



GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industrial Investment Promotion Policy 2005-2010 - Special Incentives to Scheduled Tribe entrepreneurs for setting up of industries in Andhra Pradesh — Amendment - Orders - issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.161

Date : 22-06-2007

Read the following:

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01. G.O.Ms.No. 178 Industries & Commerce (IP) Department, dt. 21/06/2005.
02. G.O.Ms.No. 327 Industries & Commerce (IP) Department, dt. 13/12/2005.
03. G.O.Ms.No. 328 Industries & Commerce (IP) Department, dt. 13/12/2005
04. Resolution of the meeting of AP Tribes Advisory Council held on 27.2.2006,
05. From the Chairman, Committee on Welfare of Scheduled Tribes, APLA, Dt.9.7.2006.&12.9.2006
06. Notes of Secy (TW) dated 11.10.2006
07. From the Commissioner of Industries letter dt. 30/12/2006 together with a Note.

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ORDER:

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

2. In the reference 4<sup>th</sup> read above, the Andhra Pradesh Tribes Advisory Council under the Chairmanship of Hon'ble Minister for Tribal Welfare, Andhra Pradesh, Hyderabad has passed the resolution approving the Tribal Sick Industrial Policy and Tribal New Industrial Policy and recommended to Government to issue orders on special incentives to the Tribal entrepreneurs, so as to encourage the Tribal for the development of industrial activities among the Tribal of the State under Tribal Sub Plan scheme.

3. In the reference 5<sup>th</sup> read above, the Chairman, Committee on Welfare of Scheduled Tribes Andhra Pradesh Legislative Assembly have requested the Government to implement the decisions taken in the Andhra Pradesh Tribes Advisory Council in toto and issue necessary orders.

4. In the reference 6<sup>th</sup> read above, the Secretary, Social Welfare (Tribal Welfare) Department has informed that the recommendations of Andhra Pradesh Tribes Advisory Council have been reviewed by the Committee on Welfare of Scheduled Tribes (APLA) on 11.10.2006 and the Committee opined that the provisions of Industrial Investment Promotion Policy 2005-2010 are not congenial for Scheduled Tribe entrepreneurs and requested for amending the same. Further the Tribal Welfare Department has also recommended the amendment proposals made by the Andhra Pradesh Tribes Advisory Council on 27/02/2006 and the Tribal Welfare Department has requested the Commissioner of Industries to furnish a comprehensive proposal duly taking into account of the suggestions of Andhra Pradesh Legislative Assembly Committee on welfare of Scheduled Tribes and the same may be incorporated into Industrial Investment Promotion Policy 2005-2010.

5. The Commissioner of Industries and Secretary (Tribal Welfare) in the note annexed to the reference 7<sup>th</sup> read above recommended certain benefits to Scheduled Tribe entrepreneurs and sought orders for the amendment of G.O.Ms.No.178, Industries & Commerce (IP) Department, dated. 21.06.05. The Commissioner of Industries further informed that huge un-disbursed funds are available under incentives head of budget in respect of Scheduled Tribe entrepreneurs & developmental consideration are also the same and requested the Government to consider to extend the benefits which are agreed to the Scheduled Tribe Entrepreneurs in non-scheduled areas to all Schedule Caste entrepreneurs in the State.

6. Keeping in view of the recommendations of the Andhra Pradesh Tribes Advisory Council and also suggestions made by the Committee on Welfare of Scheduled Tribes and also in the light of the recommendations of the Secretary, Tribal Welfare and Commissioner of Industries, Government hereby decide to extend certain subsidies/concessions to Scheduled Tribe Entrepreneurs under Industrial Investment Promotion Policy scheme duly issuing the following amendment to the G.O.Ms.No. 178 Industries & Commerce (IP) Department, dated. 21-06-2005:

**AMENDMENT**

FOR		READ AS	
3.1.4 3.2.4 3.3.4	25% rebate on land cost in IEs/IDAs limited to Rs. 5.00 Lakhs	3.1.4 3.2.4 3.3.4	25% rebate on land cost in IEs/IDAs limited to Rs. 5.00 Lakhs
		3.1.4 (a) 3.2.4 (a) 3.3.4 (a)	33 1/3 % rebate on land cost in IEs/IDAs limited to Rs. 5.00 Lakhs for ST Entrepreneurs
3.1.5 3.2.5 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 years level.	3.1.5 3.2.5 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 years level.
		3.1.5 (a) 3.2.5 (a) 3.3.5 (a)	Power cost will be reimbursed @ Rs.1.00 per unit for ST Entrepreneurs 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 years level.
3.1.6	15% Investment subsidy on fixed capital investment will be given subject to maximum Rs. 15.00 Lakhs.	3.1.6	15% Investment subsidy on fixed capital investment will be given subject to maximum 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	3.1.7	An additional investment subsidy of 5% on fixed capital investment limited to Rs.5.00 Lakhs for SC/ ST Entrepreneurs
3.2.7	5% Additional Investment subsidy on fixed capital limited to Rs. 5.00 Lakhs	3.2.7	5% Additional Investment subsidy on fixed capital limited to Rs. 5.00 Lakhs
		3.1.6 (a) 3.1.7 (a) 3.2.7 (a)	35% subsidy on fixed capital Investment for ST Entrepreneurs, Additional 5% subsidy for Women and ST Entrepreneur in scheduled areas. Maximum limit per unit is Rs. 50.00 Lakhs.

