

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industrial Promotion – Incentives for the establishment of Industrial Enterprises in Andhra Pradesh under the Industrial Development Policy (IDP) 2020-23 – Operational Guidelines for implementation – Orders - Issued.

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INDUSTRIES AND COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.10

Dated: 25/02/2021  
Read the following:-

- 1.G.O.Ms.No.39, Industries & Commerce (P&I) Department, dated 10.08.2020.
- 2.From the Director of Industries, eOffice File No. INC02-17035/14/2020-AD-SW&IIPCELL&MP-DOI (computer No.1213155).

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ORDER:

In the G.O. 1<sup>st</sup> read above, Government have issued orders introduce the A.P. Industrial Development Policy 2020-2023 for extending the Incentives for Micro and Small Enterprises Medium Enterprises, Large and Mega Industries Special Package for Women Entrepreneurs belonging to Scheduled Caste /Scheduled Tribe /Backward Classes /Minority Communities and Other Common Initiatives.

2. The Director of Industries, A.P., Vijayawada through eOffice file in the reference 2<sup>nd</sup> read above, has submitted the draft Operational Guidelines along with various certificates for Andhra Pradesh Industrial Development Policy 2020- 23 and YSR Jagananna Badugu Vikasam a Special Industrial Incentives Package under IDP 2020-23 for SC and ST Entrepreneurs.

3. Government after careful examination of the proposals of the Director of Industries, hereby accord the approval of the Operational Guidelines for Andhra Pradesh Industrial Development Policy 2020-23 as appended to these orders.

(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, A.P., Vijayawada.

(P.T.O)

The Vice Chairman & Managing Director, APIIC, Mangalagiri.

The VC & Managing Director, APIDC, Parisrama Bhavan, 5-9-58/B, Fateh Maidan Road, Hyderabad - 500 004.

The Managing Director, Andhra Pradesh State Finance Corporation, Vijayawada.

The Commissioner, Handlooms & Textiles, Hyderabad.

Copy to:

The Finance .(Expr.Inds & Com.) Department.

The Revenue (CT/LA/Registration) Department.

The Irrigation & CAD (Reforms) Department.

The Energy Department. The LET & F (Employment) Department.

The Environment, Forest, Science & Technology Department.

The Municipal Administration and Urban Development Department.

The Transport, Road & Buildings Department.

The Law Department. The Social Welfare Dept.

The Y.A. &T.C. Dept.

The Accountant General, Andhra Pradesh, Vijayawada.

The Convener, State Level Banker's Committee, Union Bank of India, FGM Office, 2<sup>nd</sup> Floor, Andhra Bank Building, R.R. Appa Rao Street, Vijayawada - 520001.

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

The Pay and Accounts Officer, Vijayawada.

The Director of Treasuries and Accounts, Vijayawada.

All District Collectors through the Director of Industries, Vijayawada.

All Heads of Departments through the Director of Industries, Vijayawada. All Govt. Companies/Corporations through the Director of Industries, Vijayawada.

The P.S. to Prl. Secretary to Chief Minister.

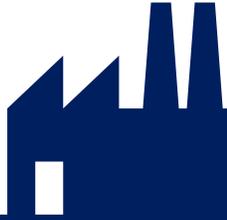
The P.S. to Chief Secretary to Government.

All Private Secretaries to the Ministers.

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

//FORWARDED:: BY ORDER//

SECTION OFFICER



Operational Guidelines for  
Implementation of  
Andhra Pradesh  
Industrial Development Policy 2020-  
2023

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## 1. INTRODUCTION

Andhra Pradesh is one of the most preferred destinations for manufacturing investments within the country with India's 2<sup>nd</sup> longest coastline, 6 operational ports and a dense network of highways and railways, the state offers the best logistics infrastructure for investors interested in targeting both domestic as well as export market. Additionally, the state is blessed with abundant mineral resources, agricultural base, water and surplus electricity making it an attractive investment destination.

Projects involving New/Expansion /Diversification of existing industries other than those specified in Annexure-I, are all entitled for availing incentives under the scheme Andhra Pradesh Industrial Development policy (APIDP) 2020-23.

## 2. AREA OF OPERATION

The Scheme is applicable throughout the State except the Municipal Corporation limits of Vijayawada, Greater Visakhapatnam Municipal Corporation and Core Capital area of Amaravati Metropolitan Region Development Authority (AMRDA). However, the service activities set up across the State including all Municipal Corporation limits and the core capital of AMRDA limits as appended in **ANNEXURE – II** are eligible only for investment subsidy and all other Service / Business activities are not eligible for any incentives set up anywhere in the State.

## 3. COMMENCEMENT AND DURATION OF THE POLICY

The Scheme covers the projects which commence Commercial Production on or after 01.04.2020 but on or before 31.03.2023 (inclusive of both dates), with such further modifications as may be brought about during the operation of this scheme.

## 4. DEFINITIONS

### 4.1. INDUSTRIAL DEVELOPMENT POLICY 2020 - 2023

Industrial Development Policy means, the Policy of State Incentives / Facilities announced by the State Government vide G.O.Ms.No.39, Industries & Commerce (P&I) Department, dated: 10.08.2020 and amendments thereof .

#### 4.2. ELIGIBLE INDUSTRIAL ENTERPRISE

Industrial Enterprise means any industrial undertaking, other than those run departmentally by Government of India / State Government or having equity of State Government / Govt. of India and other than those listed in **ANNEXURE – I**. Every enterprise should have a valid “Parishrama Aadhar” for claiming incentives.

#### 4.3. NEW INDUSTRIAL ENTERPRISE:

New Industrial Enterprise means an Industrial Enterprise which has been established in the State with new machinery and commenced commercial production on or after 01.04.2020 and before 31.03.2023 (inclusive of both dates) holding valid approvals from the concerned authorities.

#### 4.4. MICRO INDUSTRIES/ENTERPRISES

Micro Industry/Enterprise means an Industry/enterprise in which Investment on plant and machinery does not exceed Rs.1 crore and annual turnover does not exceed Rs. 5 crore, as defined by the Government of India from time to time. (For more details please refer **ANNEXURE - IV**)

#### 4.5. SMALL INDUSTRIES/ENTERPRISES

Small Industry/Enterprise means an Industry/enterprise in which Investment on plant and machinery does not exceed Rs. 10 crore and annual turnover does not exceed Rs. 50 crore, as defined by the Government of India from time to time. (For more details please refer **ANNEXURE - IV**)

#### 4.6. MEDIUM INDUSTRIES/ENTERPRISES

Medium Industry/Enterprise means an Industry/enterprise in which Investment on plant and machinery does not exceed Rs. 50 crore and annual turnover does not exceed Rs. 250 crore, as defined by the Government of India from time to time. (For more details please refer **ANNEXURE - IV**)

#### 4.7. LARGE INDUSTRIES/ENTERPRISES

Large Industry means an Industry/Enterprise in which the Investment on plant and machinery is more than Rs. 50 crore and annual turnover greater than Rs. 250 crore, as defined by Government of India from time to time.

#### 4.8. MEGA PROJECTS

Generally Mega Project means any large Industrial Enterprise which creates direct employment of more than 2,000 persons. 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, location 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

Capital Investment includes investment on land, buildings and plant and machinery, preliminary preoperative expenses and working capital margin. The incentives will be extended after investing the stipulated investment as defined under Mega Project as on Date of Commencement of Commercial Production (DCP). If the Mega Project is aided unit, the investment and employment generated during the period of 18 months from DCP will be considered and in case of Multinational companies/FDI investment from their internal accruals will also be considered.

#### 4.9. EXPANSION PROJECTS

Existing Industrial Enterprises, setting up expansion projects other than those listed in the ineligible list, involving enhancement of Fixed Capital Investment by at least 25% as well as enhancement of installed capacity by 25% for the same product lines will be eligible for incentives.

#### 4.10. DIVERSIFICATION PROJECTS

Existing Industrial Enterprises making investment for a new product other than those listed in the ineligible list, involving Diversification with an enhancement at least 25% of new fixed capital investment as well as enhancement of turnover by at least 25%, in value terms, (last three years average turnover) will be eligible for incentives.

#### 4.11. FIXED CAPITAL INVESTMENT

For the purpose of this policy, Fixed Capital Investment means investment on land, building, plant, machinery & equipment assessed as per para 11.0 of these guidelines.

Original fixed capital investment is the Investments made on fixed capital assets prior to Expansion/Diversification. While computing this Original Fixed Capital Investment, neither depreciation nor revaluation will be considered. Fixed assets include cost of land, civil works, plant, machinery and equipment as per the approved project cost. This project cost will also include cost of machinery installed within 6 months from DCP in case of units assisted by Financial Institutions.

#### 4.12. CAPEX

CAPEX refers to the fixed capital investment computed as eligible in calculating eligible investment subsidy.

#### 4.13. PRODUCTION CAPACITY OF ORIGINAL ENTERPRISE/INDUSTRY

The highest annual production/turnover achieved during preceding three financial years prior to expansion/diversification, will be treated as Production Capacity of the Original Enterprise/Industry. In case of less than 3 years of operation the highest of previous years or 75% of the installed capacity whichever is higher is taken into consideration.

#### 4.14. TAX

Tax means Tax paid to Commercial Tax Department by the way of State Goods and Services Tax (SGST) on goods produced by the Industrial Enterprise.

#### 4.15. DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION (DCP)

The date of Commercial production will be taken as per the DCP certificate issued by the GM, DIC, through Single Desk Portal. While confirming / certifying the DCP of the enterprise by GM, DIC, due diligence is to be exercised by correlating date of first sale bill and first power bills. In case of any dispute on DCP between the Enterprise and the Department, State Level Committee (SLC) in case of Large and Mega, and DIEPC in case of MSME will review and its decision is final.

#### 4.16. PARISHRAMA AADHAR

A unique identification number will be allotted to every enterprise after commencement of Commercial production and the same will be mentioned in the Date of Commencement (DCP) certificate issued by the GM, DIC as per G.O. Ms. No. 42, I & C Department dated 13.08.2020. Parishrama Aadhar shall be the basis for clamming of all Incentives. In no case shall any unit take a duplicate Parishrama Aadhar.

