benefit is improved quality of the environment and the result of reduced generation and discharge of hazardous pollutants. Pollution prevention programmes in addition offer other benefits in four basic categories: Economic, potential future liability, competitive advantage, and positive public image.
- 5.6.2 The role of Government agencies in promoting pollution prevention is to provide incentives that help overcome technical and financial barriers to waste reduction.

- 5.6.3 To provide more and more effective assistance for environmentally sustainable industrial growth, Government supports the industry in implementing the regulatory enforcement and technical and economical assistance mechanisms
- 5.6.4 Entrepreneurs would be assisted to set up new units according to the environmental zoning maps prepared by the A.P. Pollution Control Board.
- 5.6.5 Waste Minimization circles will be promoted by the Pollution Control Board in centralized locations where there is a concentration of industries for providing necessary inputs in reducing the wastages in their plants. Pollution Control Board will create awareness about these measures to the industrial community
- 5.6.6 All objections for the establishment of industrial projects will be informed by the A.P.Pollution Control Board before a project is sanctioned to avoid abandonment of projects after substantial investment made by the investors .
- 5.6.7 APPCB will conduct awareness programmes to disseminate information regarding the environmental issues as lack of information can cause needless panics./regret
- 5.6.8 To encourage environment friendly technologies, 25% subsidy will be provided on specific cleaner production measures adopted in new industries subject to a maximum of Rs.5 Lakhs.
- 5.6.9 Changes in the climate are occurring naturally and also due to human activities. Due to industrial revolution the environment and climate altering through changing agricultural and industrial practices resulting in increase of green house gas emissions. As per the International Energy Agency, emissions of carbon dioxide to the global atmosphere by 2010 is about 29575 million tons.
- 5.6.10 The Kyoto Protocol was negotiated in 1997 for stabilization of greenhouse gases in the atmosphere at levels that would prevent dangerous changes to the global climate. Under the Kyoto Protocol, industrialized countries and those in transition to a market economy have agreed to limit or reduce their emissions of these green house gases. Under the protocol international emission trading of carbon credit is allowed between the countries who have surplus and who have difficulty in complying with their restriction commitments.
- 5.6.11 The State Government will take initiative to see that eco-friendly industries are facilitated to sell their carbon credits in consuming markets like European Union, Canada and Japan etc. The Nodal Agency for this activity will be the Environment & Forest Departments and the APPCB will support awareness windows, workshops and promotion measures to facilitate new industries avail this opportunity.
- 5.6.12 Government will facilitate for setting up of Effluent Treatment plants and Hazardous waste treatment plants in various industrial estates and cluster with private sector participation.
- 5.6.13 Government will facilitate studies on carrying capacities in various industrial agglomeration areas to bring about eco-compatible industrial growth.

5.7.0 Attracting Mega Investments

- 5.7.1 All industrial units with a capital investment of Rs.100 crores or above will be treated as Mega Projects. Preference will be given to the units which use environment friendly technologies and offering employment to local people. Mega projects will be provided assistance as Development Assistance for investment growth and government will decide the quantum of incentives on case to case basis.

Growth enabling incentives:

- 5.7.2 25% of the commercial tax paid during one financial year will be ploughed back to Industry as a grant by the Government for 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. This will act as impetus for sustained growth of industrial production.

- 5.7.3 Further, the Government will also extend tailor-made benefits to suit to particular investment requirements on case to case basis including growth enabling incentives.

Special Package for Existing Large Industries

- 5.7.4 In order to address the specific problems of existing Large industries, Government may offer special package of fiscal benefits on case to case basis. Exact fiscal benefits would be decided by SIPB from time to time depending on the nature of the project, investment, location, employment etc. An Industrial Promotion fund with adequate provision will be created for the purpose. Guidelines and modalities for operating the fund will be decided by the SIPB

5.8.0 Attracting Foreign Direct Investments

- 5.8.1. Foreign Direct Investment is an important way of transmitting skills, knowledge and technology to the State and it is an important driver of industrial performance. Such investors should be given highest priorities in implementing the project. In line with this objective, an autonomous body “AP Invest” is created for needs assessment and road mapping of FDI’s and to give special care in providing timely clearances and assistance for such units and also to remove the administrative obstacles and managerial impediments.

5.9.0 Access to Market

- 5.9.1. SSI units are provided with certain reservations in marketing their products by imposing regulatory barriers over large scale industries and non-local units to give protection. An exclusive marketing policy for Small Scale Industrial units has been formulated to create better opportunities for marketing the goods especially to Government Organizations
- 5.9.2. Assistance by way of grant will be provided towards ground rent for participation of Small Scale Industries in the National Exhibitions and trade fairs subject to a maximum limit of 9 sq mts.
- 5.9.3. The Government is rendering valuable assistance for the Small Scale Industries to recover their dues of goods or services sold to buyers along with interest under Delayed Payment Act
- 5.9.4. Vendor Development programmes cum buyer seller meets to provide common plat form for buying and selling organizations are organized in the State regularly at different places to assist Small Scale Industries in identifying appropriate market sources.
- 5.9.5. To conduct exhibitions and trade fairs to promote sales of Industrial Goods manufactured by the local industry an exclusive Centre “HITEX” has been established with all amenities.
- 5.9.6. A booklet incorporating items required by State Government Corporations/ Boards and large companies will be published from time to time for the benefit of small-scale industries.

5.10.0 Intellectual Property Rights

- 5.10.1. Intellectual Property refers to creation of the mind: inventions, literary and artistic works, and symbols, names, and images used in commerce and includes patents for inventions, trade marks, industrial design and geographical indications.
- 5.10.2. Intellectual property rights like any other property rights – they allow the creator, or owner, of a patent, trade mark, or copy right to benefit from his or her own work or investment.
- 5.10.3. To encourage industries to go for innovation in product development, 50% of the expenditure limited to Rs 5 lakhs incurred in getting the patent will be reimbursed to enable the industry to protect the invention made by them.
- 5.10.4 In order to encourage innovation, units having patens for products would be given purchase preference in all purchases made by Government Departments/Organisations.

5.11.0 Fostering Industry Clusters.

5.11.1. Clusters are groups of inter-related and inter-linked industries located in close proximity to one other. Clustering is one of the key drivers of economic growth and 60% of country's manufactured exports are from the units in clusters only. Cluster concept provides opportunity for firms to draw together complementary skills in order to bid for large pieces of work that as individual units unable to compete. Clusters allow local small producers to make more effective use of underutilized resources, such as small scale savings or family labour, generating incomes that they could not avail by operating in isolation.

Government of Andhra Pradesh identified 6 industrial clusters for development under “Industrial Infrastructure Up-gradation Scheme”. Of which, two clusters namely Pharma Cluster near Hyderabad and Auto Components Cluster in Vijayawada have already been approved by Government of India for assistance and they are in process of development.

The other 4 clusters, viz. Marine food Processing Cluster in Bheemavaram, Power loom Cluster in Sircilla, Leather Cluster in Hyderabad and Precision Engineering Tools and Components in Ranga Reddy are under consideration by the Government of India.

Apart from the above, 14 more clusters are in the process of development under DCSSI assistance.

5.11.2. Due to the importance of cluster concept, Government gives highest priority for promotion of clusters in the State. The individual units in the clusters are eligible for the general incentives offered by the Government under the policy. This apart, they are also eligible for special package of incentives for which the State Government has created a fund under cluster development programme. The components of the package are

- Enhance international competitiveness
- Quality infrastructure through public private partnership
- Physical infrastructure
- ICT infrastructure
- R&D infrastructure
- Quality certification & Bench marking centre
- Promotion of Common Brand image
- Common facility centre

5.12.0. Prevention of Industrial Sickness

5.12.1. Industrial sickness is a major hindrance to economic growth as it results in locking up resources, wastage of capital assets, loss of production and increase in unemployment. A number of factors both internal and external are responsible for industrial sickness.

5.12.2. A detailed survey was made to identify the reasons for sickness in small scale industries in the state and an exclusive policy for rehabilitation of sick units has been prepared for providing special package of incentives.

5.12.3. Besides the above, continuous monitoring will be made to identify incipient sickness for prevention of industrial sickness

5.13.0 Preventing Migration

5.13.1 The State will impose appropriate tariff barriers against entry of products into the State by the manufactures in the excise holiday zones of other States notified by Government of India, if it is assessed that entry of such products jeopardize the marketability of the local products.

5.14.0. Permitting Industries to Exit

- 5.14.1 Exit Policy aims at disposal of surplus lands and assets by industrial units in the State for better utilization of scarce resources. The policy provides way out for the units in the following areas.
- 5.14.2 Industries existing in industrial estates which are opting for exit are permitted to dispose their assets provided that the land should be used either for industrial purpose or for service activities only. In case of involvement of large areas requests may be considered on case to case basis
- 5.14.3 In case of units located outside the industrial estates opting for exit are permitted to dispose their assets with a condition that the land should be used as per the zoning regulations of the development authority
- 5.14.4 In order to provide a facility for change of land use from industrial use to commercial / residential in respect of surplus lands held by the industries, Government will come out with a specific policy to consider the specific cases.

5.15.0. Towards better regulation

5.15.1. Single Window Scheme

Regulation also affects the investment climate through its impact on competition. Providing firms with appropriate assurances on the stability of the regulatory regime can reduce their risks and thus encourage investment.

At entry level investors do not necessarily understand all rules and regulations. Firms have to receive approvals from a range of different agencies before they can start operating: one to register the business, another to register for taxes, another to get environmental approvals, another for power and so on. The geographical remoteness of agencies requires investors to put extra effort to get the required permissions to start a business. All these regulations can impose costs on firms, delays in obtaining regulatory approval, or to spend management time dealing with officials.

To reduce this burden on investors, the State has enacted Single Window clearances Act in 2002, whereby all clearances required to start, operating an industry are processed through a Single point within a set time period. There is a provision of Deemed approvals in certain cases, if the competent authority fails to communicate the decision within the set time period.

Small and Tiny industries can find all the information from the District Industries Centre and they can secure the required industrial clearances both for establishment and operation from them under Single Window concept. In case of Large and Medium Scale industries, Commissionerate of Industries is the access point for getting the required clearances and information.

State Board, Empowered Committee created for review on monthly basis at highest level.

Government is also contemplating to bring some more approvals like Mining leases, Electrical Inspectorate Approval, Forest License etc under the purview of the Single Window.

Government is making efforts, to provide all clearances on-line.

5.15.2. Removing barriers to competition

Regulation also affects the investment climate through its impact on competition. Challenge of regulatory improvement is ongoing process and requires continuing efforts to review in line with changes. State also reviews regulations periodically with an aim to create a congenial environment for industrial growth. In line with this objective, the State has introduced.

- Self Certification concept for all industrial units except hazardous industries as notified by the GOI from time to time in respect of labour and factories regulations
- Common Annual Return in place of multiple returns

- Maintenance of only two registers – Wage Register and Attendance Register.
- Systematization of labour inspections and introduction of Joint annual inspections with a prior intimation to the industry
- Export oriented units and units in parks declared as public utility services
- Flexible women working hours
- E-governance is being implemented progressively to make the Government efficient, effective, and transparent and citizen friendly.
- Arrangement were made to make available the information online
- On-line Services
 - Registration of small / tiny industries
 - Status of monitoring of Single Window proposals.
 - Monitoring of production data
 - Citizen Charter – Citizen Charter prepared to provide services to Industry.

5.16.0. Policy measures- Thrust sectors

5.16.1. Bio-technology

Andhra Pradesh is now shifting its focus to one of the most promising industry of the future biotechnology, which is seen as a high growth potential industry in India. AP with its vast resources can create a good environment for biotech companies. Andhra Pradesh's advantage is its vast reservoir of scientific human resource with reasonable costs, wealth of R&D institutions, centres of academic excellence in biosciences. A vibrant pharmaceutical industry, and fast developing clinical capabilities collectively points to a promising biotechnology sector and has placed AP favourably in the global market.

In view of this potential, A Separate Directorate for Bio technology is being created. This apart, Government will out with a new bio-tech policy with attractive benefits soon after announcement of Bio-tech policy by the Government of India to accelerate the growth of bio-tech industries in the state.

5.16.2. Information Technology

Information Technology is a tool that will enable Andhra Pradesh to achieve the goal of becoming a strong prosperous and self-confident state. IT has been the greatest change agent of this century and promises to play this role even more dramatically in the coming decades.

Andhra Pradesh's pre-eminent role as a global software provider creates impetus and significant opportunities to catapult the state in to the future. In order to capture the potential of the IT sector, Government have announced an exclusive policy for IT sector with attractive package of incentives.

5.16.3 Tourism

The travel and Tourism Industry is well on its way to become one of the most powerful sector in the coming Millennium and is anticipated to generate nearly 338 mil jobs by the year 2005 with an annual growth rate of 4.8%.

Acknowledging this potential, Government is focusing on Tourism for generating greater employment and achieving higher economic growth. The State Government has formulated an exclusive Tourism Policy to translate Andhra Pradesh Tourism Potential into reality, highlight attractive destinations and make Andhra Pradesh a tourist friendly State.

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Incentives for setting up of New Industries in Andhra Pradesh- Industrial Investment Promotion Policy for 2005-2010- Orders- Issued.

INDUSTRIES AND COMMERCE (IP) DEPARTMENT

G.O.Ms.No.178

Dated:21-06-2005

Read the following:-

1. G.O.Ms.No.108, Industries & Commerce (IP) Department, Dated 20-5-96.
2. G.O.Ms.No.241, Industries & Commerce (IP) Department, Dated:15.7.98
3. G.O.Ms.No.9, Industries & Commerce (IP) Department, Dated:5-1-2001
4. G.O.Ms.No.141, Industries & Commerce(IP)Department,Dated:3-7-2004

O R D E R:

Government is extending various Incentives for encouraging establishment of new industrial units in the State since 1961. In the reference 3rd read above, Government have issued new Industrial Policy 2000- 2005, which was concluded by 31.3.2005.

2) After detailed examination and after having discussions with various industrial Organisations such as CII, FAPSIA, FICCI and taking into consideration of recommendations of Industrial Associations, a policy of various States viz., Karnataka, Maharastra, Gujarat, West Bengal and to make a policy with emphasis on Creation of Quality Infrastructure, Incentivising Investments, Building Industrial Competency in Women, Quality Competitiveness, Export Promotion, Environmental Friendly Climate, Attracting Mega Investments, Attracting Foreign Direct Investment, Access to Market, Intellectual Property Rights, Fostering Industrial Clusters, Prevention of Industrial Sickness, Preventing Migration, Permitting Industries to Exit, towards better Regulation, Policy Measures, Thrust Sectors, the Government approved a new “Industrial Investment Promotion Policy 2005-2010” as appended at Annexure-I.

3) Under the new “Industrial Investment Promotion Policy 2005-2010”, the Government approved the following fiscal benefits covering the categories of a) SSI/Tiny units b) SC/ST Entrepreneurs c) Women Entrepreneurs d) Units other than SSI/Tiny (Large & Medium Scale Industries) and e) Mega Projects:

3.1.0 SSI/Tiny units

Small Scale Industry (SSI) means a Unit having the investment on plant and machinery (Productive only) up to limit as defined by the Government of India from time to time.

Tiny Industry means an industry in which Investment plant and machinery (Productive only) up to limit as defined by the Government of India from time to time.

- 3.1.1. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 3.1.2. 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings.
- 3.1.3. 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.
- 3.1.4. 25% rebate on land cost in IEs/IDA's limited to Rs.5.00 lakhs.

- 3.1.5. 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.
- 3.1.6. 15% investment subsidy on fixed capital investment will be given subject to a maximum of Rs.15.00 lakhs.
- 3.1.7. An additional investment subsidy of 5% on fixed capital investment limited to Rs.5.00 Lakhs for SC/ST entrepreneurs.
- 3.1.8. 25% of the tax paid during one financial year will be ploughed back 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.
- 3.1.9. 3% interest subsidy on 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 lakh per year for a period of 5 years.
- 3.1.10. 5% of project cost will be provided as seed capital assistance to SSI/Tiny Units started by SC/ST Entrepreneurs as a grant for industries, which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme limited to Rs.5.00 Lakhs.
- 3.1.11. 8% subsidy on capital equipment for technology upgradation.
- 3.1.12. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
- 3.1.13. 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- 3.1.14. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs.

3.2. 0. Women Entrepreneurs

Women entrepreneurs mean those units established as sole Proprietress or invariably having 51% share in Partnership/Private Limited Companies.

- 3.2.1. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 3.2.2. 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings.
- 3.2.3. 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.
- 3.2.4. 25% rebate in land cost in IEs/IDA's limited to Rs.5.00 Lakhs.
- 3.2.5. 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.
- 3.2.6. 15% investment subsidy on fixed capital investment will be given to SSI/Tiny Units subject to a maximum of Rs.15.00 lakhs
- 3.2.7. 5% Additional Investment subsidy on fixed capital investment limited to Rs.5.00 Lakhs.
- 3.2.8. Another 5% investment subsidy on fixed capital investment limited to Rs.5.00 Lakhs for women belongs to SC/ST Community.
- 3.2.9. Upto 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. However, such grant

shall not remit in net cash outflow to Government. Benefit will be available for 5 years from the date of commencement of production i.e. upto 6th year.

- 3.2.10. 5% of project cost will be provided as seed capital assistance to SSI/Tiny Units as a grant for industries, which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme limited to Rs.5.00 Lakhs.
- 3.2.11. 5% interest subsidy on 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 lakh per year for a period of 5 years.
- 3.2.12. 8% subsidy on capital equipment for technology upgradation.
- 3.2.13. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
- 3.2.14. 25% subsidy on cleaner production measures limited to Rs.5.00 Lakhs.
- 3.2.15. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5 Lakhs.

3.3.0. Units other than SSI/Tiny units (Large & Medium Scale Industries)

Other than SSI/Tiny units (Large & Medium Scale Industries) means an industry in which the investment on plant and machinery (Productive only) less than Rs 100 crores except SSI Units.

- 3.3.1 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- 3.3.2 100% reimbursement of Stamp duty for Lease of Land/Shed/ Buildings.
- 3.3.3 100% reimbursement of Stamp duty and Transfer duty paid by the industry on financial deeds and mortgages etc.
- 3.3.4 25% rebate in land cost in IEs/IDA's limited to Rs.5.00 Lakhs.
- 3.3.5 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.
- 3.3.6 25% of the tax paid during one financial year will be ploughed back to the units 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.
- 3.3.7 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.
- 3.3.8 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
- 3.3.9 25% subsidy on cleaner production measures limited to Rs.5 Lakhs.
- 3.3.10 50% subsidy on the expenses incurred for patent registration limited to Rs. 5 Lakhs.

3.4.0. Mega Projects

Mega Project means the Industrial unit, which sets up with a capital investment of Rs.100 Crores or above.

- 3.4.1. Mega projects i.e. projects with an investment of Rs.100 Crores and above are eligible for all the incentives available for Large and Medium Scale Industries.

- 3.4.2. Further, the Government will also extend tailor-made benefits to suit to particular investment requirements on case to case basis.

3.5.0. Existing Tiny/SSI/Large & Medium Scale Industries other than Mega projects

- 3.5.1. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.
3.5.2. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5.00 Lakhs.

3.6.0. Existing Large Industries and Mega projects

- 3.6.1. In order to address the specific problems of existing Large industries, Government may offer special package of fiscal benefits on case to case basis. Exact fiscal benefits would be decided by SIPB from time to time depending on the nature of the project, investment, location, employment etc. An Industrial Promotion fund with adequate provision will be created for the purpose. Guidelines and Modalities for operating the fund will be decided by the SIPB.

3.7.0. Other benefits (to all categories)

- 3.7.1. Land conversion from Agriculture use to industrial use will continue to be automatic on payment required fee as per the rules in vogue.
3.7.2. All industrial units continue to be exempted from payment of NALA tax.
3.7.3. Government will ensure stable prices of Municipal water for 3 years for industrial use.
3.7.4. Reservation of 10% of water for industrial use from the existing projects as well as future projects will continue.

