

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries - Industrial Policy 2000-2005 - Scheme of State facilities / Incentives for setting up of New Industries in Andhra Pradesh - Orders - Issued.

INDUSTRIES AND COMMERCE (IP) DEPARTMENT

G.O.Ms.No.9

Dated : 5-1-2001

Read the following: -

1. G.O.Ms.No. 498, Industries & Commerce (IP) Department, Dated 16-10-1989.
2. G.O.Ms.No. 146, Industries & Commerce (IFR) Department, Dated 16-10-1991.
3. G.O.Ms.No. 311, Industries & Commerce (IFR) Department, Dated 30-8-1991.
4. Government Memo No. 2125/IA/89-1, Dated 15-9-1990.
5. G.O.Ms.No. 654, Industries & Commerce (II&CP) Department, Dated 13-7-1976.
6. A.P. State Electricity Board B.P. Ms.No. 691, Commercial, Dated 10-8-1976.
7. G.O.Ms.No. 379, Industries & Commerce (IA) Department, Dated 27-7-1989.
8. G.O.Ms.No. 305, Industries & Commerce (IFR) Department, Dated 17-3-1993.
9. Government Memo No. 1521/IFR/91-4, Dated 19-8-1992.
10. G.O.Ms.No. 117, Industries & Commerce (IFR) Department, Dated 17-3-1993.
11. G.O.Ms.No. 149, Industries & Commerce (IFR) Department, Dated 31-3-1993.
12. G.O.Ms.No. 317, Industries & Commerce (IFR) Department, Dated 14-9-1993.
13. G.O.Ms.No. 238, Energy, Forest (RES) Department, Dated 26-11-1993.
14. G.O.Ms.No. 31, Tourism & Culture, Sports and Youth Services (Tourism) Department, Dated 13-4-1994.
15. G.O.Ms.No. 386, Industries & Commerce (IFR) Department, Dated 26-9-1994.
16. G.O.Ms.No. 390, Industries & Commerce (IFR) Department, Dated 30-9-1993.
17. G.O.Ms.No. 187, Industries & Commerce (IP) Department, Dated 21-11-1995.
18. G.O.Ms.No. 34, Industries & Commerce (IP) Department, Dated 31-01-1996.
19. G.O.Ms.No. 108, Industries & Commerce (IP) Department, Dated 20-5-1996.
20. G.O.Ms.No. 241, Industries & Commerce (IP) Department, Dated 15-7-1998.

ORDER:

Government have been extending various Incentives for encouraging establishment of New Industrial units in the State since 1961. Based on the recommendations made by the Expert Committee headed by Dr. Ram K. Vepa, IAS(Retd.), the State Government have introduced "Liberalised State Incentive Scheme (LSIS)" vide reference 1st read above, for a period of three years with effect from 3-10-1989 in order to achieve all round industrial development. Government have also announced a Scheme of special incentives for New SSI units set up by entrepreneurs belonging to SC & ST communities in the G.O. 3^d read above for a period of 3 years with effect from 3-10-1989. In the G.O. 5th read above an incentive by way of 25% rebate in power charges for first three years from the date of commencement of

commercial production was allowed to certain categories of new industries through APSEB.

2. In the New Industrial Policy announced in May 1992, the Government have proposed to extend the general incentives in the G.O. 1st read above and also the Special Scheme of Incentives for SC & ST entrepreneurs till the end of VIIIth Five Year Plan period. Accordingly, Government have modified the Liberalised State Incentive Scheme (LSIS) Scheme 1989 and announced a New Comprehensive Scheme of State Incentives (NCSSI) vide reference 10th read above. Guidelines and instructions for effective implementation of the New Comprehensive Scheme was also issued. The scheme was in force up to 31-3-1997.