#### 4.17. CONTINUOUS PRODUCTION

Continuous Production means continuous working of an Enterprise engaged in the activity of approved lines for a minimum period of six (6) years for Micro and Small Enterprises (MSEs) and eight (8) years for Medium and Large Enterprises without any break in production. If any Enterprise is not in operation/working for more than 90 days continuously, then the Enterprise shall be treated as break in production and not in continuous working. The break in production is to be condoned by DIEPC for MSMEs and SLC for Large and Mega industries. The continuous production period will be extended accordingly. This condition is not applicable for seasonal Industrial Enterprises as defined by the Department.

#### 4.18. BREAK -IN-PRODUCTION

The Enterprises obtaining incentives should be in continuous production for a period of six (6) years in respect of MSEs and eight (8) years in respect of Medium, Large and Mega Enterprises from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery. In this regard, the GM, DIC concerned should monitor the progress of these Enterprises and submit report to the Commissioner of Industries on a half yearly basis. Break-in-production up to a period of three (3) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, fire accidents and natural calamities etc. may be condoned by DIEPC in case of MSMEs and SLC in case of Large Industries on merits. Any break-in-production will result in extending the continuous production period requirement, which is six (6) years for MSEs and eight (8) years for Medium & Large Enterprises, by the period of such break.

The break in production, if any during COVID-19 lock down/ natural calamities will be considered as deemed condonation period.

#### 4.19. APPROVED PROJECT COST

Approved Project Cost means, the cost of the project on different components as approved by the term loan lending institution or in case of joint financing, by the lead term loan lending institution. The Appraised Project Cost by the Scheduled Commercial Banks/Financial Institutions recognized by Reserve Bank of India for the purpose of sanction of term loan would be treated as the Approved Project Cost. However, the component of working capital margin will not be considered for computing investment subsidy for MSEs. In respect of self-financed projects, the Approved Project Cost will need to be certified by Chartered Accountant / Chartered Engineer empaneled by the Government of Andhra Pradesh, and the cost of the individual elements should be validated by the latest audited financial statements of the firm.

#### 4.20. REVISED PROJECT COST

The Revised Project Cost for the self-financed Industrial Enterprises is increasing or decreasing by not more than 10%, a self-certification of the revised project cost by the enterprise shall be considered as the revised project cost. If the revised project cost is increasing or decreasing by more than 10% Project Cost will need to be certified by Chartered Accountant / Chartered Engineer, empaneled by the Government of Andhra Pradesh, and the cost of the individual elements should be validated by the latest audited financial statements of the firm.

#### 4.21. AIDED ENTERPRISE/ INDUSTRY

The Enterprise/Industry availing term loan from Scheduled Commercial Banks/Financial Institutions recognized by Reserve Bank of India, A.P. State Financial Corporation (APSFC) and Small Industrial Development Bank of India (SIDBI) for setting up the Enterprise/Industry is treated as Aided Enterprise/ Industry.

#### 4.22. SELF-FINANCED ENTERPRISE/ INDUSTRY

The Enterprise / Industries set up with own funds / unsecured loans without any involvement from Scheduled / Commercial Banks / Financial Institutions / APSFC etc. is treated as Self-Financed Enterprise. However, units established first with own funds /unsecured loans and which have obtained term loan subsequently after commencement of production are treated as Self-Financed units for the purpose of sanction of incentives under the policy. However, Units which have commenced production with own funds and possess in principle sanction

before the DCP and availed loans from the scheduled Banks within 6 months from DCP will be treated as Aided Enterprise. Further, wherever, the Enterprises / Industry is established with term loan less than 40% of the project cost will also be considered as self-financed units for the purpose of finalization of investment.

The Self-financed Entrepreneurs are eligible for the Investment Subsidy. In respect of Enterprises availing term loan from approved Non-Banking Financial Institutions, the claim application will be considered provided that the lending rate of Non-Banking Financial Institution shall of PLR+2% subjected to amendment from time to time.

#### 4.23. BC ENTERPRISE

The enterprises promoted by backward class community entrepreneurs as sole Proprietor or invariably having 100% share in Partnership/Private Limited Companies. BC entrepreneur refers to a person hailing from Andhra Pradesh and belonging to BC Category as notified by the Government of Andhra Pradesh from time to time.

#### 4.24. MINORITY ENTERPRISE

An enterprise with 100% ownership by minorities, as defined in the Andhra Pradesh State Minorities Commission Act, 1998 and its subsequent amendments is an eligible minority enterprise. Minority entrepreneurs refer to people from minority communities hailing from Andhra Pradesh and as notified by the Government of India and Government of Andhra Pradesh from time to time.

#### 4.25. GENERAL INDUSTRIES / ENTERPRISE

The Industries / Enterprises which have not been covered under any sectoral policy or special category (Woman categories of BC/Minority).

#### 4.26. WOMEN ENTERPRISE

An enterprise with 100% ownership by women entrepreneurs is an eligible women enterprise. Women entrepreneurs refer to female entrepreneurs hailing from Andhra Pradesh and as notified by the Government of Andhra Pradesh from time to time.

#### 4.27. SEASONAL INDUSTRY

The unit which commissioned from time to time principally during certain season or limited periods in a year and the main plant is regularly closed down during certain months in a year. Like manufacture of sugar, ice, salt, decorticating, seed processing, fruit processing, ginning and pressing, cotton seed oil mills, tobacco processing etc., or any activity approved by SLC.

#### 4.28. MONTH

Calendar Months

#### 4.29. FINANCIAL YEAR

1<sup>st</sup> April to 31<sup>st</sup> March

#### 4.30. FIRST HALF YEAR

1<sup>st</sup> April to 30<sup>th</sup> September

#### 4.31. SECOND HALF YEAR

1<sup>st</sup> October to 31<sup>st</sup> March of next year

### 5. YSR AP ONE

YSR AP One is a multi-faceted business enablement and capability center that acts as a one-stop shop for industries. YSR AP One acts as an industry/enterprise interface and assists industries/enterprises in availing various services. Entrepreneurs can avail the following services from YSR AP One centers at state/ district level:

- 1) Entrepreneurship Facilitation Services
- 2) Market Research
- 3) Marketing & Branding
- 4) Sales Support
- 5) Scheme Support
- 6) MSME Revitalization
- 7) Business Enablement
- 8) Investor Outreach

- 9) Incentive Management
- 10) Special Category Services

## 6. LAND ALLOTMENT: LEASE + BUY MODEL

Govt. of Andhra Pradesh intends to de-risk the businesses by reducing their upfront costs. To this end, the current models for allotment are replaced with a composite Lease cum Buy model. As per the new model, land will be given on lease for 33 or 99 years with an option to buy the land after 10 years of successful business operations.

This model is also applicable for pre-built factory sheds built for MSMEs. The detailed regulations of this lease cum buy model shall be issued under APIIC land regulation rules 2020.

## 7. PROCEDURE FOR CLAIMING VARIOUS INCENTIVES

### 7.1.GENERAL GUIDELINES

- 7.1.1. The entrepreneurs who wish to avail incentives have to file separate claims for each of the incentives through online incentive portal “[www.apindustries.gov.in](http://www.apindustries.gov.in)” invariably within the stipulated time frame. They can avail incentives of State Government, Government of India, and Government of India Agencies. However, the quantum of incentives for a component under the Government of India and Government of Andhra Pradesh schemes together shall be limited to 75% of the capex of that component. The enterprise will be taken as unit in calculating the incentives rather than the promoter.
- 7.1.2. All the Enterprises (Manufacturing, Service and Transport Sector) should have professional tax Registration and should pay the professional tax as per G.O.Rt.No.664 Revenue (Commercial Taxes-II) Department Dt.24/08/2020.
- 7.1.3. Any Enterprise/Industry going for expansion/diversification, should submit the claim application separately subject to conditions stipulated at Para No.4.9 and 4.10, otherwise the Enterprise/Industry will be treated as original Enterprise/Industry and the incentives/ concessions will be considered from the DCP of the original Enterprise/Industry.

7.1.4. All enterprises must fill Common Application Form (**ANNEXURE-V**) and file other corresponding forms and certificates as applicable.

7.1.5. All BC/Minority/Women Entrepreneurs will have to clearly specify the category they are applying for industrial approvals and claiming incentives clearly on the Single desk portal (SDP) and online incentive portal respectively, along with the necessary documentation as requested.

## 7.2. INVESTMENT SUBSIDY

S. No.	Enterprise	Category	% of subsidy	Maximum Limit
1	MICRO & SMALL ENTERPRISES	General	15%	Rs 20,00,000/-
2		BC/Minority (Women)	35%	Rs 50,00,000/-

7.2.1. All eligible Enterprises shall submit their claims in the prescribed application form given for investment subsidy (**ANNEXURE-VI**) within six months from the DCP or from the date of issue of operational guidelines, to the GM, DIC concerned, through Online Incentive Portal. The quantum of Investment subsidy for different categories and sectors is tabulated as above.

7.2.2. The total Investment Subsidy including the subsidies of State Government and Central Government together will be limited to 75% of the investment of a component taken into consideration.

7.2.3. Investment Subsidy shall be applicable to all eligible Expansion/Diversification Enterprises, subject to fulfillment of all other conditions stipulated.

7.2.4. In case of land and building purchased from existing Industry/Enterprise which has availed incentives, the land and building cost will not be considered as part of Fixed Capital Investment for computing Investment Subsidy. In case if the original unit has

not availed incentives on land and building, the cost of the land and the depreciated value of building will be considered as part of Fixed Capital Investment for computing Investment Subsidy. Certificates on the depreciated value of building and quality & life of the building by Chartered Civil Engineer are to be submitted along with the application.

7.2.5. The subsidy shall be sanctioned to aided Enterprises within the project cost approved by the Financial Institution and empaneled Chartered Accountant in case of self-financed units.