4) To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 1.4.2005 but before 31-3-2010. Projects involving substantial Expansion/ Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible Industries/ activities as per G.O.Ms.No.9, Industries & Commerce (IP) Department, Dated: 5-1-2001 read with G.O.Ms.No.141, Industries & Commerce (IP) Department, Dated: 3-7-2004 is appended to, as Annexure II, till further modifications of the list.

5) Necessary amendments/ Orders will be issued by the concerned Departments. Detailed guidelines will be issued by the Commissioner of Industries separately.

6) This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No . 12970/447/Exp.I&C/05, Dt.19-05-2005.

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

D.LAKSHMI PARTHASARATHY
PRINCIPAL SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
The Chief Secretary to Government, Hyderabad.
The Prl.Secretary to Chief Minister.
All Private Secretaries to the Ministers.
Copy to:
The Pay and Accounts Officer, Hyderabad.
All District Collectors.
All Heads of Departments.

All Departments of Secretariat.
All Govt. Companies/Corpns.
The Fin.(Expr.Inds) Dept.
All General Managers, District Industries Centre in the State.
All Sections in the Dept.
SF/Sc.

(Annexure – I is from page No. 1 to 18)

ANNEXURE-II

LIST OF INELIGIBLE INDUSTRIES

1. All process of Edible Oil Seeds/Cakes viz., 1. Groundnut 2. sesame 3. Safflower 4. Rape Seed/Mustard 5. Coconut (both tender & dry) 6. sunflower, Niger Cotton Seed. (All processes include Decorticating, Expelling, Crushing, Roasting, Parching, Frying)
2. Rice, Dali and Flour Mills including Roller Flour Mills, Modern Rice Mills and Parboiled Mills, Idli Rava, Parched/Flaked Rice (Poha & Murmura).
3. Coffee Roasting, Grinding.
4. Ice Cream, Ice Candy, Kulfi, Ice Fruit, Pepsy, Tasty Fruity etc.
5. Chocolates, Peppermints and Confectionery, Chewing gum except those having ISI, AG Mark or FPO Mark.
6. Aerated Waters including soft drinks.
7. Nut Powder including Raw nut processing, Chikini Powder and Pan Masala.
8. Khandasari Sugar and Sugar Mills.
9. Powders of Chilly, turmeric, Masala, Spices, Curry, Sambar etc.
10. Sweets.
11. Pickles & Chutneys other than 100% EOUs.
12. Beer and other Alcoholic Drinks.
13. Rectified Spirit (Alcohol) from out of Molasses.
14. Alcohol based Industries except Pharmaceuticals and Drug Industries.
15. Cotton Ginning Mills.
16. Cotton/Jute/Iron Scrap Baling processes.
17. All table meat, animal rearing/farming like poultry, piggy etc.
18. Hatchery (Other than Duck hatchery).
19. Slab Polishing except Granite and Marble curing & Polishing.
20. Soap making units not operated by power driven machinery.
21. Manure mixing industry.
22. Chloral Hydrate.
23. Products of Camphor.
24. Naphthalene Balls.
25. Shampoos and other cosmetic items except those having ISI mark.
26. Tooth Powder/paste.
27. Distilleries, Breweries.
28. Varnishes and Thinners.
29. Lime Kiln / Burnt Lime/ Hyderabad Lime.
30. Treadle operated conventional printing presses including Off-set, litho etc.
31. Power laundries.
32. Beedi/cigarette manufacture and other tobacco products.
33. Tobacco barons/tobacco re-drying/processing.
34. Saw-mills and all types of wooden furniture manufacturing including wood based laminated products.
35. Road Metal/ Stone Crushing / Coal Pulverising/ Ready concrete wise.
36. Drinking Straws.
37. Cinematography/ Video Parlours /Theatres & Videography.
38. Book Binding/ Note Books / Exercise Note Books / Registers Ledgers/ File Pads / Office files etc.
39. Tailoring other than readymade garments.
40. Steel Structural and fabrication works other than heavy structurals.
41. Aluminum re-rolling rods, and utensils manufacturing.
42. Stainless Steel utensils.
43. Steel re-rolling mills, rolling rods, including Tor steel Angles, Channels, Flats etc.
44. G.I. Buckets, Gamelas, Boiling pans, Trunks, Spades, Mamotees, Shovels and Bins.

45. Steel furniture except units set up in town/village with population below 1,00,000 per 1991 census.
46. Corrugated Sheets from GP/BP shets.
47. Hamilton poles and Tubular Poles.
48. Steel Gates/Grills and Bright bars.
49. Mangalore Tiles/Asbestos Products.
50. Hotels except (a) motels (b) Hotels set up in State Government approved tourist centres of Districts.
51. X-ray clinics and clinical/ pathological laboratories and scanning, M.R.I. Tests.
52. Photo Studios and colour Film Laboratories.
53. All industries of mobile nature like rigs, concrete mixing plants, road metal mixing etc., including site oriented industries.
54. Servicing and/ or Repairing units, excluding: a) Auto Servicing and/or repairing units; b) Retreading units; c) Industrial material testing laboratories; d) General engineering machining workshops; e) Common effluent treatment plants; f) CAD and/or CAM; g) Cold storage; h) Heat treatment, Electroplating and Galvanizing units; I) Seed processing units; j) Xerox units set up with institutional finance only and k) Desk top printing units.
55. Composite units set up for manufacture of an eligible item along with ineligible item.
56. Mini Steel Plants.
57. Steel Ingots/Billets.
58. Alloy Steel Castings Manufacturing units with induction furnace more than 500 KVA capacity.
59. Ferro Alloys Manufacturing.
60. Calcium Carbide and Silicon Carbide Manufacturing

D.LAKSHMI PARTHASARATHY
PRINCIPAL SECRETARY TO GOVERNMENT & CIP

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Incentives for setting up of New Industries in Andhra Pradesh- Industrial Investment Promotion Policy 2005-2010- to make the ineligible list Annexed to the G.O.Ms.No.178, Ind. & Com.(IP) Deptt. Dt.21-6-2005 as to be made eligible in case of SC/ST Entrepreneurs-Amendment- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.327

Date:13-12-2005

Read the following:

- 1.G.O.Ms.No.178, Ind. & Com.(IP) Deptt. Dated:21-06-2005
2. From the Commissioner of Industries,Lr.No.10/3/05/OPG/0099, Dt.19-8-2005

ORDER

The following amendment is issued to para 4 of the G.O.Ms.No.178, Ind. & Com.(IP) Deptt. Dt.21-6-2005:

AMENDEMENT

FOR	READ
To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 1.4.2005 but before 31-3-2010. Projects involving substantial Expansion/ Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible Industries/ activities as per G.O.Ms.No.9, Industries & Commerce (IP) Department, Dated: 5-1-2001 read with G.O.Ms.No.141, Industries & Commerce (IP) Department, Dated: 3-7-2004 is appended to, as Annexure II, till further modifications of the list.	To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 1.4.2005 but before 31-3-2010. Projects involving substantial Expansion/ Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy. The list of ineligible Industries/ activities as per G.O.Ms.No.9, Industries & Commerce (IP) Department, Dated: 5-1-2001 read with G.O.Ms.No.141, Industries & Commerce (IP) Department, Dated: 3-7-2004 is appended to, as Annexure II, till further modifications of the list. In respect of SC/ST Entrepreneurs the ineligible list Annexed to the G.O. is made as eligible for all incentives under above scheme for any unit set up by them.

This orders issues with the concurrence of Fin. (Exp.I&C) Dept. vide their U.O.No.10194/877/Exp.I&C/2005, Dated: 18-10-2005.

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

D.LAKSHMI PARTHASARATHY
PRINCIPAL SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
The Chief Secretary to Government, Hyderabad.
The Prl.Secretary to Chief Minister.
All Private Secretaries to the Ministers.

Copy to:

The Pay and Accounts Officer, Hyderabad.
All District Collectors.
All Heads of Departments.
All Departments of Secretariat.
All Govt. Companies/Corpns.
The Fin.(Expr.Inds) Dept.
All General Managers, District Industries Centre in the State.
All Sections in the Dept.
SF/Sc.

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – Incentives 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.328

Date:13-12-2005

Read the following:

- 1.G.O.Ms.No.178, Ind. & Com.(IP) Deptt. Dated:21-06-2005
- 2.From the Commissioner of Industries, Lr.No.10/3/05/OPG/0099, Dt.19-8-2005
3. G.O.Ms.No.327, Ind. & Com.(IP) Deptt. Dated:13-12-2005.

ORDER

In the G.O. first read above, the State Government announced New Industrial Investment Promotion Policy 2005-2010 duly extending the various incentives/concessions to all eligible new industrial units set up in the State except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad and commence commercial production on or after 1.4.2005 but before 31-3-2010. Projects involving substantial Expansion/ Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy covering the categories of a) SSI/Tiny units b) SC/ST Entrepreneurs c) Women Entrepreneurs d) Units other than SSI/Tiny (Large & Medium Scale Industries) and e) Mega Projects.

The Commissioner of Industries in the reference 2nd read above, has submitted proposals for approval of the operational guidelines for implementation of Industrial Investment Promotion Policy 2005-2010.

Government, after careful examination of the proposal of the Commissioner of Industries, hereby approve the guidelines under Industrial Investment Promotion Policy 2005-2010 as appended to these orders. The Government have also decided to consider that time of 6 months period for filing claim applications from the date of issue of operational guidelines for existing units which have already commenced commercial production w.e.f.1-4-2005. In case of 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.

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

D.LAKSHMI PARTHASARATHY
PRINCIPAL SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
The Chief Secretary to Government, Hyderabad.
The Prl.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/Corpns.

The Fin.(Expr.Inds) Dept.

All General Managers, District Industries Centre in the State.

All Sections in the Dept.

SF/Sc.

OPERATIONAL GUIDELINES FOR IMPLEMENTATION OF SCHEME OF INDUSTRIAL INVESTMENT PROMOTION POLICY (IIPP) - 2005-2010 (G.O.MS.NO.178 INDUSTRIES & COMMERCE (IP) DEPARTMENT, DT.21/06/2005 read with G.O.Ms. No.327, Inds. & Com. (IP) Deptt. Dt.13/12/2005).

1.0. INTRODUCTION:

To promote Andhra Pradesh as attractive and competitive destination for industrial investments, the State Government have offered various incentives/benefits to all eligible new industrial units set up in the State. Projects involving substantial Expansion/Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy notified vide G. O. Ms. No. 178 Industries & Commerce (IP) Department, dated:21/06/2005 read with G.O.Ms.No.327, Ind. & Com.(IP), Deptt. Dt.13/12/2005.

2.0. AREA OF OPERATION:

The Scheme covers the whole of the State except the Municipal Corporation limits as existing on 01/04/2005 in the cities of Hyderabad, Vijayawada and Visakhapatnam.

3.0. COMMENCEMENT AND DURATION.

The Scheme came into force from 01/04/2005 and will be in force upto 31/03/2010, with such further modifications as may be brought about during the currency of this scheme

4.0. DEFINITIONS:

4.1. Industrial Investment Promotion Policy (IIPP) Scheme: Industrial Investment Promotion Policy Scheme means, the Scheme of State Incentives / Facilities announced by the State Government vide G. O. Ms. No. 178, Ind. & Com. (IP) Department, dated: 21/06/2005 read with G.O.Ms.No.327, Ind. & Com.(IP) Deptt. Dt.13-12-2005 for the period 2005-2010.

4.2. Industrial Unit: Industrial Unit means any industrial undertaking and servicing unit, other than those run departmentally by Government of India / State Government and other than those listed in Annexure-II to the G.O.Ms.No. 178, Ind. & Com.(IP) Deptt.,dt. 21/06/2005 read with G.O.Ms.No.327, Ind. & Com.(IP) Deptt. Dt.13-12-2005.

4.3. New Industrial Unit: New Industrial Unit means and includes an industrial unit which has been established in the State and commenced commercial production after 01/04/2005 and before 31/03/2010 (inclusive of both dates) holding valid approvals from the respective authorities to set up the industry.

a) SSI units: Small Scale Industry (SSI) means a unit having investment upto the limit as prescribed by Government of India from time to time.

b) Tiny units: Tiny Industry means a unit having investment upto the limit as prescribed by Government of India from time to time.

c) Other than SSI/Tiny units (Large & Medium Scale Industry): Other than SSI/Tiny units (Large & Medium Scale Industry) means industries as prescribed by Government of India upto fixed capital investment of Rs.100 crores.

d) Mega Projects: Mega Project means Large industry which is set up with a capital investment of Rs.100 Crores or above.

4.4. Expansion Projects: Existing industrial units, in all eligible areas, setting up expansion projects other than those listed in the ineligible list, involving enhancement of fixed capital investment by atleast 25% as well as enhancement of capacity by 25% for the same product lines will be eligible for incentives.

- 4.5. Diversification Projects:** Existing industrial units, in eligible areas, making investment for a new product other than those listed in the ineligible list, involving Diversification with an enhancement atleast by 25% of fixed capital investment as well as enhancement of turnover by 25%, in value terms, will be eligible for incentives.
- 4.6. Original Fixed Capital Investment:** All original fixed capital investment prior to Expansion/Diversification will be treated as original investment. While computing this original investment, neither depreciation nor revaluation will be taken into account.
- 4.7. Production Capacity of Original unit:** The highest annual production achieved during preceding three years prior to expansion/diversification, will be treated as production capacity of the original unit.
- 4.8. Fixed Capital Investment:** Fixed Capital Investment means investment in land, building, plant, machinery & equipment. Total fixed Capital investment will be assessed as per para 8 of these guidelines.
- 4.9. Tax:** Tax means Commercial Tax paid to State Government by the way of VAT and CST on goods produced in the industrial unit.
- 4.10. Date of Commencement of Commercial Production (DCP):** The date on which commercial production is started, as indicated in the PMT Registration in respect of SSI units and as confirmed through part-B of IEM/LI filed with Government of India in respect of Large Scale industries/Mega Projects. In case of any perceived discrepancy with regard to date of commencement of commercial production, the SLC (State Level Committee on Incentives) decision is final.
- 4.11. Continuous Production:** Continuous production means continuous working of an industrial unit in the manufacture of approved lines for a minimum period of six (6) years, without any break in production.
- 4.12. Approved Project Cost:** Approved project cost means that cost of the project on different components of the project as approved by the term lending institution or in case of joint financing, by the lead term lending institution. The appraised project cost by the nationalized banks for the purpose of sanction of working capital limits would also be treated as the approved project cost. In respect of self-financed projects, the approved project cost is that cost as indicated in the application for provisional SSI Registration in respect of SSI units. In case of self financed large and medium scale industrial units which have not availed any assistance from financing institutions, such projects referred to SSC/Sub-Committee of SLC for inspection and report on the reasonable investment limits on different components of the projects i.e. land, building, plant & machinery and other assets which are necessary to make the project viable. These figures would be taken as approved project cost.
- 4.13. REVISED PROJECT COST:** The revised project cost for the self financed units should be as certified by the Technical Committee consisting of representatives of Industries Department, APSFC, APIDC, APITCO as mentioned in the G.O Ms No. 193 Ind & Com (IP) Department Dt.25/11/1995.
- 5.0.0. PROCEDURE FOR CLAIMING VARIOUS INCENTIVES OFFERED UNDER THE SCHEME:**
- 5.1.0. Reimbursement of Stamp duty & Transfer duty:**
- 5.1.1.** All eligible industrial units shall submit their claims in the prescribed application form given at Annexure-III for reimbursement of stamp duty and transfer duty within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned.

- 5.1.2. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use
- 5.1.3. 100% reimbursement of Stamp duty paid by the industry for Lease of Land/Shed/ Buildings.
- 5.1.4. 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.
- 5.1.5. The Stamp duty and Transfer duty benefits shall be applicable to all eligible new industrial units and Expansion/Diversification projects.
- 5.1.6. The above incentive shall be admissible to eligible units on the land area upto five times of the plinth area of the factory building constructed within the approved project cost. However, in respect of industries where the open land requirements would be large due to the peculiar nature of industry, SLC may consider allowing land in excess of 5 times plinth area on case to case basis.
- 5.1.7. If any unit had already availed stamp duty and or transfer duty concession on land under G.O. Ms. No.9 Industries & Commerce (IP) Department, dated:05/01/2001 , the concession would be reduced proportionately.
- 5.2.0. Rebate on land cost in IEs/IDA's:**
- 5.2.1. All eligible industrial units shall submit their claims prescribed application form given at Annexure – III for Rebate on land cost within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned.
- 5.2.2. 25% rebate on land cost in IE/IDA's limited to Rs.5.00 lakhs.
- 5.2.3. The above benefit shall be applicable to all eligible new industrial units and Expansion/Diversification Projects.
- 5.2.4. The above benefit shall be provided on purchase of land directly from APIIC only.
- 5.2.5. The above benefits shall be admissible upto five times of the plinth area of the factory building constructed within the approved project cost. However, in respect of industries where the open land requirements would be large due to the peculiar nature of industry, SLC may consider allowing land in excess of 5 times plinth area on case to case basis.
- 5.3.0. Reimbursement of Power consumption Charges:**
- 5.3.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure - IV for Reimbursement of Power cost on quarterly basis within six months from the date of completion of such quarter along with the documents mentioned in the Application to the General Manager, District Industries Centre concerned.
- 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.
- 5.3.3. This reimbursement is only on the energy consumption (KWH) charges but not on Maximum Demand or any other charges levied by DISCOMs.
- 5.3.4. The Reimbursement of power cost shall be applicable to all eligible new industrial units and Expansion/Diversification Projects.
- 5.3.5. The power cost reimbursement shall be applicable to the industries, which are utilizing power from DISCOM only and power consumption should be in the name of the unit.

- 5.3.6. Reimbursement of power cost will be allowed for Expansion/ Diversification Projects over and above of base power consumed. The highest annual consumption of power of previous three years will be taken as base consumption and power consumed over and above the base consumption will be eligible for Reimbursement of power cost.
- 5.3.7. The Reimbursement of power cost is admissible to all eligible units upto 31/03/2010 irrespective of the date of commencement of production, as the policy is going to be concluded by 31/03/2010.
- 5.4.0. Investment subsidy:**
- 5.4.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure – V for investment subsidy within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned. The claim applications filed after six months from the date of commencement of commercial production but before one year will be treated as belated claims and are eligible for 50% investment subsidy only. All claims filed beyond one year from the date of commencement of commercial production are not eligible for any investment subsidy.
- 5.4.2. 15% investment subsidy on fixed capital investment will be given subject to a maximum of Rs.15.00 lakhs
- 5.4.3. An additional investment subsidy of 5% on fixed capital investment limited to Rs.5.00 Lakhs for SC/ST entrepreneurs.
- 5.4.4. 5% Additional Investment subsidy on fixed capital investment limited to Rs.5.00 Lakhs for Woman entrepreneurs.
- 5.4.5. Another 5% investment subsidy on fixed capital investment limited to Rs.5.00 Lakhs for SC/ST Women entrepreneurs.
- 5.4.6. Investment Subsidy shall be applicable to all eligible new Tiny/SSI industrial units and Expansion/Diversification of Tiny/SSI Projects.
- 5.4.7. In respect of existing Tiny/SSI industries, going for expansion/ diversification, the capital investment subsidy would however will 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 and Rs.25 lakhs in case of Women/SC/STs and Women SC/ST Entrepreneurs as per the limits prescribed in the IIPP scheme.
- 5.5.0. Interest Subsidy:**
- 5.5.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure - VI for interest rebate within six months after completion of the financial year along with required documents mentioned in the Application, to the General Manager, District Industries Centre concerned.
- 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.
- 5.5.3. 5% interest subsidy on the interest paid over and above 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 for Woman Entrepreneurs.
- 5.5.4. This facility shall be applicable to all eligible new Tiny/SSI units as well as units going for expansion/diversification.

5.6.0. Seed Capital Assistance:

- 5.6.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure – VII for Reimbursement of Seed Capital Assistance within six months from the date of commencement of commercial production, to the General Manager, District Industries Centre concerned.
- 5.6.2. 5% of the project cost limited to Rs. 5.00 lakhs will be provided as seed capital assistance to SSI/Tiny Units as a grant for industries, which were sanctioned seed capital assistance by Prime Lending Institutions under National Equity Fund Scheme.
- 5.6.3. This facility shall be applicable to new SSI/Tiny Units started by SC/ST/Women Entrepreneurs only. This facility is not applicable for expansion/diversification programme, since the assistance is mainly meant for the first generation Entrepreneurs.