3. While the New Comprehensive Scheme of State Incentives (NCSSI) Scheme was in operation, Government have, after careful review and examination of this package of incentives and several other connected factors, have decided to introduce a New Industrial Policy called "Target-2000" in order to accelerate industrial development of the State through the reference 19th read above. Under this Scheme a new set of Incentives were announced in partial modification of earlier Scheme of Incentives. All categories of New Industrial units, expansions and diversification's, whether large, medium or small other than those declared ineligible and located anywhere in the State of Andhra Pradesh, except within the Municipal Corporation areas of Hyderabad, Vijayawada and Visakhapatnam, and going into commercial production on or after November 15, 1995 have been made eligible for incentives. The above incentive policy under Target-2000 was in operation till 31-3-2000.

4. Government after detailed and careful review of the Industrial scenario in the State and also the over all impact of various Incentive Schemes implemented in the State hitherto and keeping in view the Government of India advice to do away with all tax based incentives worked out a New Industrial Policy with greater emphasis on provision of quality infrastructure coupled with a policy for gradual phasing out of subsidies and creating right industrial environment in the State to make the State of Andhra Pradesh an attractive destination for both foreign and domestic investors.

5. After detailed examination and discussions with the representatives of Industry, and all concerned, Government approved the following.

1.1 Infrastructure facilities such as roads, electricity, water, drainage etc., to be provided at the door step" of the proposed industry in the areas identified by the State Government as Industrial areas.

1.2 Government also facilitates creation of allied infrastructure such as Telecommunication facilities including Internet connectivity and information Kiosks, Transportation links from Industrial Areas to Towns (bus service), Housing Complexes nearer to industries, Container Depots, Exhibition Halls by promoting private participation.

1.3 An Industrial Infrastructure Development Fund (IIDF) of Rs. 100 crores may be created starting with the year 2000 -2001 with provision for necessary step up in fund

provision in the subsequent years. This money may be used only when there is no provision for taking up the Infrastructure works under the regular budget / programmes of the concerned line department.

1.4 10% of the IIDF may be spent on Technology Development, Cluster Development and Market support systems for the SSI and Tiny sector such as providing corpus for establishment of Technical Institutions, Incubation Centers etc.,

2.1 Wherever industries are located in places other than Industrial Areas (isolated areas), the Government will share the cost of infrastructure up to 25% of Rs. 100 lakhs whichever is less, if such a location is otherwise justified.

3.1 Captive Power generation will be allowed for all industrial units.

4.1 In order to ensure that there are no power cuts or tripping, dedicated feeders and dedicated lines will be laid by the APTRANSCO to all existing and proposed industrial areas and industrial estates.

5.1 .0.....Up to 10% water from existing projects and new projects will be reserved for industrial purpose including existing industrial units.

6.1 50% exemption will be allowed on Stamp Duty, Registration Fee and Transfer Duty of lands meant for industrial use. Exemption of stamp duty and registration fee for loan agreements, credit deeds, mortgages and hypothecation deeds executed by the industries in favour of banks or financial institutions.

7.1 Government proposes to phase out subsidies. However, 20% Investment Subsidy on Capital Investment on land, buildings and plant and machinery up to a maximum of Rs. 20.00 lakhs will be given as subsidy to eligible SSI and Tiny units.

7.2 Out of 20% Investment Subsidy, 50% upto a maximum of Rs. 10.00 lakhs will be given as cash subsidy.

7.3 The balance subsidy of 50% upto a maximum of Rs. 10.00 lakhs will be provided for the following purposes:

- a) Import of new (not second hand) machinery
- b) Training of entrepreneurs.
- c) Training of workers
- d) Testing and certification facilities for raw material and furnished products.

7.4 An additional cash subsidy of 10% on capital investment subject to a limit of Rs. 10.00 lakhs will be given to SC/ST entrepreneurs in the eligible SSI and Tiny Units.