7.2.6. While sanctioning incentives are to be restricted to approved project cost. In case of aided units it is the project cost approved by the Financial Institution and in case of self-financed enterprises it is the project cost approved by empaneled Chartered Accountant This incentive will be released after 3 years on duly confirming the continuous operation of the Enterprise with at least 80% of employment and 80% of production targets mentioned during application for incentives post DCP. For this purpose, entrepreneur shall submit the details of employee registration as per Provident fund Act and annual production particulars.

7.2.7. The Investment Subsidy is also applicable to all identified service activities related to industries, setup anywhere in the State as per the list appended as **Annexure – II & III**

### 7.3. REIMBURSEMENT OF STAMP DUTY, TRANSFER DUTY, MORTGAGE AND HYPOTHICATION

S. No.	Enterprise	Category	% of reimbursement	Maximum Limit
1	Micro and Small	General / B.C/ Minority	100%	Not Applicable
2	Medium, Large & mega	Women entrepreneurs of B.C/Minority	100%	Not Applicable

7.3.1. All eligible Industrial Enterprises shall submit their claims in the prescribed application form (**ANNEXURE- VII**) given for reimbursement of stamp duty, transfer duty, on

purchase of land meant for industrial use, Stamp duty for lease of Land/Shed/Building and mortgages and hypothecations within six months from the DCP or from the date of issue of operational guidelines to the GM, DIC concerned, through Online Incentive Portal.

- 7.3.2. Stamp duty will be reimbursed only one time on the land/building/shed and subsequent transactions will not be eligible for stamp duty reimbursement even in case of land purchases in open auction conducted by financial institution.
- 7.3.3. Stamp duty, Transfer duty, mortgages and hypothecations benefits will be applicable to all eligible New Industrial Enterprises and expansion / Diversification projects, subject to fulfillment of the conditions stipulated.
- 7.3.4. The above benefits shall be admissible up to 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 larger due to the specific nature of industry, SLC may consider allowing land in excess of five times plinth area on case to case basis. In respect of MSMEs, District Industries and exports Promotion Committee (DIEPC) is competent.
- 7.3.5. Stamp duty on Mortgages and hypothecations paid by an Enterprise for availing term loan from the financial institutions on assessed Fixed Capital Investment only would be eligible. This facility is not applicable on working capital. If the mortgage deed is registered in any state other than Andhra Pradesh in favour of any financial institution, then, this facility will not be extended.

#### 7.4. REBATE ON LAND COST

S. No.	Enterprise	Category	% of rebate	Maximum Limit
1	Micro and Small	General-not eligible	Not applicable	Not applicable
2	Women Entrepreneurs from Micro and Small enterprises	BC/Minority	50%	Rs 20,00,000/-

7.4.1. All eligible Enterprises shall submit their claims in the prescribed application form given **(ANNEXURE-VII)** for Reimbursement of land cost within six months from the DCP or from the date of issue of operational guidelines, to the GM, DIC concerned through Online Incentive Portal

7.4.2. The above benefit shall be applicable to all eligible New Industrial Enterprises and Expansion / Diversification Enterprises, subject to fulfillment of all other conditions stipulated.

7.4.3. The above benefit shall be provided on the total land directly purchased from APIIC only in Industrial Estates/Industrial development areas /Industrial parks. Second sale / purchases are not eligible. It is also clarified that MSE units are eligible for these incentives on total land purchased and not at individual plot level

#### 7.5. REIMBURSEMENT OF LAND CONVERSION CHARGES

S. No.	Enterprise	Category	% of reimbursement	Maximum Limit
1	MICRO & SMALL ENTERPRISES	General	25%	Rs 10,00,000/-
2		B.C/Minority	25%	Rs 10,00,000/-

7.5.1. All eligible Enterprises shall submit their claims in the prescribed application form given **(ANNEXURE-VII)** for Reimbursement of land conversion within six months from the DCP or from the date of issue of operational guidelines, to the GM, DIC concerned through Online Incentive Portal.

7.5.2. The reimbursement of land conversion charges shall be applicable to all eligible New units and Expansion/Diversification enterprises, subject to fulfillment of all other conditions stipulated. It is also clarified that MSE units are eligible for these incentives on total land purchased and not at individual plot level

## 7.6. REIMBURSEMENT OF POWER COST

S. No.	Enterprise	Category	Reimbursement per KVAH	Maximum Limit
1	Micro and Small	General	Rs 1/unit	For 5 years from DCP
2	Women Entrepreneurs from MSME, Large and Mega enterprises	BC/ Minority	Rs 1.25/unit	For 5 years from DCP

- 7.6.1. All eligible units shall submit their claims in the prescribed application form given **(ANNEXURE - VIII)** for reimbursement of power cost within six months after completion of every half-year i.e., by 31st of March for first half-year and 30th of September for second half-year to the gm, DIC on half-yearly basis through online incentive portal.
- 7.6.2. This reimbursement is only on the energy consumption (charges for number of units consumed in KVAH only but not on Contract Maximum Demand (CMD) or any other charges levied by DISCOMs. Residential & colony power consumption and open access power is not eligible for reimbursement of power cost.
- 7.6.3. The reimbursement of power cost shall be applicable to all eligible New Industrial Enterprises and Expansion/Diversification Projects, subject to fulfillment of all other the conditions stipulated.
- 7.6.4. The power cost reimbursement shall be applicable to the Industrial Enterprises, which are utilizing power from DISCOMs and Rural Electrical Companies (RECs). However, power connection should be in the name of the Enterprise/Industry.
- 7.6.5. Reimbursement of power cost will be allowed in case of expansion/ diversification projects over and above base power consumed. For the purpose of reimbursement, half yearly power consumption will be considered. The reimbursement will be made every six (6) months. But in case actual power consumed during the half year is less than the half year base consumption, then the consumption for that half year of expansion/diversification is treated as nil.
- 7.6.6. The base half year consumption will be half of highest annual power consumption of previous years of the expansion / diversification project as certified by Chartered

Accountant. If the Enterprise /Industry have taken up expansion/ diversification in the same year, the base power consumption will be calculated proportionately. Power consumed over and above the base consumption will only be eligible for reimbursement of power cost

- 7.6.7. In case of Industry/ Enterprise purchases secondhand land and building along with power either on lease or outright sale, the unit will not be entitled for any power cost reimbursement if the power connection is in the original Industry/Enterprise name. However, if the Industry/Enterprise transfers the power connection in the name of the present enterprise they are entitled for power cost reimbursement provided they install the new plant and machinery.

## 7.7. REIMBURSEMENT OF INTEREST SUBSIDY

S. No.	Enterprise	Category	% of reimbursement	Maximum Limit
1	Micro and Small	General	3% on term loan taken on FCI	For 5 years from DCP
2	Women Entrepreneurs from Micro and Small enterprises	BC/ Minority	3% on term loan taken on FCI	For 5 years from DCP

- 7.7.1. All eligible Industrial Enterprises shall submit their claims in the prescribed application form given (**ANNEXURE - IX**) for reimbursement of interest subsidy within six months after completion of every half-year i.e., last date for filing claim application is 31st of March for first half-year and 30th of September for second half-year to the concerned GM, DIC through Online Incentive Portal.
- 7.7.2. This facility is also applicable for expansion / diversification projects. The new/expansion/diversification enterprises availing term loan from Scheduled Commercial Banks / Financial Institutions/Cooperative Banks/ RRB recognized by Reserve Bank of India, APSFC and Small SIDBI only are eligible under this scheme.
- 7.7.3. For the purpose of Interest Subsidy, the rate of interest charged will be taken as the applicable rate of interest.

- 7.7.4. The sanctioned term loan disbursed within six months from the DCP must be part and parcel of original term loan sanctioned. The subsequent term loans sanctioned are not eligible under the scheme.
- 7.7.5. Two or more term loans sanctioned by the same bank or different banks for the same project are also eligible to avail this benefit.
- 7.7.6. This reimbursement to the Enterprise/ Industry shall not include penal interest, liquidated damages etc. paid to the financial institutions / banks.
- 7.7.7. The interest reimbursement will be made in proportion to the interest paid against the total interest to be paid in the given period of six months.
- 7.7.8. The loan accounts that are classified as Non-performing Assets are ineligible. However, if they resume on-time repayments and regularize the arrears, they are eligible for the incentives. For this purpose, the banker has to certify that the repayment is regular, and the account is standard and the same is to be enclosed along with claim application. In case the accounts are regularized, the units are eligible to avail the benefit for the period for which the accounts are regularized along with the regular claim excluding penal interest.
- 7.7.9. The total rate of interest reimbursed by the GoAP and the Central Government under Interest subvention or TUF etc. shall not exceed the rate of interest imposed by the Financial institution.

## 7.8. REIMBURSEMENT OF SGST

S. No.	Enterprise	Category	% of reimbursement	Maximum Limit
1	Micro and Small	General	100% of Net SGST accrued to the state	
2	Women Entrepreneurs from <b>Micro and Small</b> enterprises	BC/Minority	100% of Net SGST accrued to the state	

3	Women Entrepreneurs from <b>Medium</b> enterprises	BC/Minority	75% of Net SGST accrued to the state	For 5 years or up to 100% of FCI, whichever is lower
4	Women Entrepreneurs from <b>Large</b> enterprises	BC/Minority	50% of Net SGST accrued to the state	
5	Employment linked Other <b>Medium, Large and Mega</b> Enterprises	General	Net SGST accrued to the state of: <b>a. 100 %</b> if direct employment is greater than <b>2,000</b> <b>b. 75%</b> if direct employment is <b>between 1,000 to 2,000</b> <b>c. 50%</b> if direct employment is <b>less than 1,000</b>	

**Direct employment may be defined as detailed below:**

- 7.8.1. Jobs, which are directly involved in the production process or with related activities beginning from the materials enter a production facility and until the resultant manufacturing goods leaves the production facility. Such employment shall include on- roll, contractual and apprentice workforce in the State only.
- 7.8.2. Employment/workers: Average number of employees during claim period of 6 months as per employee register maintained in line with Labour laws including those employed through contractors and is registered under Provident Fund Act, which has to be certified by the Labour Department.
- 7.8.3. All eligible Industrial Enterprises shall submit their claims (**ANNEXURE-X - A**) along with GSTR-3B and GSTR- 2A (as amended by the Government of India from time to time) for reimbursement of SGST within six months after completion of the financial year on or before 30th September as per check slip, to the concerned GM, DIC through online incentive portal.