5.7.0. Reimbursement of Tax:

- 5.7.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure – VIII for Reimbursement of Commercial Tax within six months after completion of the financial year along with required documents mentioned in the Application, to the General Manager, District Industries Centre concerned.
- 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.
- 5.7.3. The above incentive shall be applicable to all eligible new industrial units and Expansion/Diversification projects.
- 5.7.4. The Expansion/Diversification projects will be allowed reimbursement on Commercial Tax paid on production made over and above the production capacity of the original unit i.e. before expansion/ Diversification.
- 5.7.5. The unit holder shall obtain the details of the commercial tax paid during the year for which the claim is being made duly certified by Commercial Tax authorities for original unit/expansion/ Diversification separately as the case may be.

5.8.0. Subsidy on capital equipment for technology upgradation:

- 5.8.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure – IX for Reimbursement on capital equipment for technology upgradation within six months from the date of release of subsidy by SIDBI along with required documents mentioned in the Application, to the General Manager, District Industries Centre concerned.
- 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 modernisation 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.

5.9.0. Reimbursement on the expenses incurred for quality certification:

- 5.9.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure - X for Reimbursement of the expenses incurred for quality certification within six months from the date of obtaining quality certification along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned.
- 5.9.2. 50% subsidy on the expenses incurred for quality certification limited to Rs. 1.00 Lakh.

- 5.9.3. This facility shall be available to eligible new and existing Tiny/SSI units and Large & Medium Scale Industrial units, obtaining quality certification from BIS, ISO, HACCP and other national/international certification agencies.
- 5.9.4. Existing Mega Projects are not eligible for this facility.
- 5.10.0. Reimbursement on specific cleaner production measures:**
- 5.10.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure - XI for Reimbursement on specific cleaner production measures within six months from the date of commencement of commercial production along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned.
- 5.10.2. 25% subsidy on cleaner production measures limited to Rs.5.00 Lakhs.
- 5.10.3. Cleaner production measures is adoption of cleaner technologies and techniques within the industry by replacing end of pipe pollution control systems to reduce and avoid pollution and waste throughout the entire production cycle. Capital equipment installed for cleaner production measures will be provided subsidy on the cost of such capital equipment.
- 5.10.4. The unit shall obtain a certificate from APPCB on the specific cleaner production measures adopted and the cost of the equipment involved therein.
- 5.10.5. This facility shall be applicable to all eligible new and expansion/ diversification projects.
- 5.11.0. Reimbursement on the expenses incurred for patent registration:**
- 5.11.1. All eligible industrial units shall submit their claims in the prescribed application form given at Annexure - XII for Reimbursement on the expenses incurred for patent registration within six months from the date of obtaining patent registration along with required documents mentioned in Application, to the General Manager, District Industries Centre concerned.
- 5.11.2. 50% subsidy on the expenses incurred for patent registration limited to Rs. 5 Lakhs.
- 5.11.3. This facility shall be applicable to eligible new and existing Tiny/SSI and Large & Medium Scale units.
- 5.11.4. Existing Mega Projects are not eligible for this facility.
- 5.12.0. Infrastructure assistance:**
- 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.
- 5.12.2. This assistance would be available for all eligible Large & Medium Scale industries and Mega projects only.
- 5.12.3. The unit should give a declaration stating that they have not availed any infrastructural assistance from the Government earlier for the proposed Infrastructure to be developed.
- 5.12.4. Infrastructural assistance will be sanctioned as per the operational guidelines specially issued by the Government for providing assistance under Industrial Infrastructure Development Fund.
- 6.0. Mega Projects:**
- 6.1. Mega projects are eligible for all incentives and concessions that are available for Large & Medium Scale units. Further, Government may also extend tailor-made benefits to suit to particular investment requirements/needs on case to case basis.

- 6.2. Companies intending to establish Mega Projects and are desirous of seeking Financial Assistance/concessions have to make detailed representations along with project reports to the Commissioner of Industries, clearly spelling out special incentives being sought for with due justification before or during initial stages of implementation. On receipt of such proposals Commissioner of Industries will examine the same and forward it to the Government and the decision of the Government is final in the matter.

7.0. Existing Large Industries and Mega projects

- 7.1. In order to address the specific problems of existing Large industries, Government may offer special package of fiscal benefits on case to case basis. Exact fiscal benefits would be decided by SIPB from time to time depending on the nature of the project, investment, location, employment etc. An Industrial Promotion fund with adequate provision will be created for the purpose. Guidelines and Modalities for operating the fund would be notified by the Government.
- 7.2. The existing Large industries and Mega projects may represent to the Commissioner of Industries with their specific problems with all necessary documents and same may be examined by the Commissioner of Industries, and the matter would be processed as per the operational guidelines issued by the Government.

8.0.0. COMPUTATION OF FIXED CAPITAL INVESTMENT:

8.1.0 LAND :

- 8.1.1. Cost of land required for the successful working of the new industrial unit would normally be computed by considering value of five times the plinth area of the factory building constructed and not exceeding the approved project cost. However, in respect of industries where the open land requirements would be large due to the peculiar nature industry, SLC may consider allowing land in excess of 5 times plinth area on case to case basis. However cost of site leveling, clearance, laying of roads, etc. will not be considered for capital cost.
- 8.1.2. Value of leased land will not be taken into account for capital cost.
- 8.1.3. All eligible units should furnish a registered lease deed for a minimum period of six (6) years covering the first six (6) years production period from the date of commencement of production.
- 8.1.4. Lands inherited would not be considered for capital cost computation.
- 8.1.5. In case stamp duty and transfer duty is reimbursed on land purchased, this stamp duty component will not be taken in to account while computing the fixed capital investment.
- 8.1.6. In case rebate is given on land cost on lands purchased in APIIC developed IEs/IDAs the rebate amount would be deducted from land cost while computing the fixed capital investment.

8.2.0. FACTORY BUILDING:

- 8.2.1. The value of factory building constructions essential for economic functioning of the unit limited to the approved project cost will be taken into account. Values of leased building will not be taken into account. Cost of buildings will be computed as per the APSFC approved rates of construction / year of construction or the actual cost, whichever is lower. The items of civil works which are permitted for computation towards eligible cost are:
- 8.2.2. Main Factory Shed.
- 8.2.3. Raw Material and finished products godown.
- 8.2.4. Office room and Lab room.
- 8.2.5. Cooling water ponds.

- 8.2.6. Boiler shed and generator room.
- 8.2.7. Effluent treatment ponds, etc.
- 8.2.8. Overhead Tank, bore-wells, and pump house and sump.
- 8.2.9. Fencing and Gate.
- 8.2.10. Architect fee and supervision charges.
- 8.2.11. Compound wall.
- 8.2.12. Canteen.
- 8.2.13. Rest House.
- 8.2.14. Time Office.
- 8.2.15. Cycle / Vehicle Stand.
- 8.2.16. Security Shed.
- 8.2.17. Toilet room and sanitary fittings.
- 8.2.18. The total value of items at 8.2.11 to 8.2.17 and similar items shall not exceed 10% of the total value of civil works (within the approved project cost).
- 8.3.0. **PLANT AND MACHINERY:**
- 8.3.1. The computable cost should be within the approved project cost, subject to limitations set out in the following paras.
- 8.3.2. Value of plant, machinery and equipment installed in the new industrial unit for undertaking production of approved items. The value of tools (other than consumables) Jigs, Dies, Moulds necessary for production of approved items will be taken into account. Basic value of Plant, Machinery and Equipment supplied under Hire purchase schemes of NSIC under Deferred Payment Guarantee (DPG) scheme certified by the Financial Institutions is also allowed. However leased plant and equipment is not eligible for incentives.
- 8.3.3. Units setup with total second hand machinery would not be eligible for any incentives/concessions. However in case of units setup with imported machinery, value of 100% imported second hand plant, machinery and equipment will be considered as new indigenous machinery, if it is imported directly by the industrial unit. In case of indigenous second hand machinery purchased by the unit, such value should not exceed 25% of the total value of plant and machinery. The value of indigenous second hand machinery will not be computed towards fixed eligible capital investment for incentives. To, decide the percentage of second hand machinery, market value as certified by C.A. will be taken into account. New units setting up with a mix up of new / second hand machinery shall be subjected to these norms.
- 8.3.4. Expenditure on Technical Consultancy / Feasibility study including turn-key charges will be considered towards the fixed capital investment, provided they are part of the approved project cost, capitalised and certified by a Chartered Accountant, but limited to 10% of the total cost of plant machinery and equipment installed.
- 8.3.5. The value of plant, machinery and equipment procured by new industrial units from APSFC / A.P. State Industrial Promotion Corporation / Nationalised Banks pertaining to disposed off units will be taken into account, provided such machinery has not enjoyed any incentives under any of the earlier incentive schemes. Only depreciated value of such plant, machinery and equipment, as certified by C.A. subject to such machinery having a minimum of further six (6) years life for SSI and ten (10) years for Large and Medium Industries certified by a

Chartered Engineer, will be taken into account for computing towards eligible fixed capital investment.

8.3.6. In respect of new industries units setup in the premises belonging to disposed off units acquired from the Financial Institutions and if the earlier units availed incentives, only new assets created with fresh investment would be eligible for incentives.

8.3.7. Value of self-fabricated machinery by the new industrial unit will have to be certified by a Chartered Engineer or Engineer of the term lending institution concerned for the purpose of computing the eligible fixed capital investment.

8.3.8.0. The new industrial units set up for "Heavy Structural Fabrications" will be considered for grant of incentives only in case the following minimum plant, machinery and equipment are installed.

8.3.8.1. Gantry 5/10 tons capacity with chain pulley block or EOT/HOT crane 5/10 tons capacity.

8.3.8.2. Arc welding Transformer with welding Generators or Rectifiers.

8.3.8.3. Gas welding and cutting equipment.

8.3.8.4. Electrical tools namely; Grinder, Rivetter or Drilling Machinery or Pneumatic tools with air compressor.

8.3.8.5. Pillar type drilling machine 1" / 1.1/2" capacity.

8.3.8.6. Pug cutting equipment for cutting heavy sections viz. Angles, Plates and Channels.

8.3.8.7. Drafting machine and drawing office equipment (optioned).

8.3.9.0. **ITEMS NOT COMPUTABLE TOWARDS FIXED CAPITAL INVESTMENT.**

8.3.9.1. Working capital, raw material, stores and all consumables including spare tools, etc.

8.3.9.2. Value of the Motor Vehicles.

8.3.9.3. Pre-operative expenses, advances, expenditure not supported by payment of bills wherever necessary.

8.3.9.4. Investment made outside the approved project cost and items not covered by approved project.

8.3.9.5. Fixed assets which form part of project cost but not created within 6 months from the date of commercial production or the date of filling the claim whichever is earlier.

8.3.9.6. In case of self-financed units, the fixed assets created after the date of commencement of Commercial Production.

9.0.0. **SPECIAL PROVISION:**

9.1.0. **SC/ST entrepreneur**

9.1.1. These provisions are applicable for Tiny / Small Sector units set up by SC and ST entrepreneurs.

9.1.2. Tiny / Small Scale Industrial units should be wholly promoted by SC/ST entrepreneurs as proprietor / partnership / private limited company.

9.1.3. If a industrial unit is promoted by SC/ST members along with non SC/ST entrepreneurs, at least 51% of the share holding / partnership should belong to SC/ST entrepreneurs. Such majority SC/ST share holding should continue for at least six (6) years from the date of production, failing which the special incentives allowed as to SC/ST entrepreneurs will be recovered.

- 9.1.4.** Industrial Cooperative Societies engaged in the Industrial activity promoted by SC/ST should be exclusively (i.e.100%) for the benefit of SC/ST entrepreneurs.
- 9.1.5.** In case of units set up by SC/ST entrepreneurs, transfer of ownership is not normally permitted. However, transfer from one SC/ST entrepreneur to another SC/ST entrepreneur or to non-SC/ST entrepreneurs may be allowed with the prior approval of Commissioner of Industries subject to condition that ultimately 51% share holding of the SC/ST entrepreneur is protected / maintained.
- 9.2.0. Women entrepreneurs.**
- 9.2.1.** These provisions are applicable for Tiny / Small Sector units set up by Women entrepreneurs.
- 9.2.2.** Tiny / Small Scale Industrial units should be wholly promoted by Women entrepreneurs as proprietor / partnership / private limited company.
- 9.2.3.** If a industrial unit is promoted by Women entrepreneur along with non Women entrepreneurs, at least 51% of the share holding / partnership should belong to Women entrepreneurs. Such majority Women share holding should continue for at least six (6) years from the date of commercial production, failing which the special incentives allowed to Women entrepreneurs will be recovered as if they are arrears of Land Revenue under the A.P Revenue Recovery Act., 1864.
- 9.2.4.** Industrial Cooperative Societies engaged in the Industrial activity promoted by Women should be exclusively (i.e.100%) for the benefit of Women entrepreneurs.
- 9.2.5.** In case of units set up by Women entrepreneurs, transfer of ownership is not normally permitted. However, transfer from one Women entrepreneur to another Women entrepreneur or to non- Women entrepreneurs may be allowed with the prior approval of Commissioner of Industries subject to condition that ultimately 51% share holding of the Women entrepreneur is protected / maintained.
- 9.3.0. GENERAL**
- 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.
- 9.3.2.** In case of existing Industrial units setting up a new industrial unit with separate identifiable investment, the words 'SEPARATE IDENTIFIABLE INVESTMENT' shall means that the unit should not have any production linkage with the existing manufacturing process and the product should be a separate product itself with independent marketability. The new unit should be in a separate building, should maintain separate books of accounts and the project should be appraised independently by financial institution as a viable project. A new project will not, however, be regarded as a "Separate Identifiable Investment" if the utilities of the existing unit like water, electricity, steam and pollution control systems are extended to the new unit (Government memo No.27099/IP/A2/97-2, dated:15/06/1998).
- 10.0. INELIGIBILITY :**
- 10.1.** Industries listed in Annexure-II to the G.O.Ms.No. 178, Ind. Com (IP) Dept., dated:21/06/2005 read with G.O.Ms.No.327, Ind. & Com.(IP) Deptt. Dt.13-12-2005 are not eligible for any incentives/concessions. However, units setup by SC/ST Entrepreneurs are eligible even for incentives for the items listed in Annexure – II.

- 10.2. New industrial units being set up within the limits (existing as on 01/04/2005) of Hyderabad, Visakhapatnam, and Vijayawada Municipal Corporations are not eligible for the incentives/concessions.
- 10.3. New Industrial units established with Plant and Machinery on lease are not eligible for incentives/concessions.
- 10.4. New Industrial units established with second hand machinery are not eligible for incentives/concessions except where the cost of such machinery does not exceed 25% of the total cost of plant and machinery.
- 10.5. Composites units set up for manufacture of an eligible item along with an ineligible item are not eligible for incentives/concessions except when the proportion of ineligible items in the total production is less than 10% in value of the total turnover as per G.O.Ms. No. 20 Industries & Commerce (IP) Department, dated:31/01/1997.

11.0. INSTANCES OF CHANGE OF CONSTITUTION/MANAGEMENT/ NAME OR STYLE OF INDUSTRIAL UNIT:

The Industrial units that availed incentives/concessions should obtain the No Objection Certificate from the concerned financing institutions in respect of aided units before seeking the approval of Commissioner of Industries for any change of the constitution/Management/name & style of the unit within the first six (6) years from the date of commencement of Commercial production.

12.0. CHANGE OF LOCATION OF INDUSTRIAL UNITS AVAILING INCENTIVES/CONCESSIONS:

- 12.1. Any Tiny/SSI units proposing to shift their units within the District, they should obtain No Objection Certificate from the concerned financing institutions in respect of aided units before seeking the approval of Concerned General Manager, District Industries Centre. In case of shifting of any industrial unit outside the District, they should obtain prior approval of the concerned financing institutions in respect of aided units before seeking the approval of Commissioner of Industries. In respect of Large & Medium Scale units proposing to shift within the District or outside the District should obtain prior approval of financing institution if it is aided and then approach Commissioner of Industries for permission. Shifting of unit to outside the State is not allowed.
- 12.2. In respect of Self Financed units: In respect of Tiny/SSI units proposing to shift their units within the District, they should obtain prior approval of Concerned General Manager, District Industries Centre. In case of shifting of any industrial unit outside the District they should obtain prior approval of Commissioner of Industries through the Concerned General Manager, District Industries Centre. In respect of Large and Medium Scale units (unaided or Self Financed) proposing to shift their unit either within the District or outside the District, should obtain prior permission from Commissioner of Industries. Shifting of unit to a place outside the State is not allowed.

13.0. MERGER/AMALGAMATION OF THE INDUSTRIAL UNITS:

- 13.1. Prior approval of the Commissioner of Industries is necessary for any merger/amalgamation of their units. The Public and Private Limited Companies seeking merger/amalgamation of their group of companies shall submit an application to Commissioner of Industries along with Judgement of the Hon'ble High Court in Company Petition along with NOC from the Financing Institution, Amended LI/IL/IEM and Incorporation Certificate from the Registrar of Companies.
- 13.2. The Partnership concerns shall submit No Objection Certificate from their Financing Institution, Firm Registration and amended SSI/PMT Registration Certificates. The

Proprietary concern shall submit NOC from the Financing Institution and if it is a self financed-unit along with the amended PMT/SSI Registration Certificate.

14.0. CHANGE OF LINE OF ACTIVITY/INCLUSION OF ADDITIONAL LINE OF ACTIVITIES:

If an unit starts manufacturing new eligible items without any additional machinery or equipment, with the same plant & machinery, then such items shall be permitted for availing sale tax reimbursement within the overall eligibility fixed for the unit. They should obtain prior approval of the Commissioner of Industries before taking up production of such new items.

15.0. BREAK IN PRODUCTION:

The Industrial units obtaining incentives should be in continuous production for a period of six (6) years from the Date of Commencement of Commercial Production failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery. Break-in-production upto a period of one (1) year due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc. may be condoned by State Level Committee (SLC) if it felt that the reasons are justifiable. Any break-in-production beyond 12 months, will result in extending the six (6) years continuous production condition by the period of such break.

16.0. PROCEDURE TO BE ADHERED BY THE GENERAL MANAGERS, DISTRICT INDUSTRIES CENTRES:

16.1. The General Managers of District Industries Centres shall maintain a separate register for the units sanctioned incentives.

16.2. All files pertaining to sanctioned DLC cases must be recorded and kept for a period of 10 years, and made available for inspection of audit / inspecting authorities. Files pertaining to audit objection if any, shall be kept in record till such objections are cleared/deleted from the audit paras.

17.0. PROCEDURE FOR SANCTION OF INCENTIVES:

17.1. On receipt of the application claiming incentives from the industrial units concerned for sanction of incentives under the scheme, the DIC officials should inspect the unit and verify all the records/documents as per the PART-B.

17.2. Even if the unit is an aided unit the inspecting officer should verify all the machinery as per machinery list with bills and certify on the list of machinery that

- a) Verified Plant & Machinery, found to tally with the list, duly erected and put to use and is required for manufacturing the approved lines of activities.
- b) There are no second hand machinery items in the list.

17.3. After receipt of claim application along with verification-cum-recommendation Part-B, the Chairman of the State / District Level Committee will sanction / reject the proposals as the case may be. The Member-Secretary will prepare the agenda note for each case in the form prescribed for placing before respective Committee for ratification, whenever convened.

17.4. Committees at the State Level and District Level are constituted for scrutinising and sanction the claims for these incentives.

18.0. IN RESPECT OF SELF FINANCE UNITS:

18.1. All the Self Financed units should be inspected by respective Multi Disciplinary Committee / Standing Scrutiny Committee as per G.O.Ms. No.319 I & C (IP) Department, dated:29/12/2004 / Sub-Committee of SLC as per the Commissioner of Industries Circular

Memo No.20/1/2000/0945/0945/FD, dated: 10/08/2000 and the Committee should verify the genuineness of machinery to avoid bogus or false claims.

