

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department – “Andhra Pradesh Industrial Development Policy 2020-23 – Orders – Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.MS.No.39

Date:10.08.2020
Read the following:

1. G.O Ms. No.36, Industries & Commerce(IP&INF) Department. Dt.29.04.2015.
2. From Director of Industries, Vijayawada efile No. INC02-17035/9/2020-AD-SW&IIPCELL&MP-DOI.

ORDER:

In the G.O 1st read above, Government have issued certain fiscal incentives to the categories of Micro/Small Enterprises, Medium Enterprises and Large Industries, Mega Industries, Schedule Caste/ Schedule Tribe Entrepreneurs and Women Entrepreneurs under AP Industrial Development Policy(IDP) 2015-2020, which was operated between 01.04.2015 to 31.03.2020.

2. In the reference, 2nd read above, Director of Industries, Vijayawada has informed that AP IDP Policy 2015-2020 was concluded on 31.03.2020 and therefore after detailed consultations with various stakeholders, proposed a new AP Industrial Development Policy 2020-2023.
3. Government after careful examination of the proposal hereby introduce the AP Industrial Development Policy 2020-2023. The detailed policy document is appended at Annexure.
4. Under the new “AP Industrial Development Policy 2020-23”, the Government approved the following fiscal benefits covering the following benefits:

Fiscal Incentives

1. Project Category Definition

Micro, Small and Medium Enterprise (MSME): GoAP follows the MSME definition laid out by the Government of India as per the MSMED Act 2006 from time to time. The definition updated based on the notification released on 1st June 2020 is as follows

Classification	Criteria
Micro	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover: not more than Rs. 5 crores
Small	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover: not more than Rs. 50 crores

Medium	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover: not more than Rs. 250 crores
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Table : MSME definition according to Govt. of India

Large Industrial Project - A large Project is a unit which has investment and turnover thresholds more than the Medium enterprises as described in the MSMED Act,2006.

Mega Industrial Project- Projects with direct employment generation of 2,000 will be accorded a mega- industry status.

The Government may extend tailor-made benefits to mega projects to suit particular investment requirements on case to case basis based on the gestation period, pioneering nature, locational aspects, technology, project's importance to the state's industrial growth and its ability to generate large scale employment for people, overall economic impact or revenues for the state.

The incentives mentioned in this section are applicable to General Industries as well as for Food Processing Industries

1.1 Incentives for Micro and Small Enterprises

- a. Reimbursement of 100% stamp duty and Transfer duty paid by the industry on purchase of land meant for Industrial use.
- b. Reimbursement of 100% stamp duty for lease of land/shed/buildings, mortgages and hypothecations
- c. GoAP is committed to supplying uninterrupted 24x7 quality power to all industries operating in the state
- d. Fixed power cost reimbursement @ ₹1.00 per unit for a period of five years from the date of commencement of commercial Production
- e. Reimbursement of 100% of net SGST accrued to state for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier
- f. 15% Investment Subsidy on Fixed Capital Investment limited upto ₹20 lakh, whichever is lower. The subsidy will be released only after 3 years of continuous operation with atleast 80% efficiency in all parameters i.e employment, production etc.
- g. Interest subsidy of 3% on the term loan taken for fixed capital investment by new Micro and Small enterprises for 5 years from the date of commencement of commercial production
- h. Reimbursement of 25% land conversion charges for Industrial use limited to ₹10 lakh

- i. Water and Power will be delivered to door-step of the industry, if it is located in the designated Industrial Park

1.2 Incentives for Medium Enterprises, Large and Mega Industries

- a. GoAP is committed to supplying uninterrupted 24x7 quality power to all industries operating in the state.
- b. 100% Reimbursement of net SGST accrued to the State for 5 years or 100% fixed capital investment, whichever is lower, from the date of commencement of commercial production, linked to employment

Direct Employment generated	SGST reimbursement
<1000	50%
1000 to 2000	75%
2000+	100%

- c. GoAP places significant thrust on adoption of sustainable green measures across industries in the state. Common facilities like Waste water treatment, Continuous Emission Monitoring System (CEMS) etc. would be setup in new APIIC Industrial parks.