- 7.8.4. Net SGST accrued for a period of 5 years from the DCP or up to realization of 100% FCI, whichever is earlier, shall be reimbursed.
- 7.8.5. The Expansion/Diversification projects will be allowed for reimbursement on State Goods and Services Tax (SGST) paid on production made over and above the base annual production capacity of the original Enterprise/Industry i.e. before expansion/diversification. The base annual production is the highest annual production of previous financial years or 75% of installed capacity of the original Industrial Enterprise, whichever is higher in case of manufacturing single product (as certified by Financial Institution/ Chartered Accountant). If the Enterprise/Industry takes up expansion/diversification in the same year, the base capacity will be calculated proportionately. In case of multi products, the highest annual sales turnover of previous three financial years will be taken as base turnover (as certified by Chartered Accountant or Chartered Engineer as the case may be).
- 7.8.6. Net SGST accrued to the State: Net SGST means SGST amount paid through cash ledger (indicated in GSTR-3B)
- 7.8.7. The Enterprise/Industry shall obtain the GSTR-3B as proof of net SGST accrued to the state. For this purpose, regular monthly returns filed during the financial year will only be considered.
- 7.8.8. Eligible unit shall have to obtain a separate registration under GST Act for manufacturing of eligible products only. The eligible unit shall not carry out any trading activity or provision of any services not relating to eligible products from its place of business. The eligible unit shall have to obtain a separate registration, if the unit carries out trading activity or provision of any services not relating to eligible products. Incentives shall be allowed only for eligible goods manufactured in the eligible unit and not on the resale of goods.
- 7.8.9. If the eligible unit has shown its inter-State sales as intra-State sales through intermediary/ marketing network/ or any other middle man, either directly or indirectly controlled by it, in order to get higher incentives, then the incentives shall be liable to be cancelled with effect from the date of such contravention, and the unit shall be liable to return forthwith the incentives availed together with interest at the rate of eighteen percent per annum.

7.8.10. Form – A (**ANNEXURE - X – B**) for confirming the details of returns by Commercial Tax Department shall be obtained by the entrepreneur through Single desk and the same should be uploaded along with claim application.

## 8. DEEMED APPROVAL FOR GREEN & WHITE CATEGORY MSMEs

- 9.1. End-to-end Deemed approval for MSMEs: An MSME unit can start operations in notified industrial Estates/Areas/parks after getting an online acknowledgement by submitting 'declaration of intent' with a condition to formalize all the approvals within three years.
- 9.2. This will not be applicable to enterprises under orange and red category MSMEs. This facility will be operationalized through SDP.

## 9. TAILOR MADE INCENTIVE PACKAGE FOR MEGA PROJECTS:

Companies intending to establish Mega Projects and are desirous of seeking financial assistance/concessions must present detailed representations along with project reports to the Commissioner of Industries, clearly spelling out special incentives being sought with due justification before or during initial stages of implementation. On receipt of such proposals, Commissioner of Industries will examine the same with due diligence and forward it to the Government following due procedure defined before placing it before the SIPC and SIPB for taking the decision in the matter.

## 10.COMPUTATION OF FIXED CAPITAL INVESTMENT

### 10.1. LAND

10.1.1. Cost of land required for the successful working of the new industrial enterprise 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 and approved plans. However, in respect of Enterprises/Industries where the open land requirements would be large due to the specific nature industry, DIEPC/SLC may consider allowing land in excess of 5 times of plinth area on case to case basis. However, cost of site leveling, clearance, laying of roads, etc. will not be considered for capital cost.

10.1.2. Value of leased land will be considered for capital cost only if the lease period is over 33 years.

10.1.3. Lease/Sale deed should be registered in the name of Enterprise / Industry / proprietor as the case may be, for sanction of any incentives / concessions. In case of other than proprietary firms lease / sale deeds should invariably in the name of the unit/ enterprise.

10.1.4. Lands inherited would not be considered for capital cost computation. Stamp duty and Transfer duty component will not be considered while computing the Fixed Capital Investment.

10.1.5. In case of a discount on land cost on lands purchased in APIIC developed IEs/IDA/IPs, the discounted land cost will not be considered while computing the Fixed Capital Investment for sanction of Investment Subsidy.

10.1.6. In case of APIIC lands incentives claims will be processed based on Lease/ sale agreement also subject to the mandatory submission of Lease/sale deed for release of sanctioned incentives.

## 10.2. FACTORY BUILDING

10.2.1. The value of factory building constructions will be limited to the approved project cost. Values of leased building will not be considered. Cost of buildings will be computed as per the APSFC approved rates of construction / year of construction or the actual cost, whichever is lower. However specialized structural buildings cost will be computed based on the certification of Chartered Civil Engineer/Structural Engineer with due justification as per designs. The items of civil works which are permitted for computation towards eligible cost are:

- a. Main Factory Shed.
- b. Raw Material and finished products warehouse.
- c. Office room and Lab room.
- d. Cooling water ponds.
- e. Boiler shed and generator room.
- f. Effluent treatment ponds, etc.
- g. Overhead Tank, bore-wells, and pump house and sump.

- h. Fencing and Gate.
- i. Architect fee and supervision charges.
- j. Compound wall.
- k. Canteen.
- l. Workers' rest room.
- m. Time Office.
- n. Cycle / Vehicle Stand.
- o. Security Shed and
- p. Toilet room and sanitary fittings.

The total value of items from (j) to (p) and similar items shall not exceed 10% of the total value of civil works. Total value of the civil works means items from (a) to (i) only (within the approved project cost). The plinth area of the civil works based on the construction made by the Industrial Enterprise from items from (a) to (i) only.

### 10.3. PLANT AND MACHINERY:

10.3.1. Value of plant, machinery and equipment installed and the value of tools (other than consumables) Jigs, Dies, Moulds, pollution equipment, lab equipment etc. necessary for production of approved line of activities will be taken into account, as per the notification under MSMED Act, 2006 of Gol from time to time. Leased plant and equipment are not eligible for incentives.

10.3.2. Enterprise/Industry setup with total second hand machinery would not be eligible for any incentives/concessions. However, in case of Enterprise/Industry 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 Enterprise. In case of indigenous second hand machinery purchased by the Industrial Enterprise, 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 eligible Fixed Capital Investment for incentives. To decide the percentage of second hand machinery, market value as certified by C.A will be considered, subject to such machinery having a minimum of further six (6) years life for MSEs and eight (8) years for Medium Enterprise and Large Industries certified by a Chartered mechanical Engineer. New Enterprise/industry setting up with a mix up of

new / secondhand machinery shall be subjected to these norms. (Please refer **ANNEXURE – XIV** for the format for CA / CE Certificate)

- 10.3.3. 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, capitalized and certified by a C.A., but limited to 10% of the total cost of plant machinery and equipment installed.
- 10.3.4. The value of plant, machinery and equipment procured by new Industrial Enterprise from APSFC / A.P. State Industrial Development Corporation / Nationalised Banks pertaining to disposed off Enterprise/Industry will be considered, 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 MSEs and eight (8) years for Medium Enterprise and Large Industries certified by a Chartered mechanical Engineer, will be taken into account for computing towards eligible Fixed Capital Investment.
- 10.3.5. In respect of new Industries Enterprises setup in the premises belonging to disposed off Enterprises from any Financial Institution / disposed off enterprises/industries, if the earlier Enterprises availed incentives, only new assets created with fresh investment would be eligible for incentives.
- 10.3.6. Value of self-fabricated machinery by the new industrial Enterprise/Industry 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.
- 10.3.7. The new Industrial Enterprises 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.
- a. Gantry 5/10 tons capacity with chain pulley block or EOT/HOT crane 5/10 tons capacity.
  - b. Arc welding Transformer with welding Generators or Rectifiers.
  - c. Gas welding and cutting equipment.
  - d. Electrical tools namely; Grinder, Rivetter or Drilling Machinery or Pneumatic tools with air compressor.

- e. Pillar type drilling machine 1" / 1.1/2" capacity.
- f. Pug cutting equipment for cutting heavy sections viz. Angles, Plates and Channels.
- g. Drafting machine and drawing office equipment (optional).
- h. Any other latest equipment to perform heavy structural fabrication in lieu of any of the above equipment.

10.3.8. Diesel Generator is not allowed for computing towards Fixed Capital Investment.

10.3.9. Transformer cost is not allowed for computing towards Fixed Capital Investment

#### 10.4. ITEMS NOT COMPUTABLE TOWARDS FIXED CAPITAL INVESTMENT

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

10.4.2. Value of the Motor Vehicles.

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

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

10.4.5. Fixed assets which form part of project cost but not created within 6 months from the DCP or the date of filling the claim whichever is earlier, if it is financed enterprises/industry. If the Mega Project is aided unit, the investment made during the period of 18 months from DCP will be considered and in case of Multinational companies/FDI investment from their internal accruals will also be considered.

10.4.6. Term loan sanctioned by the Financial Institution after the DCP.

10.4.7. In case of self-financed Enterprise/Industry, the fixed assets created after the DCP and payment made after DCP, such value.

#### 11. GENERAL GUIDELINES

12.1. The claim applications filed after six months but before one year from the specified date as defined for sanction of incentives will be treated as belated claims and are eligible for 50% of all the incentives. All claims filed beyond one year are not eligible for any incentives. In case any claim application is received beyond one year after commencement of

production, it will be considered on case to case basis as per specific Government instructions.