- 18.2. The Multi Disciplinary Committee at district level shall inspect the units with investment on Plant & Machinery below Rs. 60 lakhs.
- 18.3. The Standing Scrutiny Committee (SSC) or Sub-Committee of State Level Committee (SLC) shall inspect the units with investment on Plant & Machinery over and above of Rs. 60 lakhs.

18.4.0. STATE LEVEL COMMITTEE ON INCENTIVES – LIST OF MEMBERS:

- | | | |
|----------|--|------------------|
| 18.4.1 | Commissioner of Industries, Hyderabad. | Chairman |
| 18.4.2 | Additional Secretary/Joint Secretary/Deputy Secretary to Government, Finance & Planning (Fin. Wing) Dept., Dealing with the subject | Member |
| 18.4.3 | Additional Secretary/Joint Secretary/Deputy Secretary to Government, Industries & Commerce (IP) Department | Member |
| 18.4.4 | President of Federation of A.P. Chamber of Commerce and Industry | Member |
| 18.4.5 | The Chairman of Confederation of Indian Industry (CII) | Member |
| 18.4.6 | The President of Federation of A.P.Small Industries Association (FAPSIA) | Member |
| 18.4.7 | Managing Director, A.P. Industrial Development Corporation, Hyderabad | Member |
| 18.4.8 | Managing Director, A.P. State Financial Corporation, Hyderabad | Member |
| 18.4.9 | Managing Director, A.P. Industrial Infrastructure Corporation, Hyderabad | Member |
| 18.4.10 | Commissioner of Commercial Taxes, Hyderabad. | Member |
| 18.4.11 | Commissioner of Tribal Welfare, Hyderabad. | Member |
| 18.4.12 | Commissioner of Social Welfare, Hyderabad. | Member |
| 18.4.13 | Director, Commercial, APTRANSCO | Member |
| 18.4.14 | Commissioner & Inspector General, Registration & Stamps, Revenue Department | Member |
| 18.4.15 | Member Secretary, APPCB | Member |
| 18.4.16 | Nominee of Industrial Development Bank of India | Member |
| 18.4.17 | Co-opted Members from the concerned. National Banks. | Member |
| 18.4.18 | Additional Director of Industries dealing with the subject incentives. | Member Secretary |
| 18.4.19. | The above Committee shall scrutinize and sanction the claim of units involving eligible fixed capital investment of above 25.00 lakhs. | |

18.5.0. DISTRICT LEVEL COMMITTEE ON INCENTIVES – LIST OF MEMBERS:

- | | | |
|--------|---|----------|
| 18.5.1 | District Collector | Chairman |
| 18.5.2 | Deputy Commissioner of Commercial Taxes | Member |
| 18.5.3 | District Treasury Officer | Member |

- | | | |
|---------|--|---------------------|
| 18.5.4 | Project Officer, ITDAs of I.T.D.A. District
OR
District Tribal Welfare Officers of other Districts | Member |
| 18.5.5 | Executive Officer, District Scheduled Castes Co-op. Finance Corporation | Member |
| 18.5.6 | Branch Manager, A.P. State Finance Corporation | Member |
| 18.5.7 | Zonal Manager, A.P. Industrial Infrastructure Corporation | Member |
| 18.5.8 | Nominee of the President of Federation of A.P. Chamber of Commerce and Industry | Member |
| 18.5.9 | Chief Environmental Engineer, APPCB | Member |
| 18.5.10 | Superintending Engineer, APTRANSCO | Member |
| 18.5.11 | District Registrar, Registrations & Stamps | Member |
| 18.5.12 | Lead District Manager | Member |
| 18.5.13 | General Manger, District Industries Centre | Member
Secretary |
- 18.5.14. The above Committee shall scrutinise and sanction the claim of the units of the concerned District involving eligible fixed capital investment of Rs.25.00 lakhs and below (including the original investment in case of expansions, modernisations and diversifications).
- 19.0. POWERS OF STATE LEVEL AND DISTRICT LEVEL COMMITTEES.**
- 19.1. The State Level and District Level Committees will meet as often as required, but not less than once in two months. The Member-Secretary will arrange to record the minutes of each meeting, get them duly approved by the Chair-person and communicate attested copies to all the members.
- 19.2. The decisions of the State Level Committee shall be final in scrutinizing, deciding the eligible investment, sanctioning the incentives. It can also review the decisions where ever is necessary. In case of any doubt/ambiguity on any issue or item covered by these guidelines for implementing the scheme of IIPP, the decision/interpretation of State Level Committee is final and binding on all concerned. The District Level Committee will adopt norms evolved by the State Level Committee.
- 19.3. The SLC has the powers to condone the Break-in-production period of industrial units upto one (1) years. However, such Break-in-production period should be due to the reasons beyond the control of the Management such as shortage of raw-materials, power and change of management, etc.
- 19.4. State Level Committee will review the working of the scheme and release of funds.
- 20.1.0. WORK TO BE ATTENDED BY THE MEMBER - SECRETARY (SLC)**
- 20.1.1. Convening the SLC meetings, drawing up the minutes of the meetings and communicating these to the members with the approval of the Chairperson;
- 20.1.2. Disbursement of funds to the units sanctioned observing the chronological order of sanctions within the set pattern and norms approved by SLC, if necessary.
- 20.1.3. Placing before the SLC the details of sanctions and disbursements made to the industrial units for ratification.

- 20.1.4. To arrange maintenance of records of sanctions / disbursements in the manner prescribed. The incentive sanction register should be in the form prescribed.,
- 20.1.5. To monitor effective implementation of the scheme.
- 20.2.0. WORK TO BE ATTENDED BY THE MEMBER SECRETARY (DLC)**
- 20.2.1. Convening the District Level Committee meetings, drawing up the minutes of the meetings and communication to the members and the Commissioner of Industries with the approval of Chairperson.
- 20.2.2. Maintain necessary accounts and registers and furnish details as and when called for by the SLC / Commissioner of Industries and produce to the audit. The incentive sanction register should be in the form prescribed.
- 20.2.3. To arrange periodical inspections of the beneficiary units and send reports on continuity in working etc. to the Commissioner of Industries.
- 21.0. PROCEDURE FOR DISBURSEMENT OF SUBSIDY:**
- 21.1. After the sanction of subsidy by SLC, the Additional Director of Industries shall communicate the sanction through individual proceedings in the form prescribed to the individual units.
- 21.2. In respect of DLC sanctions, the General Managers shall forward the proposal to the Commissioner of Industries in statement in the form prescribed.
- 21.3. In respect of SLC sanction the General Managers after receipt of individual proceedings proceeded by consolidated proceedings shall obtain an agreement bond in prescribed proforma, advanced stamped receipt and assignment letter and forward the same in original to the disbursing agency APSFC / its branch along with assignment letter and stamped receipts in original after satisfying himself on the physical verification that the unit is working continuously, the assets are intact and there is no change in the management and also the unit complying with the conditions, if any, imposed in the consolidated proceedings.
- 21.4. The General Managers shall ensure that in case no bridge loan is availed by the beneficiary unit, the assignment of investment subsidy must be in favour of the term lending institution and in the case of joint financing it must be in favour of the lead institution.
- 21.5. In case of disbursements of Reimbursements of Stamp duty and Transfer duty, rebate in land cost in IEs/IDAs, Power consumption charges, Commercial Tax, such reimbursement amounts will be paid to the concerned industrial units, in favour of the unit through crossed Account payee cheque. The GM, DICs on receipt of the individual proceedings shall obtain a self certification, utilization certificates in prescribed proforma and advanced stamped receipt from the unit and forward the same in original to APSFC after physically verifying the running of the unit.
- 21.6. The funds available for disbursement under this scheme will be placed with the APSFC.
- 21.7. The disbursements are made in a bunch of cases through consolidated proceeding separately for SLC sanctions and DLC sanctions observing the chronological order of such meetings held. The consolidated proceedings indicating the name of the industry, amount sanctioned and amount released are on Managing Director, APSFC under copies to DICs, Branch Managers of APSFC concerned, etc.,
- 21.8. In respect of SLC sanctions, after the issue of individual proceedings, in favour of units in the form prescribed under copies to Managing Director, APSFC, Branch Manager of APSFC / Financial Institutions which have sanctioned term loans and working capital loans and General Manager, DIC concerned. After receipt of assignment letter and advance stamped receipt, the Managing Director, APSFC / Branch Manager, APSFC, shall release the subsidy amount to the individual units through crossed / A/c. payee cheques in the name of the

Financial Institution (in whose favour assignment letter was given by the beneficiary industrial unit) A/c. industrial unit and send the same to the respective Financial Institution direct under intimation to the beneficiary industrial unit and the General Managers, DIC concerned. If the APSFC happens to be the Financial Institution, which has sanctioned the term loan, the subsidy amount is released to the industrial unit after crediting the same to the A/c. of the industrial unit with APSFC. In case of industrial units which have availed any bridge loans against the anticipated subsidy, the subsidy amount shall be released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed above.

- 21.9. In respect of DLC sanctions, the General Managers, DIC shall be forwarding the sanctions of DLCs to the Additional Director of Industries and Member-Secretary of SLC along with statement in the form prescribed, individual proceedings sanctioning after the issue of consolidated proceedings, individual proceedings are issued in favour of individual units in the form prescribed under copies to Managing Director, APSFC, Branch Manager, APSFC, Financial Institutions which have sanctioned term loans and working capital loans and General Manager, DIC concerned. After receipt of assignment letter and advance stamped receipt, the Managing Director, APSFC, Branch Manager, APSFC, shall release the subsidy amount to the individual units through crossed / A/c. payee cheques in the name of the Financial Institution (in which favour assignment letter was given by the beneficiary industrial unit) A/c. industrial unit and send the same to the respective Financial Institution direct under intimation to the beneficiary industrial unit and the General Managers, DIC concerned. If the APSFC happens to be the Financial Institution, which has sanctioned the term loan, the subsidy amount is released to the industrial unit after crediting the same to the A/c. of the industrial unit with APSFC. In case of industrial units which have availed any bridge loans against the anticipated subsidy, the subsidy amount shall be released first to the Financial Institution which has sanctioned and released bridge loan, to discharge the liability in full against such sanction and balance amount, if any, would be released in the manner prescribed above.

- 21.10. In respect of APSFC financed industrial units, subsidy amounts sanctioned and released shall not be credited to the A/c. of respective industrial units if they are sick, closed or changes of management taken place or sold away, etc.

Also wherever the General Manager, DICs finds an industrial unit sick, closed, change of management taken place etc. or for any other reason not worthy or receiving subsidy fill further examination, the Managing Director, APSFC / Branch Manager, APSFC shall not disburse the subsidy to such units on written intimation given to them by the General Managers DICs, or by Commissioner of Industries. In case of above two situations, the subsidy shall be disbursed only after further clearance given by the Additional Director of Industries and Member-Secretary, SLC.

22.0. FUNCTIONS TO BE ATTENDED BY GENERAL MANAGER, DICS:

- 22.1. Receiving and processing of claim applications and to ensure for placing the same before the DLCs within a month in respect of DLC cases and submission to the Commissioner of Industries within one month in respect of SLC cases, with all necessary documents along with inspection report.
- 22.2. To obtain stamped receipts and assignment letters in the appropriate forms besides inspecting the units to ensure working of the units with the assets intact and no change in the management before disbursement of subsidies.
- 22.3. To initiate action to recover the incentives wherever warranted.

- 23.0. RECOVERIES OF SANCTIONED INCENTIVES UNDER THE SCHEME.**
Incentives/concessions granted to an industrial unit shall be liable to be recovered in the following circumstances.
- 23.1.** If the incentives/concessions are obtained by the unit by misrepresentation of essential facts or by furnishing of false information or suppressions of facts or by submission of false/fake documents etc.,
- 23.2.** If the industrial unit goes out of production within six (6) years from the date of commencement of commercial production, except in case where the unit remains out of production for short period upto 12 months due to the reasons beyond its control such as shortage of raw-materials, power and change of management, etc.
- 23.3.** If the industrial unit fails to furnish the prescribed statements and/ or information when it is called upon to furnish.
- 23.4.** If the unit effects change of management without prior approval from the financing institution concerned and the Commissioner of Industries.
- 23.5.** If the unit shifts a part or whole of the industrial unit after receiving a part or whole of the incentives without prior approval of the Commissioner of Industries.
- 23.6.** If the whole or part of the unit is sold without the prior approval of the Commissioner of Industries.
- 23.7.** If the unit enters into a contract of any nature whatsoever by transferring the Management, without the prior approval of the Commissioner of Industries.
- 23.8.** In the event of recoveries for reasons arising mentioned above, they shall be recovered treating them as arrears of Land Revenue under A.P. Revenue Recovery Act, 1864.
- 24.0. FURNISHING OF STATEMENT OF ACCOUNT/INFORMATION BY ELIGIBLE INDUSTRIAL UNITS:**
Industrial units, which obtain incentives under the scheme, shall furnish certified copy of audited accounts including Balance Sheet before 30th June of the succeeding year to the disbursing agencies. Such statement should be furnished for a period of minimum six (6) years. Further, industrial units should also furnish details of production, sales, employment, etc., in the proforma prescribed to the General Manager, District Industries Centre concerned as an Annual Return before 30th June of the succeeding year and obtain acknowledgment thereof. However, units which are released capital subsidy not exceeding Rs.1,00,000/- may furnish only the Annual Performance Report in the proforma prescribed to the General Manager, DIC concerned as an Annual Return before 30th June of the succeeding year and obtain acknowledgment thereof for a period of six (6) years after going into commercial production.
- 25.0. INTERPRETATIONS:**
When any matter arises for the purpose of interpretation on which State Level Committee (SLC) could not take a decision or in case where any suggestions are made outside the scope of SLC in regard to implementation of the scheme, such matters shall be referred to the Government in Industries & Commerce Department, Government of Andhra Pradesh and the decision of the Government shall be final.

**APPLICATION CUM VERIFICATION FOR CLAIMING REIMBURSEMENT OF STAM
DUTY/ TRANSFER DUTY AND OR REIMBURSEMENT OF LAND COST PURCHASED IN
IEs/IDA's UNDER INDUSTRIAL INVESTMENT PROMOTION POLICY (IIPP) – 2005-2010
SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0. Details of Industry:

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0.Status:3.1. Constitution of the Organisation (Pl. ☐ mark)
 Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 PMT SSI Registration/IEM/IL No:

Date:

4. Status of the Industry: (Pl. ☐ mark)
 New Industry ☐ Expansion ☐ Diversification ☐

5. Fixed Capital Investment(in Rs.)

Nature of Assets	New /Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

	Line of activity	Units	Installed Capacity	% of increase under Expansion/ Diversification Project
New /Existing Unit				
Expansion/Diversification Project				

7.1.	5 times of the plinth area of factory buildings:	Sq.Mtrs.
7.2.	Area required for the factory as per the appraisal:	Sq.Mtrs.
7.3.	Area required for the factory as per the norms of APPCB or any other State Government Department:	Sq.Mtrs.

[illegible]

10.Name of Sub-Registrar Office, where registered:

[illegible][illegible][illegible]

14. In case of lands purchase in IE/IDAs cost of land in Rs.	
--	--

[illegible]

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

Signature of Authorised Person
with Firm /Office Seal.

- The following documents to be furnished:

- i. Registered Land Sale/Lease/Transfer deed documents with receipt from Registrar regarding the payment.
- ii. PMT SSI Registration/IEM/IL.
- iii. Civil valuation report in prescribed format duly certified by approved Civil Engineer.
- iv. Approvals from the Factories Department along with site plan.

RECOMMENDATION:

1. Amount claimed in Rs. _____ :
2. Whether the unit has already availed any exemption on purchase of land, if so amount in Rs. _____ :
3. Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager _____ :

The applicant unit is eligible for said incentives and the claim is in order. The computation of capital cost has been done as per the provisions under the scheme. I recommend for sanction of incentives.

Signature of General Manager.

**APPLICATION CUM VERIFICATION FOR REIMBURSEMENT OF POWER TARIFF
UNDER INDUSTRIAL INVESTMENT PROMOTION POLICY
(IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0. Details of Industry:

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0. Status:3.1. Constitution of the Organisation (Pl. ☐ mark)

Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 PMT SSI Registration/IEM/IL No:

Date:

4. Status of the Industry: (Pl. ☐ mark)

New Industry ☐ Expansion ☐ Diversification ☐

5. Fixed Capital Investment(in Rs.)

Nature of Assets	Approved Project cost for New Expansion/ Diversification Project	Existing project	New or Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land				
Building				
Plant & Machinery				
Total				

6. Line of Activity.

	Line of activity	Installed Capacity (in units)	Value in Rs.
New /Existing Unit			
Expansion/Diversification Project			

Note: In respect of Expansion/Diversification projects, units involving atleast 25% enhancement on fixed capital investment and Capacity are eligible for claiming incentives:

7	Existing power connection in HP					
8	Date of new power connection released.					
9	New power connection in HP					
10	Power utilized in previous three years before power released for expansion/diversification project		Year	Total units	Rate per unit in Rs.	Total paid by the unit in Rs.
			1.			
			2.			
			3.			
11	Energy Tariff per unit:		Rs.			
12	Details of Energy consumed from the date of commencement of production and amount claimed for the quarter **					
Year		1 st quarter 1 st Apr.-30 th June	2 nd quarter 1 st July-30 th Sep.	3 rd quarter 1 st Oct.-31 Dec.	4 th quarter 1 st Jan.-31 st March	
2005-06	Units					
	Amt.					
2006-07	Units					
	Amt.					
2007-08	Units					
	Amt.					
2008-09	Units					
	Amt.					
2009-10	Units					
	Amt.					
13	Claim applied for (Amount in Rs.)					

** Quarter means every three months from the financial year begin from 1st April to 31st March.

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of Reimbursement of power tariff are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Certified that this amount has not been claimed earlier. In case of a wrong claim I shall repay the entire amount of concession(s) availed under IIPP2005-2010 scheme in Lump sum with prevailing interest.

Station :

Signature of Authorised Person

Date :

with Firm /Office Seal.

• The following documents to be furnished:

- a) Power release certificate issued by concerned DISCOM for the first time of the claim.
- b) Statement of Accounts in prescribed formate for the first time of the claim.
- c) List of plant & machinery for the first time of the claim.
- d) Civil valuation report in prescribed format duly certified by approved Civil Engineer for the first time of the claim.
- e) Power Bill and payment proof/receipts from concerned DISCOM.
- f) PMT SSI Registration /IEM / IL for the first time of the claim.
- g) Self Certification prescribed at Form – B.
- h) Power utilization Particulars for the last –3- years and Column No. 5 & 6 of the application duly certified by Chartered Accountant for the first time of the claim.

RECOMMENDATION:

1. Amount claimed in Rs. :

2. Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives and the claim is in order. The computation of capital cost has been done as per the provisions under the scheme. I recommend for sanction of incentives.

Signature of General Manager.