3.1.8 3.2.9 3.3.6	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 6 <sup>th</sup> year.	3.1.8 3.2.9 3.3.6	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 6 <sup>th</sup> year.
		3.1.8 (a) 3.2.9 (a) 3.3.6 (a)	50% of the Tax paid during one financial year will be ploughed back as a grant by the Government for ST Entrepreneurs. 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 6 <sup>th</sup> year
3.1.9 3.2.11	3% Interest subsidy on Prime Lending Rate (PLR) will be given on the term loan taken by the new Tiny/ SSI industrial units subject to a maximum of Rs. 5.00 Lakhs per year for a period of 5 years	3.1.9 3.2.11	3% Interest subsidy on Prime Lending Rate (PLR) will be given on the term loan taken by the new Tiny/ SSI industrial units subject to a maximum of Rs. 5.00 Lakhs per year for a period of 5 years
		3.1.9 (a) 3.2.11 (a)	5% Interest subsidy on Prime Lending Rate (PLR) will be given for ST Entrepreneurs on the term loan and working capital taken by the new Tiny/ SSI industrial units subject to a maximum of Rs. 5.00 Lakhs per year for a period of 5 years
3.3.7	<b><u>Infrastructure Units others than SSI/Tiny (Large and Medium Scale industries):</u></b> Infrastructure like roads, power and water will be provided door steps 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 Estate/ IDAs 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	3.3.7	<b><u>Infrastructure Units others than SSI/Tiny (Large and Medium Scale industries):</u></b> Infrastructure like roads, power and water will be provided door steps 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 Estate/ IDAs 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
		3.3.7 (a)	Infrastructure like roads, power and water will be provided door steps of the industry as in para 3.3.7 of G.O.Ms.No 178 Ind. & Com. (IP) Dept. dated 21.6.05 shall be extended in Small Scale sector set up by ST entrepreneurs and 50% is raised to 75% for investment in Scheduled area

7. The Andhra Pradesh State Financial Corporation is requested to beef up lending on priority to Scheduled Tribe entrepreneurs.

8. The Andhra Pradesh Industrial Infrastructure Corporation shall develop modern Industrial Estate in Scheduled area and allocate 6% of number of Plots to Scheduled Tribe Entrepreneurs in new Industrial estate in existing Industrial Estates and the Scheduled Tribe Entrepreneurs get preferential allotment on application.

9. Advance subsidy shall be disbursed on deemed fit by TRICOR and the same shall be reimbursed to TRICOR while disbursing subsidy to Scheduled Tribe Entrepreneurs under Industrial Investment Promotion Policy 2005-2010 scheme.

**10) GENERAL CONDITION**

The Scheduled Tribe Entrepreneurs shall obtain the Entrepreneurs Memorandum from the concerned General Managers under MSMED Act. 2006 of Government of India for setting up the industry as a precondition for claiming benefits/Concessions, since the ineligible list of industries are made eligible to Scheduled Caste/Scheduled Tribe entrepreneurs in the reference 2<sup>nd</sup> read above.

11) Necessary amendment orders shall be issued separately to the Operational Guidelines issued in the reference 3<sup>rd</sup> read above.

12) The Commissioner of Industries /Social Welfare (Tribal Welfare ) Department is requested to take necessary action accordingly.

13) This order issues with the concurrence of the Finance (Expr.I&C) Department vide their U.O.note 108/42/expenditure I&C /07, dated.02.02.2007.

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

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

To  
The Commissioner of Industries, Hyderabad.  
The Secretary, Social Welfare (Tribal Welfare) Department  
Copy to:  
All District Collectors.  
All Heads of Departments.  
All Private Secretaries to the Ministers.  
Ps to Chief Secretary to Government, Hyderabad.  
PS to Principal Secretary to Chief Minister.  
PS to Principal Secretary Finance Secretary (R&E)  
The Pay and Accounts Officer, Hyderabad  
All Departments of Secretariat.  
All State Government undertakings.  
The Accountant General, Andhra Pradesh, Hyderabad.  
All General Managers, District Industries Centre in the State.  
The Fin.(Expr.Inds) Dept  
All Sections in the Dept.  
SF/Sc.

// FORWARDED:: BY ORDER //

*P. S. Krishna Rao*  
**SECTION OFFICER**