- 12.2. All eligible MSMEs should furnish a registered / lease deed for a minimum six (6) years production period from the DCP and others should furnish a registered lease deed for a minimum Eight (8) years production period from the DCP
- 12.3. If any MSME taking up expansion/diversification had availed Investment Subsidy at any time, the subsidy amount already availed would be deducted from the eligible Investment Subsidy, and the total subsidy would be limited to Rs.20.00 lakh in case of general entrepreneurs and Rs.50 lakh for Women BC/ Minority Entrepreneurs as per the limits prescribed in the IDP 2020- 23
- 12.4. Existing Industrial Enterprise setting up a new industrial Enterprise with separate identifiable investment within the same land of the existing unit with compound wall separating the two units having separate entry/out gate are also eligible for incentives. The words 'SEPARATE IDENTIFIABLE INVESTMENT' shall mean that the Enterprise/Industry should not have any production linkage with the existing manufacturing process, such as using common rail loading system for unloading raw materials and transporting finished products the new Enterprise/Industry should be in a separate building/shed, should maintain separate books of accounts and the project should be appraised independently by financial institution as a viable project in case of aided units. In case of self-financed units, Approved Project Cost will need to be certified by Chartered Accountant / Chartered Engineer empaneled by the Government of Andhra Pradesh, and the cost of the individual elements should be validated by the latest audited financial statements of the firm.
- 12.5. A new project will not, however, be regarded as a "Separate Identifiable Investment" if the utilities of the existing Enterprise/Industry like water, electricity without separate main meter (no sub-meter), steam, and pollution control systems, packaging etc. are extended to the new Enterprise/Industry. Machinery bills and sale bills shall be maintained in the name of unit I and unit II etc. and the same should be reflected in the annual financial statements separately. In case of any doubt/ambiguity in deciding the "Separate Identifiable Investment" the decision of SLC is final.
- 12.6. If any existing Industrial Enterprise setting up a new Industrial Enterprise with Separate Identifiable Investment for the same end product/new product at different location in the

same name it will be treated as new Enterprise/Industry (Separate Identifiable Investment) for the purpose of sanction of various incentives, even though there is no separate GST registration number and separate marketability, since the Commercial Tax Department is issuing only one GST Registration number for one dealer even they have more than one Enterprises/Industries within the State. However, they must maintain separate books of accounts for each location.

12.7. Expansion/Diversification Enterprise /Industry should also obtain all the statutory/ required approvals.

12.8. All the entrepreneurs should have Permanent Account Number (PAN) and should regularly file the Income Tax Returns in the name of the legal entity i.e proprietor in the case of sole proprietorship, firm in case of partnership and in the name of the company in case of Private Limited companies etc.

12.9. The detail shall be submitted by the Entrepreneur

- a. Aadhaar number shall be required for Udyam Registration.
- b. The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
- c. In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organisation or its authorised signatory shall provide its GSTIN and PAN along with its Aadhaar number.
- d. Following is required details required to be provided based on the type of enterprise Company

<b>Details</b>	<b>Sole Proprietorship (In the Name of)</b>	<b>Partnership Firm (In the Name of)</b>	<b>Pvt. Ltd / Public Ltd, / Society/ LLP / etc (In the Name of)</b>
<b>GSTIN</b>	Name of the Enterprise	Name of the Enterprise (Partnership firm)	Name of the Legal Entity

<b>Details</b>	<b>Sole Proprietorship (In the Name of)</b>	<b>Partnership Firm (In the Name of)</b>	<b>Pvt. Ltd / Public Ltd, / Society/ LLP / etc (In the Name of)</b>
<b>Aadhar</b>	Name of the Entrepreneur (Proprietor)	Name of the Managing Partner of the Partnership firm	Name of the Managing Director
<b>PAN</b>	Name of the Entrepreneur (Proprietor)	Name of the Firm	Name of the Legal Entity

12.10. The local employment shall be achieved within three years of DCP as prescribed in under AP Employment of local candidates in the Industries / Factories Rules – 2019. The annual local employment created shall be filed under LER – 1 under the said rules by the units at the time filing for incentives every year.

## 12. INELIGIBILITY

- 13.1. Enterprises/Industries listed in Annexure–I set up by general B.C/ Minority entrepreneurs are not eligible for any incentives / Concessions
- 13.2. New Industrial Enterprise established with plant and machinery on lease is not eligible for incentives/concessions.
- 13.3. New Industrial Enterprise established with secondhand machinery is not eligible for incentives/concessions except where the cost of such machinery does not exceed 25% of the total cost of plant and machinery. The secondhand machinery is not eligible for transport sector.
- 13.4. Composite industrial enterprises set up for manufacture of an eligible item along with an 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.

### 13.CHANGE OF CONSTITUTION/ MANAGEMENT/ NAME OR STYLE OF INDUSTRIAL ENTERPRISE/ INDUSTRY:

The Industrial Enterprise that availed incentives/concessions should obtain the No Objection Certificate (NOC) from the financing institutions concerned in respect of aided Enterprise/industry and Certificate of incorporation from Registrar of Companies (ROC) within the first six (6) years for MSEs and eight (8) for Medium, Large and Mega Industries from the DCP, before seeking the approval of DIEPC for MSMEs and SLC for other units for any change of the constitution/Management/name & style of the Industrial Enterprise.

### 14.LEASE OF ENTERPRISE/ INDUSTRY:

In case Industrial Enterprise that has availed incentives/concessions and whose management is not able to run the Enterprise/Industry and intends to lease out to other management within the first six (6) years for MSEs and eight (8) for Medium Large and Mega Industries from the DCP, they should obtain the (NOC) from the financing institutions concerned in respect of aided Enterprise/Industry before seeking the approval of DIEPC for MSMEs and SLC for others.

### 15.CHANGE OF LOCATION OF INDUSTRIAL ENTERPRISES SANCTIONED INCENTIVES/ CONCESSIONS:

15.1. Any MSMEs proposing to shift their Enterprises within the District should obtain NOC from the financing institutions concerned in respect of aided Enterprises/Industries before seeking the approval of DIEPC concerned. In case of shifting of any Industrial Enterprise outside the District, they should obtain prior approval of the financing institutions concerned in respect of aided Enterprises/Industries before seeking the approval of SLC. In respect of Large and Mega industries proposing to shift within the District or outside the District, they should obtain prior approval of financing institution if it is aided and then approach Commissioner of Industries for permission of the SLC. Shifting of Enterprise/industry outside the State is not allowed.

15.2. In respect of Self-Financed Enterprises/Industries: In respect of MSMEs proposing to shift their Enterprises within the District, they should obtain prior approval of DIEPC Concerned. In case of shifting of any industrial enterprise outside the District, they should

obtain prior approval of SLC through the GM, DIC Concerned. In respect of Large Industry or Mega project (unaided or Self-Financed) proposing to shift their enterprise/industry either within the District or outside the District, should obtain prior permission from SLC. Shifting of Enterprise/Industry outside the State is not allowed.

## 16.MERGER/AMALGAMATION OF INDUSTRIAL ENTERPRISE

- 16.1. Prior approval of the SLC is necessary for any merger/amalgamation of Enterprises/industries. The Public and Private Limited Companies seeking merger/amalgamation of their group of companies shall submit an application to Commissioner of Industries through GM, DIC concerned along with the necessary orders of appropriate forum under Companies Act, NOC from the Financing Institution, amended LI/IL/IEM and Incorporation Certificate from the Registrar of Companies (RoC).
- 16.2. The Partnership Firm shall submit NOC from their Financing Institution and Firm Registration. The Proprietary concern shall submit NOC from the Financing Institution.

## 17.CHANGE OF LINE OF ACTIVITY/INCLUSION OF ADDITIONAL LINE OF ACTIVITIES

- 17.1. If an Enterprise/Industry starts manufacturing new eligible items without any additional Machinery or equipment, with the same plant & machinery, then such items shall be permitted for availing Net SGST reimbursement within the period of five (5) years from the DCP of the original product. They should obtain prior approval from DIEPC in respect of MSMEs and SLC in respect of Large and Mega projects before taking up production of such new items respectively.

## 18.BREAK IN PRODUCTION

The Industrial Enterprises obtaining incentives should be in continuous production for a period of six (6) years in respect of MSEs and eight (8) years in respect of Medium, Large and Mega Enterprises from the DCP failing which all incentives/concessions sanctioned are liable to be cancelled and the incentives/concessions already availed are liable for recovery.

In this regard, the GM, DIC concerned should monitor the progress of these Enterprises and submit report to the Commissioner of Industries on a half yearly basis. Break-in-production up to a period of three (3) years due to the reasons beyond its control such as shortage of raw-materials, power and change of management, fire accidents and natural calamities etc.

may be condoned by DIEPC in case of MSMEs and SLC in case of Large and Mega Industries on merits. Any break-in-production will result in extending the continuous production period requirement, which is six (6) years for MSEs and eight (8) years for Medium & Large Enterprises, by the period of such break.

## 19.PROCEDURE FOR SANCTION OF INCENTIVES

- 19.1. **Profession Tax:** Payment of Profession Tax is mandatory for obtaining industrial approvals/ licenses, renewals and for availing incentives as per the Andhra Pradesh Tax on Professions, Trades, Callings and Employment Act 1987. All entrepreneurs shall submit undertaking that they are paying the profession Tax to the Government. All inspecting officers should ensure the payment of profession tax by the enterprises before placing in the SVC/DIEPC in respect of MSEs and sending recommendation to the SLC in case of Medium, large and mega enterprises.
- 19.2. **Sanction procedure:** All claims for incentive application shall be made on the online incentive portal.
- 19.3. **For Aided Units:** On receipt of the first application of claiming incentives from the industrial Enterprises concerned for sanction of incentives under the scheme, the designated DIC official should inspect the Enterprise/Industry and verify all the records/documents as per the PART-B/ verification-cum-recommendation of the operational guidelines with check-list.
- 19.4. Micro Enterprises should be inspected by Industrial Promotion Officer (IPO) concerned and submit the report to General Manager.
- 19.5. Small Enterprises shall be inspected by Assistant Director/Deputy Director of concerned area and submit the report to General Manager.
- 19.6. Medium, Large and Mega Enterprises should be inspected by the General Manager.
- 19.7. The inspecting officers are solely and severally responsible for the inspection and they should upload the inspection reports in the portal within 48 hours duly following the norms as per Ease of Doing Business. Inspection report will be made available to the entrepreneur through his login. If the entrepreneur doesn't agree with the inspection report, he/she can appeal within 3 months of publication and uploading of inspection

report. MSME's appellate authority is the District Collector. For Large and Mega industries, the appellate authority the Commissioner of Industries.