ANNEXURE: V**APPLICATION CUM VERIFICATION FOR CLAIMING INVESTMENT SUBSIDY UNDER
INDUSTRIAL INVESTMENT PROMOTION POLICY****(IIPP) - 2005-2010 SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

PART - A**CLAIM**

To be filled by DIC/ Commissionerate of Industries.									
Date of receipt in DIC:									
DIC File No.:									
Date of receipt in Commissionerate:									
Commissionerate File No.:									

To be filled by Applicant**1.0. Details of Industry:**

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0.Status:3.1. Constitution of the Organisation & Industry status (Pl. ☐ mark)

Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐

3.2. New Industry ☐ Expansion ☐ Diversification ☐

3.3 Date of Commencement of Production:

3.4 PMT SSI Registration No:

Date:

4.0. Project Details:

4.1. New unit.

Line of activity	Units	Installed capacity	Value

4.2. Expansion/ Diversification Project

	Line of activity	Installed Capacity (in units)	% of increase under Expansion/ Diversification Project
Existing Unit			
Expansion/ Diversification Project			

4.3. Fixed Capital Investment(in Rs.)

Nature of Assets	Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

5.0. Social Status (Pl. ☐ mark)

SC ☐ ST ☐ Women ☐ Others ☐

If SC, ST & Women please indicate % Share in the equity:

5.1 Details of the Director(s) / Partner(s):

	Name	Community	Share	%
i)				
ii)				
iii)				
iv)				

6.0. Power

6.1. Power Supply Date

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6.2. Unit Contracted load

--	--	--	--	--	--	--	--	--	--

6.3. Connected load

--	--	--	--	--	--	--	--	--	--

7.0. Implementation Steps taken:

7.1. Project Finance:

7.2. Date of Application for term loan

--	--	--	--	--	--	--	--	--	--

7.3. Name of the Instn. (with lead Institution in the event of joint or consortium financing)

7.4. Term loan sanctioned reference No. & Date.

--	--	--	--	--	--	--	--	--	--

8.0. Approved / Estimated Project cost, Term loan sanctioned and released, assets acquired etc.

	Name of Asset	Approved Project Cost	Loan Sanctioned	Equity from the promoters	Loan Amount Released	Value of assets (as certified by financial institution).	Value of assets certified by Chartered Accountant
	1	2	3	4	5	6	7
8.1.	Land						
8.2.	Building						
8.3.	Plant & Machinery & Equipment						
8.4.	Preliminary & Pre operative expenses						
8.5.	Tech. Know how / feasibility study / Turnkey charges.						
8.6.	Working Capital						
8.7.	Others.						
	Total						

Note : The data on the above should be prior to date of filing of claim or within 6 months of Commencement of production, whichever is earlier.

- 9.0. Means of Finance :
- 9.1. Equity from Promoters/Shareholders / Partners.
- 9.2. Public Issue :
- 9.3. Preferential Issue :
- 9.4. Loans sanctioned (In Rs.) :

10.0. Total amount subsidy already availed:

- 10.1. Scheme :
- 10.2. Amount :

11.0	Second Hand Machinery value in Rs	New Machinery value in Rs.	Total Value in Rs. (1+2)	% of Second Hand Machinery value in the Total Machinery value.	Value of the Machinery purchased from APIDC/ APSFC/ Bank in Rs.	Total value in Rs. (2+5)
	1	2	3	4	5	6

12.0. Registration with Commercial taxes Department Registration,
 APGST No. : Date
 CST No. : Date
 Concerned Authority : ACTO/C.T.O./D.C.T.O./Dy Commissioner
 Address :

13.0. **Incentives applied for (in Rs.) on fixed capital investment:**

- 13.1. Investment Subsidy (15% of Investment Rs. Subsidy or maximum of Rs 15.00 lakhs) :
 13.2. Additional investment subsidy of 5% limited Rs. to Rs.5 Lakhs for SC/ST entrepreneurs:
 13.3. Additional investment subsidy of 5% limited Rs. to Rs.5 Lakhs for Women entrepreneurs:
 Total: Rs.

DECLARATION

- 14.1. I / We hereby confirm that the contents of the claim application are true to the best of my /our knowledge.
 14.2. I / We abide by the provision under Industrial Investment Promotion Policy Scheme 2005-2010. State Incentives and further abide by the changes / modifications made by the State Government under G.O.Ms.No. 178, Industries & Commerce (IP) Department, dated:21/06/2005. I / We also abide by the decisions of Industries & Commerce Department.
 14.3. I / We shall not change the location of the whole or part of the industrial unit or effect any substantial contraction over disposal of substantial part of its total capital investment within a period of six (6) years after the unit commences production.
 14.4. I / We assure that the State incentives (Capital subsidy) applied for will be used solely for the development of the unit and shall produce utilisation certificate to the District Industries Centre (DIC) within one year and furnish annual progress report and certified copy of audited accounts to the DIC for a period of six (6) years.
 14.5. I / We confirm that subsidy was availed under the Government schemes mentioned at para No.10.5.
 14.6. If the amount of Investment Subsidy are found to be disbursed in excess of the amount actually admissible whatsoever the reason, I/We hereby agree that I/We shall forthwith repay the amount released to me/us under the scheme.
 14.7. I / We shall agree that apart from other consequences. I / We will forego the eligibility for the continuance of incentives and other financial concessions for further years if these incentives / financial concessions were obtained by misrepresentation of facts or in case of misutilisation. I / We not only agree to pay back these incentives / financial concessions but also authorise State Government to call back the same through summary proceedings under the provisions of R.R.Act 1864.

Station :
 Date :

Signature of Authorised Person
 with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit and Certified to be true the expenditure under Col(&) of Sl.No. 8.0.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

PART - B
VERIFICATION -CUM- RECOMMENDATION OF G.M, DIC

1.1. Name and Address of the Industry :

1.2. Name of the Inspecting Officer :

1.3. Designation :

1.4. Date(s) of Inspection :

1.5. Person (from Industry) present at the time of Inspection. :

2.0. Verification certificate

Certified that contents of the claim under Part-A and the document indicated in Part-c of this claim application were verified and found correct. The plant and machinery and equipment was physically verified as per the statement of machinery and found them duly installed and put on work . Further certified that the fixed assets claimed for incentives are essentially required for carrying and the production in which the industry is engaged in.

3.0. Project Details:3.1. New unit.

Line of activity	Units	Installed capacity	Value

3.2. Expansion/ Diversification Project

	Line of activity	Installed Capacity (in units)	% of increase under Expansion/ Diversification Project
Existing Unit			
Expansion/ Diversification Project			

3.3. Fixed Capital Investment(in Rs.)

Nature of Assets	Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

3.4	Date of commencement of production	
3.5	Date of issue of Regd. Notice calling shortfall documents/information	
3.6	Date of claim taken to call book due to non Receipt of shortfalls documents	
3.7	Date of receipt of shortfall documents/information.	

4.0.0 Capital cost computed & recommended in Rs.

4.1.0 Land:

4.1.1.	<u>Extent in Sq.Mtrs</u>	<u>Built up area in Sq.Mtrs</u>	<u>5 times built up area in Sq.Mtrs</u>	<u>Extent eligible Land in Sq.Mtrs</u>

(in Rupees)

4.1.2.	Land cost	Stamp duty	Regn. Fees	Total	Approved Project cost	Proportionate eligible value
4.1.3	Computed cost			Rs.		

4.2.0 Building and other civil works:

4.2.1 Approved Project cost :

4.2.2	Value of the items 8.2.2 to 8.2.10 of guideline	Plinth area	Rate as per the APSFC norms	Value
4.2.3	Value of the items 8.2.11 to 8.2.17 and similar items of guidelines not to exceed 10% of the total value of the civil works.			
4.2.4	Total Value			
4.2.5	Computed cost :		Rs.	

4.3.0 Plant and Machinery and Equipment (PM&E) :

4.3.1.	As per approved project cost	As per list of Plant & Machinery	Tech.Know how and study and turnkey charges not to exceed 10% of PM & E	2 nd hand machinery Value	% of 2 nd hand Machinery	Total
4.3.2	Computed Cost:		Rs.			

4.4.0. Total Cost computed:

(In Rupees)

4.4.1	Land (4.1.3)	
	Buildings (4.2.5)	
	Plant & Machinery (4.3.2)	
	Total	

5.0. Recommended for sanction of investment subsidy mentioned below, subject to produce the following approvals/documents:

- a)
- b)

Investment Subsidy

- 6.1. 15% Investment Subsidy on fixed capital investment limited to 15.00 lakhs) :
- 6.2. An additional investment subsidy of 5% limited to Rs.5 Lakhs for SC/ST entrepreneurs :
- 6.3. An additional investment subsidy of 5% limited to Rs.5 Lakhs for Women entrepreneurs. :
Total :

Signature of Inspecting Officer

Remarks of the General Manager :

The applicant unit is eligible for said incentives and the claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

PART - C

CHECK - SLIP

1.0.0 Document Enclosed

- 1.1.0 Certificate from the concerned financing institution showing term loan released and the value of assets acquired as on prior to filing of claim/within 6 months from the date of commencement of commercial production whichever is earlier together with other details and machinery statement as a statement of account in the form prescribed in case of institutionally financed units.

OR

List of Plant & Machinery & Equipment purchased and installed with attested copies of bills in the prescribed form along with Civil Valuation certificate in the prescribed form in respect of all other units.

- | | | |
|--------|---|------------|
| 1.2.0 | Caste Certificates issued by concerned M.R.Os in case of SC/ST | Yes/No/N.A |
| 1.3.0 | Certificate from the Chartered Accountant and % of holding of equity in the company by each partner/directors. | Yes/No/N.A |
| 1.4.0 | Regd. Partnership Deed/Articles of Association and Memorandum of Association in case of Pvt. Ltd and Limited companies along with incorporation certificate/ Bye-laws in case of Indl. Cooperative along with Registration Certificate. | Yes/No/N.A |
| 2.0.0 | Documents in original to be produced to the inspecting officer of DIC for verification (tick appropriate) | |
| 2.1.0. | Approval of Director of Factories & Boilers, No. & Date: | Yes/No/N.A |
| 2.2.0. | Approval of Director of Town & Country Planning / UD | Yes/No/N.A |
| 2.4.0 | Regular approval of Municipality or Gram Panchayat. | Yes/No/N.A |
| 2.5.0. | Consent for Establishment from APPCB | Yes/No/N.A |
| 2.6.0. | Consent for Operation from APPCB | Yes/No/N.A |
| 2.7.0. | Power release Certificate from APTRANSCO | Yes/No/N.A |
| 2.8.0. | Environmental clearance (if any) | Yes/No/N.A |
| 2.9.0. | Other statutory approvals (specify) | Yes/No/N.A |
| 3.0.0 | Provisional SSI Registration | Yes/No/N.A |
| 4.0.0 | Permanent SSI Regn. Certificate | Yes/No/N.A |
| 5.0.0 | Project Report | Yes/No/N.A |
| 6.0.0 | Term loan sanction letters | Yes/No/N.A |
| 7.0.0 | Board Resolution authorizing to sign and file claim etc., in case of Pvt./Ltd., Companies, Cooperatives and similar authorization in respect of partnership firms. | Yes/No/N.A |
| 8.0.0 | Registered land Sale deed/Premises Lease deed/Allotment Letters from APIIC/I.T.Parks | Yes/No/N.A |

9.0.0 In respect of first Public issue certificate issued
by appropriate authority on the date of issue. Yes/No/N.A
C.A. / C.E. Certificate regarding 2nd hand plant & machinery
C.E. Certificate for Self fabricated machinery

N.A: = Not Applicable

Signature of Authorised Person with firm / Office Seal

// Attested //

Inspecting Officer / General Manager.

**APPLICATION CUM VERIFICATION FOR REIMBURSEMENT OF INTEREST SUBSIDY
UNDER INDUSTRIAL INVESTMENT PROMOTION**

POLICY (IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0 Details of Industry:

1.1 Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0 Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0.Status:

3.1. Constitution of the Organisation (Pl. ☐ mark)

Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 PMT SSI Registration No:

Date:

4.0. Social Status (Pl. ☐ mark)

SC ☐ ST ☐ Women ☐ Others ☐

If SC, ST & Women please indicate % Share in the equity:

4.1 Details of the Director(s) / Partner(s):

	Name										Community	Share	%
i)													
ii)													
iii)													
iv)													

5. Fixed Capital Investment (in Rs.)

Nature of Assets	New /Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

6. Line of Activity.

	Line of activity	Installed Capacity (in units)	Value in Rs.
New /Existing Unit			
Expansion/ Diversification Project			
% of capacity increase under Expansion/ Diversification Project			

7	Details of Term loan sanctioned and availed:					
Type of loan	Name of the Financial Institution	Loan A/c No.	Sanction order No & Date	Amount sanctioned	Rate of Interest	Term loan released
1	2	3	4	5	6	7
8	Interest subsidy claimed:					
	Interest on Term loan for the half year ending	Rate of interest charged over & above the PLR		Interest paid	Eligible (3% or 5%)	Amount claimed

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of Interest Subsidy are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station :

Signature of Authorised Person

Date :

with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

- The following documents to be furnished:
 - a) Term loan Sanction letter
 - b) Certificate from financial institutions in prescribed form.
 - c) PMT SSI Registration

RECOMMENDATION:

Amount claimed in Rs. :

Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives and the claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

ANNEXURE: VII

**APPLICATION CUM VERIFICATION FOR GRANT OF SEED CAPITAL ASSISTANCE
UNDER INDUSTRIAL INVESTMENT PROMOTION POLICY (IIPP) – 2005-2010 SCHEME OF
ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0 Details of Industry:

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

1.3 Details of the Director(s) / Partner(s):

	Name	Community	Share	%
i)				
ii)				
iii)				
iv)				

2.0 Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0.Status:3.1. Constitution of the Organisation (Pl. ☐ mark)
Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 Provl. / PMT SSI Registration No:

Date:

3.4. Line of Activity.

	Line of activity	Installed Capacity	Proposed Capacity
Existing			
Proposed			

4.0.Status:

4.1. Social Status (Pl. ☐ mark)

SC ☐ ST ☐ Women ☐

If SC, ST & Women please indicate % Share in the equity.

4.1 Details of the Director(s) / Partner(s):

	Name	Community	Share	%
i)				
ii)				
iii)				
iv)				

5.0. Power

5.1. Power Supply Date

[illegible]

5.2. Unit Contacted load

[illegible]

5.3. Connected load

--	--	--	--	--	--	--	--	--

6.0. Approved / Estimated Project cost, Term loan sanctioned and released, assets acquired etc.

	Name of Asset	Approved Project Cost	Loan Sanct-ioned	Equity from promoters	Loan Amount Released	Value of assets acquired (as certified by financial institution.	Value of assets certified by Chartered Accountant
	1	2	3	4	5	6	7
6.1.	Land						
6.2.	Building						
6.3.	Plant & Machinery& Equipment						
6.4	Preliminary & Pre operative expenses						
6.5.	Tech. know how / feasibility study / Turnkey charges.						
6.6.	Working Capital						
6.7.	Others.						
	Total						

- 7.0. Means of Finance :
- 7.1. Equity from Promoters/Shareholders/
Partners. :
- 7.2. Seed Capital from Financing Institution
under National Equity Fund (NEF) scheme
:
- 7.3. Seed Capital grant from State Government
(@ 5% of the project cost limited to Rs. 5
lakhs) :
- 7.4. Unsecured loans if any :
Loans sanctioned (In Rs.) :
Total
8. Registration with Commercial taxes Department Registration,
APGST No. : Date
CST No. : Date
Concerned Authority : ACTO/C.T.O./D.C.T.O./Dy Commissioner
Address :

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of seed capital assistance are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station : Signature of Authorised Person
Date : with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

• **The following documents to be furnished:**

- a) Sanction letter of term loan and seed capital loan from Financial Institution.
- b) Community Certificate issued by concerned MRO for SC/ST Enterprenuers.
- c) Memorandum of Articles/Registered Partnership Deed
- d) PMT SSI Registration.

RECOMMENDATION:

1. Amount claimed in Rs. :

2. Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives. The claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

ANNEXURE: VIII**APPLICATION CUM VERIFICATION FOR REIMBURSEMENT OF SALES TAX UNDER
INDUSTRIAL INVESTMENT PROMOTION POLICY****(IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0. Details of Industry:**1.1. Name of the unit:**

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:**2.1 Office:**

2.2 Factory location:

3.0.Status:**3.1. Constitution of the Organisation (Pl. ☐ mark)**

Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:**3.3 PMT SSI Registration/IEM/IL No:**

Date:

4. Status of the Industry: (Pl. ☐ mark)

New Industry ☐ Expansion ☐ Diversification ☐

5. Fixed Capital Investment(in Rs.)

Nature of Assets	Approved Project cost for New Expansion/ Diversification Project	Existing project	New or Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land				
Building				
Plant & Machinery				
Total				

6. Line of Activity.

	Line of activity	Installed Capacity (in units)	% of increase under Expansion/ Diversification Project
New /Existing Unit			
Expansion/Diversification Project			

Note: In respect of Expansion/Diversification projects, units involving atleast 25% enhancement on fixed capital investment and Capacity are eligible for claiming incentives

7	Sales Tax Regn. No & Date APGST CST				
8	Installed capacity of the existing unit as certified by the financial institution/ chartered accountant				
9	Production details preceding three years before expansion/ diversification project as certified by the financial institution/ chartered accountant	Year	Units	Total production	
		1			
		2			
		3			
10	Sales Tax reimbursement already availed by unit if any.	1 st year (200 -20)			Rs.
		2 nd year (200 -20)			Rs.
		3 rd year (200 -20)			Rs.
		4 th year (200 -20)			Rs.
		Total			Rs.
11	Details of the tax paid by the unit for the preceding year as certified by Commercial Tax Department from the date of commencement of production:				
Year					
200 -20		200 -20		200 -20	200 -20
12	25% Reimbursement amount claimed by the unit	Rs.			

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of Reimbursement of tax are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station :

Signature of Authorised Person

Date :

with Firm /Office Seal.

• The following documents to be furnished:

- a) Statement of Accounts in prescribed form for the first time of the claim.
- b) List of plant & machinery for the first time of the claim.
- c) Civil valuation report in prescribed format duly certified by approved Civil Engineer for the first time of the claim.
- d) PMT SSI Registration /IEM / IL for the first time of the claim.
- e) Certificate from concerned CTO as prescribed at Form – A.
- f) Production Particulars for the last –3- years and Column No. 5 & 6 of the application duly certified by Chartered Accountant for the first time of the claim.

RECOMMENDATION:

1. Amount claimed in Rs. :

2. Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives and the claim is in order. The computation of capital cost has been done as per the provisions under the scheme and within the ceiling limit. I recommend sanction of incentives.

Signature of General Manager.

**APPLICATION CUM VERIFICATION FOR REIMBURSEMENT ON EQUIPMENT
PURCHASED FOR TECHNOLOGY UPGRADATION UNDER INDUSTRIAL INVESTMENT
PROMOTION POLICY (IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0. Details of Industry:

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0. Status:3.1. Constitution of the Organisation (Pl. ☐ mark)

Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 PMT SSI Registration No:

Date:

4.0. Status of the Industry: (Pl. ☐ mark)

New Industry ☐ Expansion ☐ Diversification ☐

5. Fixed Capital Investment (in Rs.)

Nature of Assets	New /Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

6.0. Line of Activity.

	Line of activity	Installed Capacity (in units)	Value in Rs.
New /Existing Unit			
Expansion/Diversification Project			
% of capacity increase under Expansion/Diversification Project			

7 Details of Equipment Purchased for technology upgradation.

Sl. No	Name of the equipment	Name & address of the supplier	Bill No. & Date	Cost of the Equipment in Rs.	APGST / CST in Rs.	Excise Duty in Rs.	Freight Charges in Rs.	Other Charges in Rs.	Total in Rs.
1	2	3	4	5	6	7	8	9	10
1									
2									
3									
4									

8 Amount of subsidy sanction by SIDBI under CLCS scheme in Rs.

9 Amount of subsidy claimed in Rs.

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of Reimbursement are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station :

Date :

Signature of Authorised Person

with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

- The following documents to be furnished:

- a) Original purchase Bills and payment proof duly certified by the Financial Institution.
- b) PMT SSI Registration.
- c) Single Window approvals.

RECOMMENDATION:

1. Amount claimed in Rs. :

2. Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives. The claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

APPLICATION CUM VERIFICATION FOR REIMBURSEMENT OF CERTIFICATION CHARGES FOR ACQUIRING QUALITY CERTIFICATION COST UNDER INDUSTRIAL INVESTMENT PROMOTION POLICY

(IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327 Industries and Commerce (IP) Dept., dated.13/12/2005)

1. (a) Name and Address of the Unit :
(Office & Factory Location(s))

(b) Telephone No. Factory & Office :

(c) E-mail & Fax No :

2 PMT SSI Registration/IEM/IL/EOU No :
Date :
(Enclose an attested copy)
3. Item(s) of manufacture/processing As indicated in the PMT SSI/IEM/IL/EOU registration
4. Proof of functional status of the unit as on the date of submission of Application.
(A certificate (in original) from State DI/GM,DIC Confirming functional status of the unit at the time of acquiring ISO-9000/ISO 14001/HACCP – certificate)
5. **Details of ISO 9000/ISO 14001/HACCP Certificate**
Name and address of certification agency :
The Certificate must have address of the site/location certified: Scope of certification, Certificate No, date of issue & period of validity (or date of expiry) Name & Logo & Number of the Accreditation Body/Board.
(Enclose an attested copy of the Certificate)
6. Details of expenditure incurred in acquiring ISO-9001/ISO-14001/HACCP Certificate (excluding Hotel & Travel expenses & Surveillance charges) Furnish a CA certificate of expenditure (in original) giving the details along with bills and vouchers and proof of payment.
7. Details of reimbursement/grant/subsidy already received, if any, from Centre Govt. (including DC(SS)I /State Govt./ Financial Institution etc. For acquiring ISO-9001/ISO-14001/HACCP Certificate (furnish, an Undertaking/declaration (in original) from the Managing Director/ Director Proprietor/Partner of the unit duly sworn before a Notary.