2 Promotion of Entrepreneurship among Special Categories

To promote entrepreneurship among SC, ST, BC and Minority Communities, following incentives would be provided.

2.1 Special Package for Women Entrepreneurs belonging to Scheduled Caste /Scheduled Tribe /Backward Classes /Minority Communities

The provisions in the package are applicable for Women Entrepreneurs belonging to Scheduled Caste/Scheduled Tribe /Backward Classes /Minority Communities who establish manufacturing units as sole Proprietor or invariably having 100% share in Partnership/Private Limited Companies and provide employment to a minimum of 10 people.

- a. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- b. 100% reimbursement of Stamp duty for Lease of Land/Shed/Buildings and mortgages and hypothecations.
- c. 50% rebate in land cost limited to 20 lakhs in Industrial Estates/Industrial Parks for MSEs.
- d. 25% Land conversion charges for the industrial use limited to 10 lakhs for MSEs.
- e. Fixed power cost reimbursement @ 1.25 per unit for 5 years from the date of commencement of commercial production.

- f. 35% investment subsidy on fixed capital Investment limited to Rs.50 Lakhs for MSEs. The subsidy will be released only after 3 years of continuous operation with atleast 80% efficiency in all parameters i.e employment, production etc
- g. Interest subsidy of 3% on the term loan taken on the fixed capital investment for a period of 5 years from the date of commencement of commercial production for MSEs.
- h. Reimbursement of 100% net SGST to Micro and Small Enterprises for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- i. Reimbursement of 75% net SGST to medium enterprises for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
- j. Reimbursement of 50% SGST to large enterprises for a period of 5 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier

2.2 Other Common Initiatives

- a. 16.2% of plots for SC Entrepreneurs and 6 % of plots for ST Entrepreneurs in the industrial parks will be reserved and allotment will be done as per the APIIC allotment guidelines
- b. A dedicated cell for handholding special category entrepreneurs for all business issues/consultations will be constituted

5. This policy shall be applicable from 01.04.2020 till 31.03.2023. The Incentives mentioned in the policy will be extended to Industries as per the operational guidelines to be notified separately.

6. This order issues with the Concurrence of Finance (FMU,I&C,E and I&I) Department vide their U.O.No.FIN01-FMU0ASD(IC)/122/2020-FMU-IIEIC dt.13.07.2020.

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

R.KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To

The Director of Industries, Andhra Pradesh, Muthyalampadu, Vijayawada.
The Vice Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation, Mangalagiri, Guntur.
The Director of Handlooms and Textiles. Yerrabalem, Mangalagiri.
The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.
The Managing Director, Andhra Pradesh State Financial Corporation, Tadepalli, Guntur.
The Principal Finance Secretary, AP Secretariat, Velagapudi.
The Special Chief Secretary to Government, Finance Department
The Secretary to Government, Social Welfare Department.
The Secretary to Government, Tribal Welfare Department
The Special Chief Secretary to Government, Revenue (CT/LA) Department.

The Special Chief Secretary to Government, Irrigation & CAD (Reforms) Dept.
The Secretary to Government, Energy, I&I Department.

Copy to

The LET & F (Employment) Department.

The Accountant General, Andhra Pradesh, Hyderabad

The Convener, State Level Banker's Committee.

The General Manager, Small Industry Development Bank of India, (SIDBI),

The Pay and Accounts Officer, Vijayawada.

All District Collectors through Director of Industries, Vijayawada.

All Heads of Departments through Director of Industries, Vijayawada.

All Departments of Secretariat.

All Govt. Companies/Corporations through Director of Industries, Vijayawada. The P.S. to
Prl. Secretary to Chief Minister, AP.

The P.S. to Chief Secretary to Government, AP.

All Private Secretaries to the Ministers.

All General Managers, District Industries Centre in the State through Director of
Industries, Vijayawada.

All Sections in the Department.

SF/SC.

// FORWARDED :: BY ORDER//

SECTION OFFICER