19.8. **Inspection Procedure:** The concerned inspecting officers shall inspect the units once in 6 months after first inspection / from the date of previous inspection in case of Micro and Small Enterprises and once in a year in case of Medium / Large/ Mega Enterprise. The annual reports and annual performance reports as mentioned in Para 30 shall be obtained from the entrepreneur during the inspection, if not uploaded in the prescribed format and the same shall be uploaded in the portal. The claims received further shall be processed based on the earlier inspection / performance report filed earlier without inspecting the unit again physically. These annual reports and annual performance reports shall also be utilized for analyzing the efficiency / performance of the unit and for facilitating other benefits if any. An inspection report shall be filled online to access the performance of the unit and facilitate them to improve their performance.

19.9. **Service Level Agreement (SLA) for sanction of Incentives:** Receiving and processing of claim applications strictly as per seriatim and to ensure for placing the same before the SVC and DIEPC within 100 days in respect of MSME cases and in respect of Large & Mega projects, Commissioner of Industries office will receive and process claim application strictly as per seriatim and place the same before SVC and SLC within 100 days.

**District level:**

<b>Movement of file</b>	<b>Max. no. of days</b>
IPO/ AD/DD to GM	25
GM to SVC completion	30
SVC to DIEPC	30
DIEPC to Issue of sanction proceedings	15

Total	100
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**State level:**

<b>Movement of file</b>	<b>Max. no. of days</b>
GM to State AD/DD	20
State AD/ DD to JD / Addl. Dir.	20
JD to SVC completion	20
SVC to SLC	25
SLC to Issue to sanction proceedings	15
Total	100

**20.STATE LEVEL SCRUTINY/VERIFICATION COMMITTEE FOR VARIOUS INCENTIVES/ CONCESSIONS**

<b>S. No</b>	<b>Committee Members</b>	<b>Role</b>
1	Additional Director	Chairman
2	General Manager, A.P. State Financial Corporation, or his nominee.	Member
3	Nominee of Commissioner, Commercial Taxes Dept	Member

4	Nominee of Managing Director, APSPDCL, Tirupati	Member
5	Nominee of Managing Director, APEPDCL, Visakhapatnam	Member
6	Nominee of Managing Director, A.P. Industrial Infrastructure Corporation	Member
7	Nominee of Inspector General, Registration & Stamps, Revenue Department	Member
8	Nominee of Chief Commissioner, Land Administration	Member
9	Representative from A.P. Chamber of Commerce and Industry	Member
10	Representative from Federation of the Small and Medium enterprises(FSME)	Member
11	Representative from FAPSIA	Member
12	Representative from Dalit Indian Chamber of Commerce & Industry (DICCI)	Member
13	Representative from Dalit Industrial Association (DIA)	Member
14	Representative from SC-ST Chamber of Commerce & Industry	Member
15	Representative from Tribal Indian Chamber of Commerce and Industry	Member
16	Lead Bank Manager or his nominee	Member

17	Joint Director concerned	Member- Convener
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## 21. DISTRICT LEVEL SCRUTINY/VERIFICATION COMMITTEE FOR SANCTION OF VARIOUS INCENTIVES/CONCESSIONS

S. No	Committee Members	Role
1	General Manager, District Industries Centre	Chairman
2	Manager, A.P. State Financial Corporation of concerned District	Member
3	Zonal Manager, A.P. Industrial Infrastructure Corporation concerned District or his nominee	Member
4	District Registration & Stamps, Revenue Department or his nominee	Member
5	Representative from DISCOM concerned	Member
6	Commercial Tax Officer, Commercial Taxes Dept or his nominee	Member
7	Representative from A.P. Chamber of Commerce and Industry	Member
8	Representative from FAPSIA	Member
9	Representative from Dalit Indian Chamber of Commerce & Industry (DICCI)	Member
10	Representative from Dalit Industrial Association (DIA)	Member
11	Representative from SC-ST Chamber of Commerce & Industry	Member

12	Representative from Tribal Indian Chamber of Commerce and Industry	Member
13	Lead District Manager or his nominee	Member
14	Representative from Federation of Small and Medium Enterprise (FSME)	Member
15	Deputy Director/Assistant Director concerned	Member - Convener

## 22. POWERS OF SCRUTINY/VERIFICATION COMMITTEES OF DIEPC/SLC

- 22.1. After receipt of claim application, the Member-Convener will prepare the appraisal note for each case in the form prescribed for placing before respective Scrutiny-cum-Verification Committee for recommending to the SLC/DIEPC, as the case may be.
- 22.2. The Scrutiny-cum-Verification Committees will meet as often as required, but not less than once in a month. The Member - Convener will arrange to record the minutes of each meeting, get them duly approved by the Additional Director concerned / General Manager concerned and will be placed before SLC/ DIEPC.
- 22.3. After receipt of Scrutiny-cum-Verification Committee recommendations, the Member-Convener of SLC/DIEPC will prepare the agenda note for placing before SLC/DIEPC for taking decision.

## 23. COMMITTEES ON INCENTIVES

### 23.1. State Level Committee on Incentives (SLC) – List of Members:

S. No	Committee Members	Role
1	Commissioner of Industries	Chairman
2	Additional Secretary/Joint Secretary/Deputy Secretary to Government,	Member

S. No	Committee Members	Role
	Finance & Planning (Fin. Wing) Dept., dealing with the subject	
3	Additional Secretary/Joint Secretary/Deputy Secretary to Government, Industries & Commerce Department	Member
4	Commissioner of Labour or his Nominee (above Joint Director)	Member
5	Managing Director, A.P. State Financial Corporation, or his nominee	Member
6	Managing Director, A.P. Industrial Infrastructure Corporation, Vijayawada or his nominee	Member
7	Commissioner of Commercial Taxes or his nominee	Member
8	Commissioner of Tribal Welfare or his nominee	Member
9	Commissioner of Social Welfare or his nominee	Member
10	Commissioner of BC Welfare or his nominee	Member
11	Director Commercial, APTRANSCO or his nominee	Member
12	Commissioner & Inspector General, Registration & Stamps, Revenue Department or his nominee.	Member
13	Member Secretary, APPCB or his nominee	Member
14	Commissioner, Transport or his nominee	Member

<b>S. No</b>	<b>Committee Members</b>	<b>Role</b>
15	Chief Commissioner, Land Administration or his nominee	Member
16	President of Federation of A.P. Chamber of Commerce and Industry	Member
17	The Chairman of Confederation of Indian Industry (CII)	Member
18	The President of Federation of A.P. Small Industries Association(FAPSIA)	Member
19	President, Federation of the Small and Medium enterprises(FSME)	Member
20	President, Dalit Indian Chamber of Commerce& Industry(DICCI)	Member
21.	President, Dalit Industrial Association (DIA)	Member
22	President, SC-ST Chamber of Commerce & Industry	Member
23	General Secretary, Tribal Indian Chamber of Commerce and Industry	Member
24	President, Andhra Chamber of Commerce, Vijayawada	Member
25	President, ALEAP	Member
26	The Chairman, A.P. Spinning Mills Association	Member
27	Managing Director, A.P. State Financial Corporation, or his nominee	Member
28	Managing Director, A.P. Industrial Infrastructure Corporation, Vijayawada or his	Member

S. No	Committee Members	Role
	nominee	
29	Commissioner of Commercial Taxes or his nominee	Member
30	Commissioner of Tribal Welfare or his nominee	Member
31	Commissioner of Social Welfare or his nominee	Member
32	Commissioner of BC Welfare or his nominee	Member
33	Director Commercial, APTRANSCO or his nominee	Member
34	Commissioner & Inspector General, Registration & Stamps, Revenue Department or his nominee.	Member
35	Member Secretary, APPCB or his nominee	Member
36	Commissioner, Transport or his nominee	Member
37	Chief Commissioner, Land Administration or his nominee	Member
38	Convener, SLBC	Member
39	Nominee of Syndicate Bank	Member
40	Nominee of State Bank of India	Member
41	Nominee of State Bank of Hyderabad	Member

S. No	Committee Members	Role
42	Nominee of Union Bank of India	Member
43	Additional Director of Industries dealing with the subject incentives.	Convener

The above Committee shall scrutinize and sanction the claims of Large and Mega Projects. The representatives from the government departments shall be at least at the rank of JD or above.

**23.2. District Industries and Export Promotion Committee on Incentives (DIEPC) as noted under G.O. MS. No 43. Dated 13-04-2020. - List of Members is as below:**

S. No	Committee Members	Role
1	District Collector	Chairman
2	General Manager, District Industries Centre	Member - Convener
3	Joint Director General of Foreign Trade	Member
4	Representative of Regional office of MSME, Government of India or / and Representative of MSME – DI as necessary	Member
5	Representative from Sector specific Export Promotion Council	Member
6	Representative from Quality & Standards implementation body for products / services	Member
7	Representatives from the sector specific Ministries from Government of India ( Agriculture, Fisheries, Mines & Geology,	Member

S. No	Committee Members	Role
	Drugs & Pharmaceuticals, Horticulture & food Processing etc,)	
8	Representatives from the sector specific Ministries from State Government	Member
9	Dy Commissioner of Commercial Taxes Department	Member
10	Branch Manager, A.P. State Finance Corporation	Member
11	Deputy Chief/ Inspector of Factories Dept.	Member
12	Environmental Engineer, APPCB	Member
13	Representative from Marketing Dept	Member
14	Superintendent Engineer / Divisional Engineer, APTRANSCO/ DISCOMs	Member
15	Zonal Manager, AP Industrial Infrastructure Corporation	Member
16	Sectorial Agencies Specific to Product identified in each district (NABARD etc.)	Member
17	Representative from Social Welfare Dept.	Member
18	District Panchayat Officer	Member
19	Commissioner, Municipality / Urban Development	Member

S. No	Committee Members	Role
20	Lead District Officer / Lead Bank Manager	Member
21	Representative from Dalit Indian Chamber of Commerce & Industry(DICCI)	Member
22	Representative from Dalit Industrial Association (DIA)	Member
23	Representative from SC-ST Chamber of Commerce & Industry	Member
24	Representative from Tribal Indian Chamber of Commerce and Industry	Member
25	Representatives of any line Department /Department of Govt of India or Expert as Special Invitee wherever necessary	Member

The DIEPC shall scrutinize and sanction the claims of MSMEs (as per norms defined by Govt. of India) of their district concerned.