DECLARATION

(full name).....S/o Managing Director/ Director Proprietor / Partner is(complete address) hereby declare that the particulars given in the application are correct. In case any of the statement/information furnished in the application / documents later found to be wrong or incorrect or misleading, I do hereby bind myself and my unit to pay to the Government on demand the full amount received as reimbursement in respect of above mentioned activity, within seven days of the demand being made to me in writing.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of Quality certification charges are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station :

Date :

Signature of Authorised Person

with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

1) Note :The copy of SSI/IEM/IL/EOU Certificate, ISO -Certification must be attested by GM, DIC concerned.

RECOMMENDATION:

Amount claimed in Rs. :

Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives. The claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

ANNEXURE: XI

**APPLICATION CUM VERIFICATION FOR REIMBURSEMENT ON EQUIPMENT
PURCHASED FOR CLEANER PRODUCTION MEASURES UNDER INDUSTRIAL
INVESTMENT PROMOTION POLICY (IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH**
(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005)

1.0. Details of Industry:

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0.Status:2.1. Constitution of the Organisation (Pl. ☐ mark)
 Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 PMT SSI Registration/IEM/IL No:

Date:

4. Status of the Industry: (Pl. ☐ mark)
 New Industry ☐ Expansion ☐ Diversification ☐
5. Fixed Capital Investment(in Rs.)

Nature of Assets	New /Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

6. Line of Activity.

	Line of activity	Installed Capacity (in units)	Value in Rs.
New /Existing Unit			
Expansion/Diversification Project			
% of capacity increase under Expansion/Diversification Project			

7 Details of Equipment Purchased for Cleaner production measures:									
Sl. No	Name of the equipment	Name & address of the supplier	Bill No. & Date	Cost of the Equipment in Rs.	APGST / CST in Rs.	Excise Duty in Rs.	Freight Charges in Rs.	Other Charges in Rs.	Total in Rs.
1	2	3	4	5	6	7	8	9	10
1									
2									
3									
4									

8 Amount of subsidy claimed in Rs.(25% limited to Rs. 5.00 lakhs)

--	--	--	--	--	--	--

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for. I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of Reimbursement are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station :

Signature of Authorised Person

Date :

with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

- The following documents to be furnished:

- a) Original purchase Bills and payment proof duly certified by the Financial Institution in case of Bank Finance or C. A. in case of Self Finance.
- b) PMT SSI Registration/IEM/IL.
- c) Single Window approvals.

RECOMMENDATION:

Amount claimed in Rs. :

Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives. The claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

**APPLICATION CUM VERIFICATION FOR REIMBURSEMENT OF EXPENSES INCURRED
FOR PATENT REGISTRATION UNDER INDUSTRIAL INVESTMENT PROMOTION
POLICY (IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

1.0. Details of Industry:

1.1. Name of the unit:

1.2 Name of the Managing Director / Managing Partner / Proprietor:

2.0. Address of the Unit:

2.1 Office:

2.2 Factory location:

3.0.Status:3.1. Constitution of the Organisation (Pl. ☐ mark)
Proprietary ☐ Partnership ☐ Pvt. Ltd. ☐ Limited ☐ Coop. ☐

3.2 Date of Commencement of Production:

3.3 PMT SSI Registration/IEM/IL No:

Date:

4. Status of the Industry: (Pl. ☐ mark)
New Industry ☐ Expansion ☐ Diversification ☐

5. Fixed Capital Investment(in Rs.)

Nature of Assets	New /Existing Unit	Expansion/ Diversification Project	% of increase under Expansion/ Diversification Project
Land			
Building			
Plant & Machinery			
Total			

6. Line of Activity.

	Line of activity	Installed Capacity (in units)	Value in Rs.
New /Existing Unit			
Expansion/Diversification Project			

7 Date of patent registration obtained:

8 Patent registration No.

9 Line of activity

10 Expenditure made on patent registration with detailed heads. in Rs.

11. Amount Claimed in Rs.

DECLARATION

I / We hereby confirm that to the best of our knowledge and belief, information given herein before and other papers enclosed are true and correct in all respects. We further undertake to substantiate the particulars about promoter(s) and other details with documentary evidence as and when called for.

I/We hereby agree that I/We shall forthwith repay the amount to me/us under scheme. If the amount of patent registration are found to be disbursed in excess of the amount actually admissible whatsoever the reason.

Station :

Signature of Authorised Person

Date :

with Firm /Office Seal.

CHARTERED ACCOUNTANT CERTIFICATE

I/We hereby confirm that I/We have examined the prescribed registers, books of account and the bank statement in respect of the above unit.

I/We fully understand that any submission made in this certificate if proved incorrect or false, will render me/us liable to face any penal action or other consequences as may be prescribed in the law or otherwise warranted.

Signature & Stamp/seal of the Signatory_____

Name_____

Membership No._____

Full address_____

Name and address of the Institution where registered.

Date:

Place:

- The following documents to be furnished:

- Copy of patent registration certificate and payment receipts.
- PMT SSI Registration/IEM/IL.
- Single Window approvals.

RECOMMENDATION:

1. Amount claimed in Rs. :
2. Amount recommended in Rs. :

Designation & Signature of inspecting Officer.

Remarks of the General Manager :

The applicant unit is eligible for said incentives. The claim is in order. The computation of capital cost has been done as per the provisions under the scheme only. I recommend sanction of incentives.

Signature of General Manager.

TO BE FILLED ALONG WITH CLAIM FOR AIDED UNITS

STATEMENT OF ACCOUNTS IN RESPECT OF AIDED UNITS:

Date:

1. Name & Address of the Unit :

2. Term loan sanction :

Date of filling Date of Amount Sanctioned (in Rs.)
of application Sanction

1st Loan

2nd Loan

3rd Loan etc.

3. Project cost, loan sanctions and release, assets acquired (in Rs.)

Nature of Asset	Approved Project Cost (Original)	Quantum of Loan Sanctioned	Institution Margin	Loan Received	Assets Acquired to the extent of Loan Released	Assets which form Part of approved Project Cost but loan was not drawn	Total acquired.
1	2	3	4	5	6	7	8
Land							
Buildings							
Plant & Machinery							
Machinery contingencies							
Erection							
Technical know-how, feasibility study,							
Vehicles							
Total							

4) If the Project is revised, the details. (in Rs.)

Nature of Asset	Revised Approved Project Cost (Original)	Addl. Part of Approved Project Cost	Quantum of Addl. Loan Sanctioned	Quantum of Addl. Loan Received	Proportionate Asset Acquired to the Addl. Loan Released	Assets which form Part of approved Project Cost but loan was not drawn	Total Assets acquired .
1	2	3	4	5	6	7	8
Land							
Buildings							

Plant & Machinery							
Machinery contingencies							
Erection							
Technical know-how, feasibility study,							
Vehicles							
Total							

5. Details of assets:

- a) Land :
 Extent purchased :
 Extent considered (in Rs.) :

b) Buildings:

Valuation (Abstract) item-wise with plinth areas, value, etc.

To be furnished in the form, in case of revised project, the additions are to be separately.

c) Plant and Machinery:

- i) Statements on machinery including erection, freight transportation on which term loan was released in the prescribed form given hereunder.
- ii) Statements on machinery including erection, freight transportation on which term loan was not utilised but they form part of approved project cost in the form given hereunder .

Sl. No.	Name of the machine with Specifications	Date of Placement of Order	Name of the Supplier	Bill No. & Date	Amount of the bill including freight, insurance, taxes, etc. (in Rs.)

* Separate statements on (i) & (ii) above to be furnished.

For self fabricated Machinery, certificate be affixed on the minimum life and cost reasonableness of each item with specification of such machinery.

TO BE FILLED WITH CLAIM APPLICATION BY ALL UNITS.
(CIVIL ENGINEER'S CERTIFICATE)

I hereby certify that M/s.

(Name of the industrial unit with complete address)

as against the estimated cost of Rs. (Rupees.....
..... only) has completed the civil work

(address) as on

Under:-

1. Value of completed Civil works as per the estimate
(Item wise details) of the building and civil work
completed (With plinth area must be shown)
Rs.
 - a)
 - b)
 - c)
 - d)
2. Expenditure incurred on other items excluding the
item shown in (1) above pertaining to a factory
construction. Details of each item to be shown.
 - a)
 - b)
 - c)
 - d)

Total Rs.

Place :

Date :

Civil Engineer of the Financing Institution /
Chartered Engineer.

Note: In respect of Expansion / Diversification, the value of Civil works should be on the additional constructions taken up for the purpose of Expansion / Diversification only.

FORM - A

**APPLICATION-CUM CERTIFICATION OF SALES TAX DEPARTMENT SHOWING THE
TAX PAID BY THE UNIT FOR AVAILING REIBURSEMENT UNDER INDUSTRIAL
INVESTMENT PROMOTION POLICY
(IIPP) – 2005-2010 SCHEME OF ANDHRA PRADESH**

(G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005)

YEAR – 200 - 20

From : (Name of the Unit)
..... (Address)

To : The Commercial Tax Officer,

_____ (Address)

Sir,

I am to request you to Certify for reimbursement of 25% tax under the Scheme of Industrial Investment Promotion Policy 2005-2010.

1. Name of the Unit and Address :

2. Name of the goods manufactured :
in Andhra Pradesh in his own Unit.

3. Item wise production details during the Year:	units	Qty.
	1.	
	2.	
	3.	
	Total :	

4. Sales Tax paid by the unit under the
Andhra Pradesh Sales
Tax Act, for the year. : 200 -- 20

(a) Tax paid on sales by it in : Rs.
respect of goods manufactured (in figure)
by the unit in Andhra Pradesh for (Rupees.....)
the year (in words)

(b) Central Sales Tax paid by it on : Rs.
Sales in the course of inter (in figure)
State trade or commerce made (Rupees)
from within Andhra Pradesh for the (in words)
year.

5. Name of the Bank with its branch :
Name and bank account No. through
Which the payment was made.

6. Registration Certificate No. of the :
Dealer under the Andhra Pradesh Sales
Tax Act. / the Central Sales
Tax Act,

I duly verify that all the facts and figures furnished above are correct.

Station :

Signature of Authorised Person

Date :

with Firm /Office Seal.

(Proprietor/ Partner/ Karta of H.U.F./ Managing Director/ Director/ Principal Officer)

(Strike out whichever is not applicable)

CERTIFICATE

It is certified that all the facts and figures furnished by the unit is verified with the records and found correct. The above unit has paid the Sales Tax amount of Rs._____ and also there is no due for the year – 200 - 20 .

Place:

Date:

COMMERCIAL TAX OFFICER
(concerned)
Office Seal.

FORM - B
FORMAT FOR SELF CERTIFICATION UNDER THE PROVISIONS OF
G.O.Ms.No.178 Industries and Commerce (IP) Dept., dated.21/06/2005 read with G.O.Ms.No.327
Industries and Commerce (IP) Dept., dated.13/12/2005

1	Name of the Industrial Unit			
2	Location			
3	PMT/SSI/IEM Acknowledgment/IL No. & Date			
4	Details of Power:			
	Existing Power connection in HP	New / additional power connection in HP	Date of new/addl. power connection released.	Name of the power supplying company.
5	Date of commencement of regular production			
6	Line of Activity			

C E R T I F I C A T E

- i. Certified that we have complied / are complying with all the provisions of G.O.Ms.No.178 Inds. & Com.(IP) Department, Dated:21/06/2005 read with G.O.Ms.No.327 Inds. & Com.(IP) Department, Dated:13/12/2005 made there under, in addition to those specifically mentioned above.
- ii. I/We hereby confirm that the contents mentioned above are true to the best of my / our knowledge.
- iii. I/We abide by the provisions under the Industrial Investment Promotion Policy of Govt. of Andhra Pradesh and further abide by the change/modifications made by the State Government under G.O.Ms.No.178 Inds. & Com.(IP) Department, Dated:21/06/2005 read with G.O.Ms.No.327 Inds. & Com.(IP) Department, Dated:13/12/2005 and also abide by the decisions of Industries & Commerce Department.
- iv. I/We am/are authorized person(s) to issue the above Certificate and the above Certificate is issued with full knowledge of the Statute. I/We am/are jointly and severally responsible for any information found incorrect subsequently and liable for prosecution under the provisions Acts/Code and Rules.
- v. I/We undertake to Refund the concessions claimed if found were obtained by misrepresentation of facts or in case of misuse.

AUTHORISED SIGNATORY:

Name:.....

Designation:.....

Date:.....

Seal:.....

ADVANCED STAMPED RECEIPT
(Paras 21.3, 21.4 & 21.5 of Guidelines)

Received Rs. _____ (Rupees _____ only) towards
_____ Sanctioned to M/s. _____ vide
Proceedings No. _____ Date _____ of Additional Director of Industries
/ General Manager, DIC, _____ under the New Scheme of Industrial Investment
Promotion Policy, vide G.O.Ms.No.178, Inds. & Com. (IP) Dept., Dated 21/06/2005 read with
G.O.Ms.No.327, Inds. & Com. (IP) Dept., Dated 13/12/2005 cheque No. _____
date. _____ from the M.D., APSFC with thanks.

Date :

Authorised Signatory.

Place:

(on Re. 1/- Revenue Stamp)
// Attested //

GENERAL MANAGER. DIC.

TO BE FILLED ON RECEIPT OF SANCTION PROCEEDINGS.
Assignment letter.
(Paras 21.3, 21.4 & 21.5 of Guidelines)

We wish to state that we have obtained bridge loan from _____
_____ (Name of the Financial Institution / Bank) / Not obtained Bridge
loan from any bank or financing Institution against the State Investment Subsidy (Sanctioned under
G.O.Ms.No.178, Inds. & Com. (IP) Dept., Dated 21/06/2005 read with G.O.Ms.No.327, Inds. & Com.
(IP) Dept., Dated 13/12/2005. We have availed the term loan from (Name _____ of the
Financial Institution / Bank). Kindly send the cheque towards payment of sanctioned
_____, to us through Bank / Branch
Name) _____ for being credited to our account.

Date:

Authorised Signatory. Place:
(on Re.I/- Revenue Stamp)

// Attested //

GENERAL MANAGER. DIC.

UTILISATION CERTIFICATE 1.

Name of the Industry with address:

2 SSI / IEM/IL (Registration No. and Date):

3 Type of sanctioned incentives/concessions:

4 Proceedings No. :

Date :

Amount in Rs.:

5 _____ sanctioned received Cheque No. :

Date :

Amount :

Certified that the said _____incentives/concessions received by us has been fully utilised for the purpose for which it was sanctioned towards the development of the industry as detailed below.

	Purpose	Amount utilised
1.		
2.		
3.		

Signature of the Authorised Person with the
Firm/Office Seal.

ACKNOWLEDGMENT:

Received Incentives claim Application from

M/s.....

.....

.....

.....Datedon.....

Receiver's Signature with Date stamp of DIC.

To be filed along with Interest Subsidy claim

(Para 5.3.0 of Guidelines Certificate Term Loan)
CERTIFICATE FOR TERM LOAN

It is to certify that M/s..... the Small Scale Industrial unit engaged in the manufacture of have been sanctioned a sum of Rs. by our financial institution vide sanction No..... dt Towards term loan under loan account No..... The unit has repaid principal amount together with interest as detailed below.

Details of disbursements against the sanctioned loan.

Sl.No.	Date of Disbursements	Amount Disbursed	Date of Commencement of Production
1			
2			
3			
4			
Total Amount Disbursed Rs.			

Demand						Payment of Interest						
Term Loan	Total Amount availed	PLR	Rate of Interest	No.of Installments fixed for Repayment	Due date of installment of principal amount	Amount of the installment of principal amount become due	Interest chargeable on the due date of the installment of principal amount (interest against each installment of be shown separately)	Sl.No. of installment	Date of payment of Principal Amount	Principal Amount paid	Date of payment of Interest Amount	Interest Amount paid
1	2		3	4	5	6	7	8	9	10	11	12
1												
2												
3												
4												

- a) Certified that the Interest shown under the demand column is calculated on the principal amount due only but not on loan amount outstanding which includes interest not paid on due date(s) and added to the loan account i.e., compound in affect was not resulted in due to non-payment of interest / principal on due date(s) while calculating the interest.

Certifying Officer
(Name of the Financial Institution)

To be filed along with claim application by the self financed units

Statement of plant, Machinery & Equipment (P.M.E) Purchased and installed by
M/s.....

In the Industry located at

A. NEW PLANT, MACHINERY & EQUIPMENT

Sl.No.	Name & Specification of Machinery Equipment	Date of Placement of Order	Name and Address of Supplier	Bill No. & Date	Basic Cost (Rs.)	Taxes Duties (Rs.)	Insurance (Rs.)
1	2	3	4	5	6	7	8

Freight (Rs.)	Others (Rs.)	Total (Rs.)	Whether Cash / Credit Purchase	Payments made against Credit Purchase, Cheque/DD/ No. & Dt.	Receipt No. & Date in token of receipt of amount by Supplier	In respect of other than the machines the purpose for which used	Remarks
9	10	11	12	13	14	15	16

B. SECOND HAND PLANT, MACHINERY & EQUIPMENT

Sl.No.	Name & Specification of Machinery Equipment	Date of Placement of Order	Name and Address of Supplier	Bill No. & Date	Basic Cost (Rs.)	Taxes Duties (Rs.)	Insurance (Rs.)	Others
1	2	3	4	5	6	7	8	9

Total (Rs.)	Whether Cash / Credit Purchase	Payments made against Credit Purchase, Cheque/DD/ No. & Dt.	Receipt No. & Date in token of receipt of amount by Supplier	In respect of other than the machines the purpose for which used	Depreciated Value	Minimum Life	Remarks
10	11	12	13	14	15	16	17

Signature of the Applicant

C. SELF FABRICATED MACHINERY (STATEMENT OF MATERIALS PURCHASED & WAGES PAID BE APPENDED)

Sl.No.	Name & Specifications of the Item Fabricated	Cost. (in Rs.)
1.	2.	3.

Signature of the Applicant

CERTIFICATES:

i) Verified and certified that the depreciated value of each purchase reflected at column 15 of 'B' are correct

ii) Verified and certified that the minimum life of each purchase of second hand machinery reflected at column 16 of 'B' are correct

iii) Verified and certified that the minimum life and cost reasonableness of self fabricated machinery reflected under 'C' are correct.

Signature of Chartered Accountant with Seal affixed

Signature of Chartered Engineer with seal affixed

Signature of Chartered Engineer with seal affixed

ANNUAL PERFORMANCE REPORT

(Industrial Investment Policy – 2005-2010 (G.O.Ms.No.178, Inds. & Com. (IP) Dept., Dated 21/06/2005 read with G.O.Ms.No.327, Inds. & Com. (IP) Dept., Dated 13/12/2005)

1. LSI / MSI / SSI (Registration No. & Date.)
2. Report for the Year Date of receipt.
3. Incentives received

Capital Subsidy

Sales Tax Reimbursement:

Power Consumption Reimbursement:

Stamp Duty Reimbursement:

Land cost Reimbursement in IE/IDAs:

Name of the industry with full postal address	Change in location of unit or change in management if any	If there is break in production period from _____ to _____ and reasons	Production Quantity / unit	Value (Rs.)	Employment		Sales Quantity / unit	Value (Rs.)	Percentage Capacity Utilisation	Quantum _____ utilised	Remarks
					Permanant	Temporary					
1	2	3	4	5	6	7	8	9	10	11	12

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – Food Processing Policy of Andhra Pradesh State – Fresh Policy – Orders – Issued

INDUSTRIES & COMMERCE (FP) DEPARTMENT

GO Ms.No.179.