8.1 Single Window registration for clearance will be made compulsory by Law.

8.2 Designated authorities will be created as follows:

B. District Level Authority headed by District Collector for clearing cases upto Rs. 1.00 crore of investment.

C. State Investment Promotion Committee headed by Chief Secretary to clear cases upto Rs. 25 crores of investment.

D. State Investment Promotion Board headed by Chief Minister to clear cases beyond Rs. 25 crores of investment. .0.....

9.1 All Procedures for inspections, maintenance of registers, pollution control procedures, etc will be simplified.

10.1 All Industrial units will be exempted from payment of Non-Agricultural Land Assessment.

10.2 Environment Tax equal to the cost of plantation and maintenance for 5 years will be levied for raising of green belt. Industries, who raise green belt to the stipulated extent will be exempted from payment of this Tax.

11.1 The need for conversion of land use from Agriculture use to Industrial use will be dispensed with except in the case of Tank Bed Lands.

11.2 Necessary alternate arrangements will be made to collect the relevant fees in order to ensure that the income to the local bodies is not reduced because of this relaxation. This amount can be collected in the form of a Demand Draft (DD) at the time of filling application with the Industries Department and transferred to the concerned local body / Urban Development Authority. Apportionment of this amount between the local bodies and Urban Development Authorities, whenever they exist together, will be done as per the proportions indicated by the Urban Development and Panchayt Raj Departments.

12.1 In case of Mega Projects with capital investment exceeding Rs. 500 crores, Government may consider a special package of incentives, except tax based incentives on a case to case basis.

6 All new Industrial Units other than those listed as "Ineligible" (Annexure-I) to be located anywhere in the State of Andhra Pradesh except in the Municipal Corporation areas of Hyderabad, Vijayawada and Visakhapatnam and going into commercial production on or after 1-4-2001 but before 31-3-2005 will be eligible for incentives as mentioned in the present scheme.

7 Necessary amendments / Orders will be issued by the concerned Departments, Detailed Guidelines will be issued by the Commissioner of Industries separately.

8 This order issues with the concurrence of Finance and Planning (Fin.Wing) Department vide their U.O.No. 74/1/Exp.I&C/2001, dated 3.1.2001.

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

T. GOPAL RAO,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION.

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 Government Companies / Corpns.

The Finance and Planning (FW.Expr. Inds.) Department

All General Managers, District Industries Centre in the State.

All Sections in the Department,

SF/SC.

// FORWARDED BY ORDER //

SECTION OFFICER

ANNEXURE-I

LIST OF INELIGIBLE INDUSTRIES

1. All Process of Edible Oil Seeds Cakes viz. 1. Groundnut 2. Sesam 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, Dall and Flour Mills including Roller Flour Mills, Modern Rice Mills and Parboiled Mills, Idli Rava, Parched /Flaked Rice (Point & Murmura).

3. Coffee Roasting, Grinding.

4. Ice Cream, Ice Candy, Kulfy, Ice Fruit, Pepsy, Tuty Fruity etc.

5. Chacolates, Pepermint and Cofectionery, 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 & Chutnys 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 Bailing processes.
17. All table meant, animal rearing / farming like poultry, piggery etc.
18. Hatchery (Other than Duck hatchery).
19. Slab Polishing except Granite and Marble culling & 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 Power / Paste.
27. Distilleries, Breweries.
28. Varnishes and Thinners.
29. Lime Kiln / Burnt Lime / Hyderabad Lime.
30. Treadle operated conventional printing press 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 ready made garments.
40. Steel Structural and fabrication works other than heavy structurals.
41. Aluminium 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, Shelves 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 sheets.
47. Hamilton poles and Tubular Poles.
48. Steel Gates / Girders and Bright bars.
49. Mangalore Tiles / Asbestos Products.
50. Hytels except (a) motels (b) Hotels set up in State Government approved tourist centres of Districts.
51. X-ray clinic 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 except Xerox units (set up with institutional finance only) Auto servicing and / or repairing units or retreading industrial material testing laboratories, General Engineering Machining Workshops, common effluent treatment plants, CAD and /or CAM, cold storage, heat treatment, Electroplating, Galvanizing, seed processing, Desk Top Printing.
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.

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