#### 24. POWERS OF SLC AND DIEPC

- 24.1. The SLC and DIEPC will meet as often as required, but not less than once in two months in so far as sanction of incentives are concerned. The Member- Convener will arrange to record the minutes of each meeting, get them duly approved by the Chairperson and communicate attested copies to all the members.
- 24.2. The decisions of the SLC shall be final in scrutinizing, deciding the eligible investment, sanctioning the incentives in implementation of the Government Orders. However, SLC can also review the earlier decisions wherever necessary, regarding scrutiny and sanction within the framework of the policy. In case of any doubt/ambiguity on any issue or item covered by these guidelines for implementing the scheme of IDP 2020- 23, the decision / interpretation of SLC will seek directions of the Government.

- 24.3. In view of delegation of powers to districts for scrutiny and sanction of claims in respect of MSME units as defined in MSME Act from time to time, a system of review and intervention on all pending claims beyond two months from the date of receipt of the proposal at the DICs will be reviewed by SLC and initiate appropriate action for concluding the proposals / claims. The Commissioner of Industries shall pick up a list from the sanctioned incentives to take up random inspections. SLC will select at least 20% of sanctioned claims by the DICs to cause random scrutiny of the files including visit of the unit to ensure a fair system of checks and balances.
- 24.4. The SLC has the powers to condone the Break-in-production period of industrial Enterprises up to three (3) years in respect of large & mega industries. Similarly, DIEPC has the power to condone the Break-in-production period of industrial Enterprises up to three (3) years in respect of MSMEs. 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, Fire Accidents and natural calamities etc.
- 24.5. The SLC will review the working of the scheme and release of funds.

## 25. WORK TO BE ATTENDED BY THE MEMBER CONVENERS

### 25.1. SLC

- 25.1.1. Convening the SLC meetings, drawing up the minutes of the meetings and communicating these to the members with the approval of the Chairperson;
- 25.1.2. Disbursement of funds to the Enterprises/Industries sanctioned observing the chronological order of sanctions within the set pattern and norms approved by SLC, if necessary.
- 25.1.3. Arranging maintenance of records of sanctions / disbursements in the manner prescribed. The incentive sanction register should be in the form prescribed.
- 25.1.4. Monitoring effective implementation of the scheme.

## 25.2. DIEPC

25.2.1. Convening the DIEPC meetings, drawing up the minutes of the meetings and Communication to the members and to the Commissioner of Industries with the approval of Chairperson.

25.2.2. Maintaining necessary accounts and registers and furnish details as and when called for by the SLC / Commissioner of Industries and producing to the audit.

25.2.3. The incentive sanction register should be maintained in the form prescribed.

## 26. PROCEDURE FOR DISBURSEMENT OF FUNDS

26.1. All sanctioned claims shall be kept ready in the chronological orders for disbursement. No documents shall be uploaded by the entrepreneur for disbursement. The Self declaration submitted at the time of submission of Common Application Form (CAF) is sufficient for disbursement of the sanctioned incentives. The entrepreneur shall submit the account details and NOC from Term Loan Financial Institution, if the Term loan is closed or outstanding of the Term loan is less than the Incentive amount to be disbursed. The investment subsidy component should be credited to term loan account only and other incentive components may be credited to term loan account/CA/CC account as per the option given by the entrepreneur. Option shall be given to edit their Account details with necessary documents such as first page of the bank statement/Crossed cheque leaf/NOC from the banker. In such cases, the GM, DIC of the concerned district shall verify the account number, IFS code and other details thoroughly and authorize the details received from the entrepreneurs through online and forward the same to the Joint Director of Industries (Incentives) of the Head office for updating the same.

26.2. Government will allocate the funds for disbursement of incentives under the scheme. The funds so allocated will be drawn and kept in the P.D. Account of Commissioner of Industries. The same will be released to the individual enterprises as per due procedure.

26.3. The disbursements are made in a bunch of cases through consolidated release proceedings generated through online system for SLC/DLC sanctions by the Commissioner of Industries and DIEPC sanctions by the District Collector respectively observing the chronological order of such meetings held and the same shall be approved

by the Commissioner of Industries. The disbursement shall be made on the Integrated CFMS system based on the Proceedings generated.

- 26.4. In case of industrial Enterprises 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
- 26.5. Wherever the GM, DIC finds any Industrial Enterprise sick, closed, change of management taken place, change of financial institution, shifting part of the machinery etc. or for any other reason not worthy of receiving subsidy till further examination, the Commissioner of Industries / GM, DIC shall not disburse the subsidy to such Enterprise/Industry and a written intimation to be given to the Industry/Enterprise by the GM, DIC. In such cases the subsidy shall be disbursed as per the decision of SLC.
- 26.6. However, if the unit was in continuous production for a period as prescribed i.e 6 years for MSEs and 8 years for others from DCP and the amount is pending to be released even after such period, that amount should be released without insisting working status.

## 27. FUNCTIONS TO BE ATTENDED BY GENERAL MANAGER DICS

- 27.1. Receiving and processing of claim applications strictly as per seriatim and to ensure for placing the same before the SVC and DIEPC as per the SLA limits specified in respect of MSME cases and in respect of Large and Mega projects, Commissioner of Industries office will receive and process claim application strictly as per seriatim and place the same before SVC and SLC within SLA limits specified.
- 27.2. To initiate action to recover the incentives wherever warranted. In respect of Break-in production of Enterprise, break in partnership or ownership of the unit, the concerned GM, DIC should monitor the progress of these Enterprises and submit report to the Commissioner of Industries on a half yearly basis.
- 27.3. The General Manager, District Industries Centre shall receive online incentive applications and the same shall be forwarded to the concerned Inspecting Officers / IPOs / ADs / DDs on daily basis and the officers should visit the industry and should submit the report within the prescribed period. The General Managers should review the cases wherever there are delays beyond such period.

- 27.4. The Commissioner of Industries and General Managers of District Industries Centres shall maintain a separate data on a) Receipt of Incentive Applications b) Sanctions c) Receipt of funds and releases.
- 27.5. All files pertaining to sanctioned DIEPC and SLC cases data must be 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.

## 28. RECOVERIES OF INCENTIVES SANCTIONED UNDER THE SCHEMES

Incentives/concessions granted to an industrial enterprise shall be liable to be recovered under the following circumstances:

- 28.1. If the incentives/concessions are obtained by the industrial enterprise by misrepresentation of essential facts or by furnishing of false information or suppressions of facts or by submission of false/fake documents etc. In addition to recovery of the incentives granted, penalty will be levied as deemed fit and disbursed amount and barred from availing incentives in future.
- 28.2. If the industrial enterprise goes out of production within six (6) years for MSEs and eight (8) years for Medium & Large Enterprises from the DCP. However, in case where the Enterprise/Industry remains out of production for period up to 36 months due to the reasons beyond its control such as shortage of raw-materials, power and change of management, bills receivables, recession in the market , Fire Accidents and natural calamities etc., and the same is regularized by the DIEPC/SLC are exempted from recovery/ penalty.
- 28.3. If the industrial enterprise fails to furnish the prescribed statements and/ or information when it is called upon to furnish.
- 28.4. If the industrial enterprise effects change of management without prior approval from the financing institution concerned and the State Level Committee.
- 28.5. If the industrial enterprise shifts a part or whole of the industrial Enterprise/Industry or lease out the whole or part of premises or the plant and machinery after receiving a part or whole of the incentives without prior approval of the DIEPC/SLC.

- 28.6. If the whole or part of the industrial enterprise is sold without the prior approval of the DIEPC/ SLC. If the industrial enterprise enters into a contract of any nature whatsoever by transferring the Management, without the prior approval of the DIEPC/SLC.
- 28.7. 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 and the GM, DICs will be designated as recovery officers by suitable Government Orders.
- 28.8. In this regard, the GM, DIC concerned should monitor the progress of the Enterprises and submit report to the Commissioner of Industries.

## 29. FURNISHING OF STATEMENT OF ACCOUNT/INFORMATION BY ELIGIBLE INDUSTRIAL ENTERPRISES

Industrial Enterprises, 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 i.e. to the GM, DIC, of District concerned through online system. Such statement should be furnished for a period of minimum six (6) years or eight (8) years, as the case may be. Further industrial Enterprises should also furnish details of production, sales, employment, etc., through online system in the proforma prescribed, to the GM, DIC concerned as an Annual Return, before 30th June of the succeeding year. However, Micro Enterprises 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, for a period of six (6) years or eight (8) years as the case may be after going into commercial production. In case if any entrepreneur fails to submit the certified audited accounts including Balance Sheet or Annual Performance Report in time, the recurring incentives in future will be stopped. (Please refer to **ANNEXURE – XVII** for Annual Performance Report requisite format)

## 30. INTERPRETATION

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 for decision.