Dated: 22-06-2005.
Read the following:

1. GO Ms.No.333, Industries & Commerce (C&EP) Department, dated 14-11-2003.
2. GO Ms.No.55, Industries & Commerce (C&EP) Department, dated 05-03-2004.
3. From the Commissioner of Industries, Andhra Pradesh, Hyderabad Single File No.30/3/2005/0565, dated 20-06-2005.

ORDER:

In the GO first read above, orders were issued on Food Processing Policy of Andhra Pradesh State and extending various incentives and concessions to the Food Processing Industries in the State. In the GO second read above operational guidelines were also issued for implementation of the Food Processing Policy in the State.

2. The Commissioner of Industries, Andhra Pradesh, in the single file third read above has reported that some of the Food Processing Industries in the State have approached the Hon'ble High Court of Andhra Pradesh. Keeping in view of the all consequences in view, the Commissioner of Industries, has requested the Government to consider the earlier Policy and issue necessary fresh orders on the Food Processing Policy of the Andhra Pradesh.

3. Government, after careful examination of the matter in detail, have decided to evolve a fresh Food Processing Policy of Andhra Pradesh State by superseding the orders issued in the GO first read above and the operational guidelines issued in the GO second read above.

4. Accordingly, in supersession of the orders issued in GO first read above and consequent operational guidelines issued in GO second read above, approved the fresh State Policy on "Food Processing Industries" as detailed below:

1. Coverage:

The Policy will cover the following activities and areas:

HORTICULTURE:

Fruit & Vegetable processing

Fruit based ready to serve beverages.

Tissue culture Laboratories/Green houses/Green house nurseries/Mushroom Laboratories/Seed production units based on modern scientific methods to meet industry standards

Wine making

AGRICULTURE:

Food grain milling/processing

Using modern technology and equipment (except Rice Mills)

Alcohol for blending with fuels.

ANMIMAL HUSBANDRY

Dairy products

Processing of poultry, eggs, meat and meat products

FISHERIES

Fish processing including shrimps

AGRO FOOD PROCESSING INDUSTRIES:

Bread, Oilseed meals (edible), breakfast foods, biscuits, confectionery, including cocoa processing and chocolate, oil expellers and refining, malt extract, protein isolates, high protein foods, weaning foods, extruded/other ready to eat food products and all other processed foods (excluding non packed food items served in Hotels and Restaurants of all categories)

ALLIED INDUSTRIES:

Cold Storage unit

Refrigerated Transport vehicles containers; (excluding second hand

Refurbished vehicles/containers)

Units manufacturing food grade packaging materials for food processing

Industry

Units engaged in packaging, canning and bottling of process foods.

Units manufacturing additives/preservatives/colors/fragrances for the processed food industry

Biotechnology industries

2. INCENTIVES AND CONCESSIONS:

Reimbursement of cost of power for all eligible units shall be allowed @Re.1.00 per unit as against Re.0.75 per unit as provided for the other eligible industries under IIPP.

5. The Fresh Food Processing Policy will come into effect from 01-04-2005. The reimbursement of cost of power shall be extended for a period of five years from the date 01-04-2005. The Food Processing unit those, which have gone into commercial production after 14-11-2003, shall be eligible for reimbursement of cost of power.

6. The Commissioner of Industries shall be the Nodal Agency to implement the fresh Policy.

7. The State Level Committee of the industries Department shall decide and finalize all cases relating to the incentives/benefits to the Food Processing Industries in the State.

8. The Commissioner of industries, Hyderabad shall evolve a separate coding (Bar Coding) procedure for Food Processing Industries in the State.

9. Operational guidelines for the implementation of the fresh Food Processing Policy shall be issued separately.

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

D. LAXMI PARTHASARADHI
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, Hyderabad.

All Principal Secretaries/Secretaries to Government.

All Heads of Departments.

All Collectors

All Departments in Secretariat.

The Accountant General, Andhra Pradesh, Hyderabad.

The Vice Chairman & Managing Director, Andhra Pradesh State Industrial Infrastructure Corporation Limited, Hyderabad.

The Vice Chairman & Managing Director, Andhra Pradesh State Financial Corporation Limited, Hyderabad.

The Vice Chairman & Managing Director, Andhra Pradesh State Industrial Development Corporation Limited, Hyderabad.

Copy to:

The Secretary to Government of India, Ministry of Food Processing Industries, Panchsheel Bhavan, August Kranti Marg, New Delhi-110 049.

Principal Secretary Chief Minister.

P.S. to Minister for (Major Industries / Agriculture / Horticulture / Energy / SSI / Fisheries / Animal Husbandry)

P.S. to Chief Secretary.

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Deptt.

P.S. to Secretary to Government, Industries & Commerce Department.

The Government Pleader for Industries & Commerce, High Court of A.P. Hyderabad. For information.

Sc./sf.

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

INDUSTRY - State incentives for setting up of new industries - Allowing Incentives to Industrial limits who manufactures, combination of products partly eligible and partly ineligible for grant of Incentives - Orders - Issued.

INDUSTRIES & COMMERCE (I.P.) DEPARTMENT

G.O.Ms.No. 20

Dated: 31-1-1997
Read the following:

- 1) G.O.Ms.No.108, Industries & Commerce, (IP) Department, dated:20-5-1996.
- 2) Minutes of the S.I.P.C. meeting held on 8-1-97.
- 3) Minutes of the S.I.P.B. meeting held on 18-1-1997.

ORDER:

In the G.O. first read above and Government have introduced a new Industrial Policy called "TARGET 2000" in order to accelerate Industrial Development of the State of Andhra Pradesh, Composite units set up for manufacturing an eligible item along with an ineligible item, are not eligible for the incentives as per the provisions of the said G.O. (Sl. No. 55 of the Ineligible List).

- 2) M/s. Asian Paints (India) Limited, represented that they shall not manufacture ineligible item in the expanded portion of the unit and shall not increase the production level of such products in the existing plant. The Company have further informed that the proportion of production of ineligible items (Thinner and varnishes) is only 1.87 of their total production of eligible items (paints). They have therefore requested for a clarification whether these expansions will be covered for incentives under G.O. Ist read above.
- 3) The above proposal was placed before the S.I.P.C. and S.I.P.B. meetings held on 8-1-1997 and 18-1-1997 respectively. The Board after detailed deliberations decides to extend State Incentives under the "TARGET 2000" scheme to such of the units in whose cases cost of proportion of ineligible items to total production is less than 10% in terms of value.
- 4) Government after careful examination of the above proposal, hereby order amending Sl. No. 55 of the G.O. first read above as under:

"55 Composites units set up for manufacture of an eligible item along with ineligible item except when the proportion of ineligible items in the total production is less than 10% in value of the total turn-over."

- 5) This order issues with the concurrence of Finance & Planning (FW) Department vide their U.O.No. Secretary, Finance (R&E) No.219, dt: 29-1-1997.

(BY ORDER AND I N THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

P.C. PARAKH

Principal Secretary to Govt. &
Commissioner for Industrial Promotion.

To:

The Commissioner of Industries,
Andhra Pradesh, Hyderabad.

The Accountant-General, Andhra Pradesh, Hyderabad

The P.S. to Chief Secretary to Government.

The Secretary to Chief Minister.

All Private Secretaries to Ministers.

Copy to:

The Pay & Accounts Officer, Hyderabad

The Finance & Planning (FW) Department

All Departments of Secretariat

SF/SOs

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

INDUSTRIES - Target 2000 - New Industrial Policy 1995 - Scheme of State Incentives for setting up of new industries in Andhra Pradesh - Constitution of Standing Scrutiny Committee for incentive claims - Orders - Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.319

Dated:29/12/2004
Read the following:

1. G.O.Rt.No.732, Inds. & Com (IP) Dept., Dt: 20/10/1998
2. From the Commissioner of Industries SFS No.20/1/2000/0945/0945,
Dt:12/8/2004.

ORDER:

In the reference Ist read above, Government have constituted a Standing Scrutiny Committee comprising of the following Members:

1. Representative of Andhra Pradesh Industrial Development Corporation Ltd.,
(GM cadre)
2. Representative of Andhra Pradesh State Financial Corporation Ltd.,
(GM, cadre)
2. Additional Director of Industries (Member - Convenor)

The above committee would super check only such cases, which are referred to it by the Commissioner of Industries and submit its report/findings to the Commissioner of Industries within 30 days.

The Commissioner of Industries in the reference 2nd read above, has requested the Government to include a representative from Commercial Tax Dept., (not below the rank of Dy. Commissioner of Taxes) as a Member of the Standing Scrutiny Committee, in place of representative of APIDC (GM Cadre).

After careful examination, Government herewith in cancellation of earlier orders issued in G.O. Ist read above, constitute the Standing Scrutiny Committee with the following members.

1. Commercial Tax Officer Concerned
2. Representative of Andhra Pradesh State Financial Corporation Ltd., (GM cadre)
3. Additional Director of Industries (Member-Convenor)

This order issues with the concurrence of Rev. (CT) Dept., vide their U.O.No.39577/CT II(2)/2004-1, Dt:27/11/2004.

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

K.V.RAO
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Commissioner of Industries, A.P., Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Additional Director of Industries,
O/o. the Commissioner of Industries, Hyderabad
The Managing Director,
Andhra Pradesh State Financial Corporation Ltd., Hyderabad

The Vice Chairman and Managing Director,
Andhra Pradesh Industrial Development Corporation Ltd., Hyderabad
The Vice Chairman and Managing Director,
Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad
The All Commercial Tax Officer's
(through Commissioner of Commercial Taxes, Hyderabad)
All Dist. Collectors
The Accountant General, A.P., Hyderabad
The Pay and Accounts Officer, A.P., Hyderabad
The Finance (Exp. I&C) Department
The Industries & Commerce (L&B) Department
SF/ SC.

GOVERNMENT OF ANDHRA PRADESH
COMMISSIONERATE OF INDUSTRIES :: HYDERABAD

CIRCULAR MEMO NO.20/1/2000/0945/0945/FD, DATED: 10/08/2000

SUB: TARGET 2000 - SANCTION OF INCENTIVES TO INDUSTRIAL UNITS -
PROCESSING OF CLAIM APPLICATIONS IN RESPECT OF SELF-
FINANCED UNITS - INSTRUCTIONS - ISSUED.

As per the existing procedure, we have been processing the claim applications in respect of Self Financed Units by taking into consideration the Fixed Capital Investments towards Approved Project Cost mentioned in the Provisional SSI Registration in case of SSI units and in case of Large & Medium Scale Industries, the values mentioned in the Project Report prepared by APITCO and also on certification of the Chartered Accountant. In certain cases, we are also considering the project cost as furnished by the Financial Institution / Bank who have financed the unit for working capital limits.

As the scheme of Target-2000 had expired by 31/03/2000, a large number of applications of industrial units who have gone into production on or before the stipulated date will be filing the claims for sanction of incentives. In the process, there is every possibility that ineligible units may also try to take advantage of the situation. The issue has been examined in detail and it was decided to constitute the Committees for scrutinising the claim applications of self financed units and forward the claim applications through General Manager concerned in order to avoid bogus or false claims.

- In respect of SLC Cases of Ranga reddy District that are to be sanctioned at Commisisoner's level, the following Sub-Committee of SLC will inspect the furnish report
 - a. Additional Director of Industries (R) - Convenor
 - b. Representative of Commissioner, Commercial Taxes Dept.,
 - c. Sri T.V.R. Murthy, President, FAPSIA
 - d. General Manager, District Industries Centre, Rangareddy Dist.
- In respect of SLC Cases of other Districts that are to be sanctioned at Commissioner's level, the Standing Scrutiny Committee constituted by the Govt. vide G.O.No.732, dt: 20/10/98 of Inds. & Com. Dept., with the following members will inspect and furnish report.
 - a. Additional Director of Industries (V) ... Member Convensor
 - b. Representative of APSFC (GM Cadre)
 - c. Representative of APIDC (GM Cadre)
- In respect of SLC cases that are to be sanctioned at Addl.Director's level, all the self financed cases are being returned to concerned GM, DICs separately. The Multi Disciplinary Committee consisting of the following 3 members will inspect the units and submit the report along with recommendation of the GM, DIC. This Committee will also inspect all self finance cases at DLC level also before placing them in DLC.
 - a. Representative of General Manager, DIC concerned
 - b. Representative of Commercial Taxes Dept., of the district.
 - c. Representative of APSFC local Branch.

The above Committees shall inspect the unit with reference to the Bills / Vouchers furnished by the unit holder and verify the genuineness of the claims. All the General Managers are therefore

directed to resubmit the claim applications of the industrial unit with revise recommendation after inspection of the Committee.

SD/- T.S. APPA RAO, IAS
COMMISSIONER OF INDUSTRIES

TO
THE GENERAL MANAGER
DISTRICT INDUSTRIES CENTRE

Copy to SF

**GOVERNMENT OF ANDHRA PRADESH
INDUSTRIES & COMMERCE (IP) DEPARTMENT**

Memo No.27099/IP/A2/97-2

Dated: 15-6-1998

Sub: Incentives - New Comprehensive Scheme of State Incentives for setting up of new industries in Andhra Pradesh - Guidelines under the Scheme - Revised definition to para 6.3.2 - Issued.

- Ref: 1) G.O.Ms.No. 317, Industries & Commerce (IP) Department,
dated:14-9-1993.
2) Govt. Memo No.27099/IP/A2/97-1, Industries & Commerce Dept.,
dt:25-12-1997.
3) From the Commissioner of Industries note Dated: 16-5-1998.

In the Memo 2nd cited definition for the words "Separate Identifiable Investment" mentioned in para 6.3.2 of the guidelines issued in the G.O. Ist cited, under new comprehensive scheme of State Incentives for setting up of new industries in Andhra Pradesh was issued.

In the reference 3rd cited, Commissioner of Industries has reported that there is no clarify with regard to the extendability of the definition of projects using common utilities and has therefore requested to issue orders rendering clarify to the definition.

The Government have examined the matter and in supersession of the definition issued in para (3) of the memo 2nd cited issued the following definition to "Separate Identifiable Investment" mentioned in para 6.3.2 of the guidelines issued in the G.O. Ist cited.

"The words "SEPARATE IDENTIFIABLE INVESTMENT" shall mean that the unit should not have any production linkage with the existing manufacturing process and the product should be a separate product itself with independent marketability. The new unit should be in a separate building, should maintain separate books of accounts and the project should be appraised independently by financial institution as a viable project. A new project will not, however, be regarded as a "Separate Identifiable Investment." If the utilities of the existing unit for water, electricity, steam and pollution are extended to the new unit."

N.NARASIMHA RAO
Additional Secretary to Government

To
The Commissioner of Industries, Andhra Pradesh, Hyderabad
The Accountant General, Andhra Pradesh, Hyderabad

Copy to:
The Pay and Accounts Officer, Andhra Pradesh, Hyderabad
All General Managers, District Industries Centres
All District Collectors

All Government Companies / Corporations
The Commissioner of Commercial Taxes, A.P., Hyderabad
The A.P. State Electricity Board, Hyderabad
The Revenue (CT.II) Department.
The Social Welfare (SCP) Department
The Social Welfare (F) Department
The Finance and Planning (Fin.) Department
The General Administration (Pub) Department
All Sections in Industries and Commerce Department
SF / Scs.

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GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industrial Development - Effective development of Cottage, Tiny & Small Scale Industries in the State - Simplification of procedures for exemption of approvals and clearances by various departments, like Urban Development Authority, Municipalities and Gram Panchayats for setting-up of Small Scale Industrial Units - Orders - Issued.

INDUSTRIES & COMMERCE (SSI) DEPARTMENT

G.O.Ms.No.63

Dated the 2nd May'95
Read the following:-

1. G.O.Ms.No.611, Industries & Commerce (SSI & SP) Department, Dated: 01/12/1986.
2. From the Commissioner of Industries, Lr.No.642/Desk-14(1)/89, Dated: 28/09/1994.
3. From the Commissioner of Industries Lr.No.642/Desk-14(1)/89, Dated:22/02/1995.
4. From the Commissioner of Industries Lr.No.642/Desk-14(1)/89, Dated:21/03/1995.
5. G.O.Ms.No.41, Inds. & Comm (SSI) Department, Dated:23/03/1995.

ORDER:

Further liberalisation of various licensing procedures for accelerated development in setting-up of Small Scales and Tiny Industries has been under the Consideration of the Government for some time.

2. The Commissioner of Industries in his letter 4th read above has submitted proposals for extending exemptions from obtaining all clearances to all Small Scale Industrial Units operating without power or Small Scale Industrial Units operating with power up to 30 HP and employing upto 30 persons.

3. To establish an industry, an entrepreneur is required to obtain clearances / approvals from the following agencies before starting the unit:-

i. Approval of Gram Panchayat under Section 125 of the Andhra Pradesh Gram Panchayats Act, 1964, if the Industry is proposed to be located in a Panchayat area. Approval from the Municipality under Section 264 of the Andhra Pradesh Municipalities Act, 1965, if the industry is to be located in a Municipal area approval under Zoning Regulation of Urban Development Authorities concerned wherever applicable;

ii. Approval from the Director of Town Planning under Section 125(4) of the Andhra Pradesh Gram Panchayats Act,1964;

iii. Approval from the Director of Factories and Boilers for the plans for construction under the Factories Act, 1948.

4. After careful consideration of the proposals sent by the Commissioner of Industries and based on the discussions held with the various Industry Associations, the Government have decided, in supersession of the orders issued in the G.Os 1st and 5th read above and pending modifications of rules and provisions under relevant Acts, that all Small Scale and Tiny Industries operating without power or operating with power upto 30 HP and employing upto 30 persons be exempted from obtaining clearances / approvals mentioned in Para 3 above, subject to the following conditions:-

- (1) In Gram Panchayats, the Small Scale Industrial Units should not be setup in residential areas;

- (2) In Municipal areas, where Zonal regulations are in force, the industrial units should not violate the Zonal regulations;
 - (3) The Small Scale Industrial Units do not utilise boilers in the manufacturing process;
 - (4) The Small Scale Industrial Units have taken necessary measures to ensure the health and safety of the workers.
- 5) The Small Scale Industrial Units at the time of registration will have to certify before the District Industries Centres that the above conditions have not been violated. The format of the certificate is given in 'Annexure'. The Commissioner of Industries will ensure that the registration of the units is done only after this certificate is obtained from the entrepreneur on a Stamp Paper of Rs.20/- (Rupees Twenty only).
- 6) This liberalised procedure is applicable only to those Small Scale Industries which register with the District Industries Centres. Those units which do not register, themselves with the District Industries Centres will have to take prior clearances from the concerned authorities.
- 7) Consequent on the issue of above orders, the Municipal Administration & Urban Development, Panchayat Raj, Rural Development & Relief, Energy & Forest and Health, Medical & Family Welfare Departments are requested to issue necessary amendments to the existing Act, rules, Government Orders, etc.,
- 8) Notwithstanding these exemptions from obtaining clearances / approvals, all the relevant laws will be applicable for operation of these industries.
- 9) The Commissioner of Industries is requested to take effective action to implement these orders with immediate effect.
- 10) This order issues with the concurrence of the following Departments of Government
- (1) Health, Medical & Family Welfare Department
 - (2) Municipal Administration & Urban Development Department
 - (3) Panchayat Raj, Rural Development & Relief Department
 - (4) Energy & Forest Department.

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

SHEELA BHIDE
Secretary to Government

To
The Commissioner of Industries, AP, Hyderabad.
The Health, Medical & Family Welfare Department
The Municipal Administration & Urban Development Department
The Panchayat Raj, Rural Development & Relief Department
The Energy & Forest Department.
All other Departments of Secretariat.

ANNEXURE

On Stamp Paper of Rs.20/- (Rupees Twenty Only)

I hereby certify that I have not violated any of the following conditions imposed in G.O.Ms.No.63, Industries & Commerce (SSI) Department, Dt:02/05/1995 for exemption given to Small Scale Industrial Units from obtaining prior clearances / approvals:

- (a) In Gram Panchayats, the Small Scale Industrial Unit is not setup in residential areas.
- (b) In Municipal areas, where Zonal regulations are in force, the industrial unit does not violate the Zonal Regulations.
- (c) The Small Scale Industrial Unit does not utilise boilers in the manufacturing process.
- (d) The Small Scale Industrial Unit has taken necessary measures to ensure the health and safety of the workers.

Signature of the Entrepreneur

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Handlooms and Textiles Department – Textile and Apparel Promotion Policy 2005-2010 – Orders - Issued.

INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Ms.No.300.

Dated: 08-11-2005.

Read the following:-

1. From the Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad letter Rc.No.15519/2002-Park-I, dated 27-1-2004.
2. From the Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad letter Rc.No.1435/03/Park-II, dated 9.8.2004.
3. Report of the Expert Committee on weavers' problems submitted to the Hon'ble Chief Minister on 21-8-2005.

ORDER:

Government of Andhra Pradesh recognising the strengths and opportunities in the Handloom, Textiles and Garment sector, envisions to emerge as a facilitator in the production and export of textiles by 2010. The multi-fiber agreement, which envisaged quotas of production to different countries, has expired on 31st December, 2004. The Handloom, Textile and Garment Industry being labour intensive in nature, enjoys the inherent strength of providing large scale employment, mostly to women and offers high potential for growth, through exports of a wide range of textile products.

2. In the context of opening of free world trade, Government of Andhra Pradesh aspires to transform the State into a Textile and clothing hub by creating the right climate, investor friendly atmosphere, world class infrastructure with the state of art technology. Andhra Pradesh is endowed with good raw material base required for the growth and development of textiles in the State and it ranks second in production of raw silk, second in production of cotton, fourth in production of wool and fourth in the number of textile mills in the country. It is one of the leading textile processing centres with a total capacity of 13 million metres of cloth per annum. It is right time for the local industry to expect a Textile and Apparel Promotion Policy conducive to the vertical growth of the industry.

3. Under the "new Textile and Apparel Promotion Policy 2005-2010" Government approved the following incentives, physical benefits covering the categories of Textile, Handloom Powerloom, Textile/Apparels and fast track mega projects.

4. It shall be the policy of the Government of Andhra Pradesh to promote and develop a strong and vibrant Textile industry that can:

- 4.1 Provide sustainable employment to weavers and workers in Handloom, Power loom, Textile and Apparel sectors;
- 4.2 Establish Textile and Apparel Parks for encouraging spinning, weaving, processing and garmenting units;
- 4.3 Make available fabric of good quality at affordable price to meet the requirements of both domestic and international markets;

- 4.4 Modernise looms and encourage new designs; and
- 4.5 Contribute substantially to the export and Gross Domestic Product of the State in particular and country in general

Objectives:

5. The following are the objectives of the Textile Policy:

- 5.1 It is the target of the Government to generate employment opportunities to youth additionally by 15 lakh persons, mostly women weavers and educated unemployed in Handloom, Textile and Apparel sectors by the year 2010 ; and
- 5.2 Achieve textile and clothing exports from the present scale of US \$ 0.08 billion (Rs.384 crores) to US \$ 5 billions (Rs.25,000 crores).

Focus:

6. Textile Sector:

- 6.1 Skill up-gradation of weavers and industry workers through planned training initiatives, design development and product diversification endeavors etc.;
- 6.2 Extending financial support on concessional terms through the existing cooperative and banking networks;
- 6.3 Enabling weavers, workers and entrepreneurs in the textile sector to develop a global vision and competitive spirit;
- 6.4 Strengthening product value chain from fibre to retailing;
- 6.5 Attracting private investment into various sectors of textiles;
- 6.6 Facilitating development of diversified apparel segment to cater to both export and domestic markets;
- 6.7 Establishing single window facility for land allotments, building, environment clearances, water, and power supply, etc.;
- 6.8 Creating reliable and investor friendly infrastructure covering road network, transportation, power/water supply and flexible Labour Laws; and
- 6.9 Encouraging the weavers under PMRY and RYS for self-employment.
- 6.10 While the State will strive for the overall development of the textile industry, the thrust will be more on handloom, power-loom, textile and apparel sectors considered to be the growth engines of the industry in the State.

7. Handloom Sector:

- 7.1 The State continues to accord highest priority for this high potential sector, which can provide sustained employment to the weavers and nurturing their skill & craftsmanship. The strategy will focus on the weaver to get continuous work and fair wages.
- 7.2 Women weavers shall be organised into exclusive Self-help Groups (SHG) in all the villages. The Self-help Group are declared eligible under the existing group lending scheme under Indira Kranthi Pradham at 4% interest. These groups will be encouraged to undertake weaving activity with modern designs including use of CAD.
- 7.3 Strengthening the physical and social infrastructure in handloom clusters to improve their operational efficiency.

- 7.4 Improving the skills of weavers to enable them to quickly respond to emerging market requirements.
 - 7.4.1 Improving production related infrastructure by integrating modern technology of pre-loom and post loom activities in the handloom production chain.
 - 7.4.2 Promoting process and product innovation through loom modernization and design development.
- 7.5 Encouraging national institutions to undertake research and development work in handloom weaving, dyeing and printing areas.
- 7.6 Encouraging the production of niche products in handlooms, which cannot be easily copied, or mass produced by powerloom and mill sectors.
- 7.7 Encourage manufacture of value added items particularly on handlooms.
 - 7.7.1 Secure market for certain handloom items through meeting clothing (livery) requirements of Government Departments and Public Sector Undertakings.
- 7.8 Establishing Common Facility Centres for environment friendly dyeing, testing, sourcing market information and buyer seller interaction
- 7.9 Organizing exposure visits, buyer seller meets and overseas exhibitions to enhance market awareness of weavers and to enable the weavers understand the emerging consumer tastes and preferences.
- 7.10 Initiating measures under intellectual property rights (IPRs)/Geographical property rights to safeguard the textile design and processes native to the State.
- 7.11 Setting up Netha Bazaars in all districts to facilitate marketing of products directly to consumers
- 7.12 Encouraging National Institutions to establish their outreach centres in all the three regions of the State.
- 7.13 Motivating the Public to patronise handloom cloth and motivating the weavers to produce the product as per the taste of the modern market.
- 7.14 Reorienting HRD strategy and social security policy.
- 7.15 Preparing the artisans to take up artistic weaving profession and feel proud to work in the industry.
- 7.16 Preparing the artisans to the challenges of market economy and globalization.
- 7.17 Improving the skills and R&D facilities and acquire modern technology and implements to face the new challenges.
- 7.18 Creating all necessary infrastructure and facilities to Artisans.
- 7.19 Exclusively for the benefit of Handloom and Powerloom weavers.
- 7.20 Upgrading the marketing mechanism on par with branded item showroom.
- 7.21 Strict implementation of Handloom Reservation Act, 1985.
- 7.22 Raw-material Service Centres wherever necessary shall be setup and they shall be run on commercial lines.
- 7.23 All dormant and defunct societies shall be wound up and their area of operation / assets shall be transferred to nearby or neighboring societies/APCO.
- 7.24 Individual weavers are to be organised into MAC societies and affiliated to APCO and also by permitting the existing weavers societies to admit new weavers subject to fulfilling criteria of owning loom and depending on weaving profession.

8. Powerloom Sector:

- 8.1 The decentralized and widely dispersed powerloom sector of the Indian Textile Industry plays an important role in the economy of the country. Inter-alia, it contributes significantly to meeting the clothing needs of the country, employment generation and foreign exchange earnings. Presently, the powerloom sector accounts for approximately 68% of the total cloth production in the country. Over the years, it has proved to be versatile, using practically every kind of fibre, natural, man-made, and the blends thereof, being woven in this sector extensively. Besides, the product profile of the powerloom sector is diverse, ranging from grey cloth to processed cloth with intricate designs, patterns and motifs.
- 8.2 Powerloom sector plays an important role in producing a wide variety of fabrics at economical prices for all the fabric requirements. The Strategy of the State will focus on:
 - 8.2.1 Promoting private investment in powerloom sector for producing fabrics required for fashionable garments.
 - 8.2.2 Encouraging modernization of looms by availing assistance under Technology Up gradation Fund Scheme (TUFS) through introduction of shuttle less and automatic air jet and water jet looms.
 - 8.2.3 Initiating measures through the existing financial institutions for timely provision of finances for modernization of powerloom.
 - 8.2.4 Strengthening physical infrastructure facilities in all powerloom clusters under Textile Centres Infrastructure Development Scheme (TCIDS).
 - 8.2.5 Setting up of Common Facility Centres for Fabric dyeing and processing and finishing.
 - 8.2.6 Strengthening Research and Development and testing facilities through the existing Powerloom Service Centres in the State.
 - 8.2.7 All Assistant Directors of the Districts where Textile Parks are coming up shall become the Park Administrators.
 - 8.2.8 Powerloom Federation shall be placed with orders for supply of livery to Government Departments after exhausting the limitations of APCO.

9. Cluster Approach / Development:

- 9.1 A Cluster can be defined as a geographical concentration of Small and Medium Enterprises (SMEs) that are engaged in the same or in highly related business sectors. The cluster approach is needed in view of the common problems faced by the Textile SMEs in Handloom and Powerloom sectors as detailed below:
 - 9.1.1 Inadequate capacity to learn and innovate.
 - 9.1.2 Lack of modernization to an appropriate level of technology.
 - 9.1.3 Low productivity and quality.
 - 9.1.4 Inadequacies in terms of awareness about market trends particularly international markets.
 - 9.1.5 Lack of HRD policies leading to low labour productivity.
 - 9.1.6 Credit related bottlenecks.
 - 9.1.7 Lack of exposure to design and marketing strategies.
 - 9.1.8 Absence of product innovation and diversification.
 - 9.1.9 Inability to comply with environmental and social compliances.

9.1.10 Lack of awareness and adoption of cleaner production technologies.

9.1.11 Inadequacies in supporting infrastructure like roads, water, waste disposal and power.

9.2 Effective steps shall be taken to overcome the above problems duly adopting cluster approach.

10. Textile and Apparel Sector:

10.1 Textiles/Apparels are a sunrise sectors and are expected to fuel the overall growth of the Textile Industry in the State.

10.2 A Buyer-Driven Commodity Chain (BDCC) characterizes Textile/Apparel exports, world over. As such, large retailers, brand name marketers and trading companies play the key role in setting up decentralized production networks far away from the points of consumption while locally owned third world factories make the finished goods for foreign buyers. The retailers and brand-name merchandisers are at the marketing and retailing end of the chain, exercising the main leverage. They link overseas factories and traders with evolving product niches in the main consumer markets.

10.3 To achieve this, the State's strategy will focus on:

10.3.1 Setting up Apparel Export Parks and Textile Parks is Clusters with the State of the art technology to attract investors, promote exports and generate employment opportunities to the jobless youth.

10.3.2 Introducing the system of public-private participation. Under the scheme, established Exporters, will be invited to the Districts with weavers concentration and ask them to give their designs and cloth requirements together with a project proposal. On receipt of the project proposal, the Commissioner would screen the proposals and will enter into a Memorandum of Understanding (MoU) with the Exporter duly detailing the following points extent of participation by the Export Agency:

10.3.2.1 Required quantity of cloth with specifications, designs, colour combination.

10.3.2.2 Raw material like yarn, dyes and chemicals that he can supply.

10.3.2.3 No. of weaves to be linked to the Exporter Area-wise to be spelt out.

10.3.2.4 Training if any required shall be imparted by the Export Agency.

10.3.2.5 Fair wages shall be ensured to the weavers covered by the Export Agencies.

10.3.2.6 Expected investment on the part of the Exporters interested in the project.

10.3.2.7 All expenses shall be borne by the Export Agency.

10.3.2.8 Implementing and Monitoring Agency will be either APCO or Handlooms and Textiles Department.

10.3.2.9 Powers of selection of Exporters will be with the committee consisting of Commissioner, Handlooms and Textiles and Managing Director, APCO.

10.3.2.10 Review will be done at State level with the Secretary as Chairman.

10.3.2.11 Consultants shall be appointed for promoting exports.

11. New Initiatives:

11.1 Industrial Investment & Promotion Policy, 2005-2010:

The New Industrial Investment & Promotion Policy, 2005-2010 approved and announced by the Government of Andhra Pradesh, automatically be applicable to

Textile and Apparel Units. Commissioner of Handloom & Textiles, Andhra Pradesh shall provide Single Window Clearance.

11.2 Special Purpose Vehicle (SPV):

The Scheme of Integrated Textile Parks (ITPs) would be implemented through Special Purpose Vehicle (SPVs) consisting of Industry Associations / Groups who would be the main promoters of the ITPs formed for the purpose as per the guidelines issued by Government of India. The SPVs shall have operational autonomy and play the role as mentioned in the Guidelines issued by Government of India.

11.3 Role of State Government:

11.3.1 As envisaged in Guidelines of Government of India, Government of Andhra Pradesh will acquire land on the application of SPV formed for the purpose.

11.3.2 The land so acquired will be transferred to the SPVs formed for the purpose of implementation of Scheme of Integrated Textile Parks (ITPs) either as equity or on out right sale at acquisition cost of land with administrative charges as applicable.

11.3.3 Provide all requisite clearances, wherever needed

11.3.4 Provide necessary assistance for Power, water and other utilities to the ITP.

11.3.5 Provide a special package of incentives for Mega Projects which will create employment of more than 2500 people or invest an amount of Rs. 100 crores and above.

11.3.6 Provide flexible and conducive labour environment by implementing /enforcing labour laws framed in this regard. Andhra Pradesh State Contract labour will be made applicable of Garment / Textile Industry.

11.4 Services of Infrastructure Leasing & Financial Services Ltd (IL&FS) and other Government Agencies including Central Government Undertakings will be deployed for development wherever required.

11.5 Dovetail Park development with Government of India schemes and obtain Central assistance.

11.6 Infrastructure in Parks including connecting links to Highways by 4 Line Roads will be undertaken to provide smooth movement of containers/raw materials/machinery.

11.7 Effluent Treatment Plants wherever required may be designed and implemented in consultation with Pollution Control Board.

11.8 Promote knitwear to catch export market and add value in designing and printing technologies.

11.9 Install capacity for garment manufacturing to cater to export markets of shirts, jeans, upper garments, vests, kid wear, etc.

11.10 Encourage Spinning Mills to cater to the production of required yarn to facilitate consumption of cotton produced in the State and to provide local employment.

11.11 Utilize yarn spun in the State in weaving to produce the required length of cloth by starting weaving units add value to cloth and yarn by dyeing, bleaching, processing and printing.

11.12 In order to increase capacity, Spinning with an installed capacity of 12,000 spindles and above, shall be encouraged.

11.13 A grant of Rs.1,000/- per worker be released as a one time Infrastructure Grant to all Spinning units only for encouraging them to diversify and start new ventures.

- 11.14 For achieving the employment goal in the parks, Garmenting units / weaving and processing units shall be given an incentive of Rs.5,000/- per worker employed, as Grant for meeting critical expenditure of Training by dovetailing existing schemes of the Government of India subject to the following conditions:
- 11.14.1 Half the incentive money may be paid on the date of commercial production and the balance after completion of one year period of commercial production.
- 11.14.2 Stand alone units also will be entitled for the above benefit apart from units started in the Parks.
- 11.15 Capacity in garmenting has to be enhanced at least by 1000 fold and therefore garmenting units will be allowed a special incentive of Power Tariff concession at Rs.0.25 Ps per unit, in addition to the concession of Power Tariff of Rs.0.75 Ps per unit already provided under the new Industrial Policy, bringing down the power tariff to international level. By 2008 all major Textile and Apparel Houses will be permitted to produce captive power by utilization of Natural Gas.
- 11.16 As a large number of workers are employed, the units started in Export Parks will be given assistance of allocation of land free of cost in the Park for construction of barracks to house the workers at the rate of one acre per every 1000 workers.
- 11.17 Stamp Duty: 100% reimbursement of stamp duty, transfer duty and Registration fee paid by Textile/Apparel units.
- 11.18 Zoning regulations: Textile/Apparel units will be exempted from the zoning regulations and from the payment of conversion fee.
- 11.19 Urban Land Ceiling exemption: Private land owners will be allowed exemption under ULC for development of Textile/Apparel Parks with a minimum extent of 25 acres in the periphery of city limits and beyond besides a minimum of 5 acres within city limits.
- 11.20 Industrial Water and Power to the units will be supplied at the door step in the Parks as part of infrastructure development.
- 11.21 Health Care will be dovetailed by liaison with Medical & Health Department for starting Primary Health Centres and Referral Hospitals by private initiatives. Earmarking 10-15 acres of land for health activity will assist a Cluster of Units.
- 11.22 Fire Station, Bank, Police Outpost, Common Facility Centre, Canteen including baby Cresh will be initiated by the Special Purpose Vehicle (SPV) itself with their funds.
- 11.23 Exemption from Corporate Tax will be made applicable to all units located in Special Economic Zone (SEZ) Parks as per SEZ act besides assisting in Exports and Imports.
- 11.24 Encourage CAD (Computer Aided Design) and cutting processes by establishing garment-training centers in the parks.
- 11.25 The Government of Andhra Pradesh will notify all Textile and Apparel Parks as Public Utility Services. It is also decided that Essential Service Maintenance Act (ESMA) will be made applicable to the Textile and Apparel Parks to provide facility of engaging workers beyond the normal working hours for achieving higher productivity and to catch export markets.
- 11.26 Incentive money ranging from 1 to 2% on investment mobilized may be provided by the SPV for services rendered on technology and financial fronts to Consultants firm/individual consultants including IL&FS and other Government Agencies from the Park funds contributed by the entrepreneur and Government.
- 11.27 The consultants who are successful in bringing overseas investments will be given an incentive as under:

11.27.1 The Company shall employ a minimum of 200 and more workers for which the consultants /consulting company will be paid and amount of Rs 150 per each worker employed. However, the maximum amount to be paid in a single case should not exceed to Rs. 5.00 Lakhs. The amount will be disbursed as follows:

11.27.1.1 25% of the said eligible amount will be paid on the date of signing of MOU proposed on the Project Report;

11.27.1.2 50% will be paid based on the number of workers employed on the date of commercial production; and

11.27.1.3 The balance 25% will be paid six months after commencement of commercial production duly adjusting the amount paid under 11.27.1.1 and 11.27.1.2 above with reference to the norms communicated by the Government.

12. This policy will be in force for a period of 5 years with immediate effect.

13. This order issues with the concurrence of Finance (Expr.I&C) Department vide their U.O.No.5508/517/Expr.I&C/2005, dated 16-6-2005.

14. The Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall take necessary action accordingly.

15. Copy of this order is available at the Internet and can be accessed at the address <http://www.aponline.gov.in>.

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

Dr.B.KRIPANANDAM,
SECRETARY TO GOVERNMENT.

To

The Commissioner and Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad

The Accountant General, A.P. Hyderabad.

The Pay and Accounts Officer, Hyderabad

The Additional Secretary to Chief Minister.

All Private Secretaries to the Ministers.

The Vice-Chairman and Managing Director,

Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad.

The Vice-Chairman and Managing Director,

Andhra Pradesh State Handloom Weavers' Co-operative Society Ltd., (APCO), Hyderabad.

Copy to:

All Departments of Secretariat.

All District Collectors.

All Heads of Departments,

The Finance (Expr.I&C)/ (BG) Department.

All Sections in the Department.

The Secretary,

Ministry of Textiles, Government of India, Udyogh Bhavan,

New Delhi -110 011.

P.S. to Secretary to Government, Industries and Commerce Department

The Commissioner, Information and Public Relations Department,A.P, Hyderabad.

The General Administration (Cabinet) Department

(With reference to C.R.No.292/ 2005, dt.5-11-2005)

Copy to Sri L.Francis Farias, Assistant Manager - Special Projects,
Indian Express Newspapers (Mumbai) Ltd., Business Publications Division,
Begumpet, Hyderabad - 500 016.

Copy to Industries and Commerce (IF) Department (2 copies)

Copy to SF/SC.