## 31. PENALTIES

Without prejudice to anything included in this paragraph, it is hereby ordained that any willful misrepresentation of facts, action/inaction on behalf of entrepreneur leading to irregular sanction/disbursement of incentives under the above policies will invite civil and criminal action as per extant laws besides recovery of the amount irregularly disbursed, if any, and debarring the unit from claiming incentives in the future

## ANNEXURE – I

### LIST OF INELIGIBLE INDUSTRIES

Sl. No.	ACTIVITY
1	Khandasari Sugar and Sugar Mills and Jaggery making.
2	Distilleries, Rectified Spirit (Alcohol) from Molasses, Breweries, Beer and other Alcoholic Drinks, except Winery
3	All animal rearing/farming like poultry, piggery etc.,
4	All types of Hatcheries except mechanized hatcheries
5	Alcohol based Industries except Pharmaceuticals, APIs, Intermediates, Drug and other products having utility for medical purposes
6	Varnishes and Thinners.
7	Cotton ginning except Modern ginning as per the norms of Technology Mission on Cotton, Ministry of Textiles, Government of India
8	Chloral Hydrate.
9	Lime Kiln/Burnt Lime/Hydrated Lime, except units adopting Rotary kiln system.
10	Book binding/Note Books/Exercise Note Books/Registers/Ledgers/File Pads/Office Files etc. except those units using mechanized processes.
11	Tobacco barons/tobacco re-drying/processing, Beedi /Cigarette manufacturing and other tobacco based products
12	All types of Saw-mills, except Medium Density Fiber Board (MDF), Particle Board (PB) and furniture made of MDF and PB
13	Road Metal/ Stone Crushing/Coal Pulverizing
14	Soap making units not operated by power driven machinery
15	Shampoos and other Cosmetic items except those having National / International certifications
16	Cinematography/ Videography / Video Parlours /Theatres/ Photo studios.
17	All industries of mobile nature like rigs, concrete mixing plants, road metal

Sl. No.	ACTIVITY
	mixing, readymade concrete mixing etc., including site oriented industries.
18	Tailoring other than readymade Garments
19	Mining and Quarrying
20	All types of Generation, Transmission and Distribution of Electricity
21	X-ray clinics and clinical/pathological laboratories and scanning, MRI Tests
22	Servicing and /or repairing units activities except Cold storage and Seed processing units
23	Calcium carbide and Silicon carbide manufacturing.
24	Ferro Alloys Manufacturing except with captive power plant
25	Steel Rerolling mills, rolling of rods including Tor steel angles, channels, Flats etc. except the units set-up in Industrial Estates/Areas/Parks.
26	Steel Structural and fabrication works other than heavy structural using 5 ton capacity crane
27	Steel gates/grills, G.I.Buckets, Gamelas, Boiling Pans, Trunks, Spades, Mamotees, Shovels and Bins and Bright bars, except mechanized units with investment on Plant and Machinery Rs.25 Lakhs and more.
28	Hotels and Motels (Tourism Policy shall be followed by Dept. of YAT&C)
29	Composite Units setup for manufacture of an eligible items along with in-eligible items except when the proportion of in-eligible items in the total production is less than 10% in value of the total turnover
30	Plastic carry bags with less than 40 microns thickness
31	Fire crackers manufacturing enterprises
32	Tyre Pyrolysis
33	Manure mixing industry except the units with mechanised process
34	Steel Ingots/Billets, Except Green field Integrated Steel Plants, which produces Steel Ingots, Billets, Coils, Strips, Slabs or Alloy Steels through

<b>Sl. No.</b>	<b>ACTIVITY</b>
	Blast Furnace /Induction Furnace route starting with iron ore and using the liquid metal produced from the Blast Furnace to make Ingots, Billets, Coils, Strips, Slabs or other Steel Alloys without using Electric Arc Furnace. However, these Greenfield Integrated Steel Plants shall not be eligible for reimbursement of power cost.
35	Any other industry notified by the State Government for inclusion in this list from time to time.

## ANNEXURE - II

List of Enterprises related to Service Industry only for Investment Subsidy

S. No.	Activity
1	Industrial / Material testing laboratories / Technical testing and analysis, Hall Marking Centres with a minimum employment of 10
2	Industry related R&D, incubation Centers for thrust sectors mentioned in the policy with minimum employment of 50.
3	Common Skill Development centres set up in designated industrial park/designated clusters to create industry linkage and industrial linkage trainings.
4	Machine operated Seed grading services with a minimum employment of 10
5	Machinery Training Centres with necessary machinery and equipment (other than educational institutions) with a minimum employment of 10
6	Power Laundries with a minimum employment of 10
7	Ready-made Garments units with investment more than Rs. 10.00 lakhs on Plant & Machinery with a minimum employment of 10
8	Cotton/Jute/Iron Scrap/Plastic/Paper/Hay etc. Baling presses with a minimum employment of 10
9	Auto servicing and /or repairing units with investment more than Rs.20.00 lakhs on Plant & Machinery, engineering machining workshops, Common effluent treatment plans with a minimum employment of 10
10	Packaging activity with investment more than Rs. 10.00 lakhs on equipment with a minimum employment of 10
11	General Engineering and Fabrication works with a minimum employment of 10
12	Machine operated Book binding Enterprises and Notebooks with investment more than Rs. 10.00 lakhs on Plant & Machinery with a minimum employment of 10
13	Any other Service Enterprises notified by the State Level Committee for inclusion in this list from time to time.

- 1) The investment subsidy for the above activities shall be only on the value of Plant & Machinery / Equipment.

- 2) The above service activities set up anywhere in the State are eligible for investment subsidy only and all other service activities are not eligible for any other incentives
- 3) Service Sector projects set up by the entrepreneurs will be limited to 50% of the Budget Provision in order to encourage the remaining 50% for the manufacturing sector.

**ANNEXURE- III**

**LIST OF ADDITIONAL ELIGIBLE ACTIVITIES WHICH ARE PART OF DESIGNATED INDUSTRIAL PARK OR LARGE INDUSTRIAL UNITS**

<b>S. No.</b>	<b>Activity</b>
1.	Common effluent treatment plant (Servicing at least 5 units)
2.	Common Sewage/ Wastewater treatment plant (Servicing at least 10 units)
3.	Water treatment/Desalination plant (Servicing at least 10 units)
4.	Solid waste treatment (Servicing at least 10 units)
5.	Hazardous waste treatment/ incineration (Servicing at least 5 units)
6.	Any other waste treatment service Enterprises notified by the State Level Committee for inclusion in this list from time to time.

## ANNEXURE - IV

### MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES NOTIFICATION

New Delhi, the 26th June, 2020

**S.O. 2119(E).**—In exercise of the powers conferred by sub-section (1) read with sub-section (9) of section 7 and sub-section (2) read with sub-section (3) of section 8, of the Micro, Small and Medium Enterprises Development Act, 2006, (27 of 2006), hereinafter referred to as the said Act, and in supersession of the notifications of the Government of India in the Ministry of Micro, Small and Medium Enterprises number S.O.1702 (E ), dated the 1st June, 2020, S.O. 2052 (E), dated the 30th June, 2017, S.O.3322 (E ), dated the 1st November, 2013 and S.O.1722 (E ), dated the 5th October, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-Section (ii), except as respects things done or omitted to be done before such supersession, the Central Government, after obtaining the recommendations of the Advisory Committee in this behalf, hereby notifies certain criteria for classifying the enterprises as micro, small and medium enterprises and specifies the form and procedure for filing the memorandum

(hereafter in this notification to be known as — Udyam Registration), with effect from the 1st day of July,2020, namely:

1. **Classification of enterprises** - An enterprise shall be classified as a micro, small or medium enterprise on the basis of the following criteria, namely:

- (i) a micro enterprise, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees;
- (ii) a small enterprise, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; and
- (iii) a medium enterprise, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

2. **Becoming a micro, small or medium enterprise** -

- (i) Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal, based on self-declaration with no requirement to upload documents, papers, certificates or proof.
- (ii) On registration, an enterprise (referred to as —Udyam in the Udyam

Registration portal) will be assigned a permanent identity number to be known as —Udyam Registration Numberll.

- (iii) An e-certificate, namely, —Udyam Registration Certificate shall be issued on completion of the registration process.

### **3. Composite criteria of investment and turnover for classification -**

- (i) A composite criterion of investment and turnover shall apply for classification of an enterprise as micro, small or medium.
- (ii) If an enterprise crosses the ceiling limits specified for its present category in either of the two criteria of investment or turnover, it will cease to exist in that category and be placed in the next higher category but no enterprise shall be placed in the lower category unless it goes below the ceiling limits specified for its present category in both the criteria of investment as well as turnover.
- (iii) All units with Goods and Services Tax Identification Number (GSTIN) listed against the same Permanent Account Number (PAN) shall be collectively treated as one enterprise and the turnover and investment figures for all of such entities shall be seen together and only the aggregate values will be considered for deciding the category as micro, small or medium enterprise.

### **4. Calculation of investment in plant and machinery or equipment -**

- (i) The calculation of investment in plant and machinery or equipment will be linked to the Income Tax Return (ITR) of the previous years filed under the Income Tax Act, 1961. In case of a new enterprise, where no prior ITR is available, the investment will be based on self-declaration of the promoter of the enterprise and such relaxation shall end after the 31st March of the financial year in which it files its first ITR.
- (ii) The expression —plant and machinery or equipmentll of the enterprise, shall have the same meaning as assigned to the plant and machinery in the Income Tax Rules, 1962 framed under the Income Tax Act, 1961 and shall include all tangible assets (other than land and building, furniture and fittings).
- (iii) The purchase (invoice) value of a plant and machinery or equipment, whether purchased first hand or second hand, shall be taken into account excluding Goods and Services Tax (GST), on self-disclosure basis, if the enterprise is a new one without any ITR.
- (iv) The cost of certain items specified in the Explanation I to sub-section (1) of

section 7 of the Act shall be excluded from the calculation of the amount of investment in plant and machinery.

#### **5. Calculation of turnover -**

- (i) Exports of goods or services or both, shall be excluded while calculating the turnover of any enterprise whether micro, small or medium, for the purposes of classification.
- (ii) Information as regards turnover and exports turnover for an enterprise shall be linked to the Income Tax Act or the Central Goods and Services Act (CGST Act) and the GSTIN.
- (iii) The turnover related figures of such enterprise which do not have PAN will be considered on self- declaration basis for a period up to 31st March, 2021 and thereafter, PAN and GSTIN shall be mandatory.
- (iv) Registration process.—
  - a) The form for registration shall be as provided in the Udyam Registration portal.
  - b) There will be no fee for filing Udyam Registration.
  - c) Aadhaar number shall be required for Udyam Registration.
- (v) The Aadhaar number shall be of the proprietor in the case of a proprietorship firm, of the managing partner in the case of a partnership firm and of a karta in the case of a Hindu Undivided Family (HUF).
- (vi) In case of a Company or a Limited Liability Partnership or a Cooperative Society or a Society or a Trust, the organisation or its authorised signatory shall provide its GSTIN and PAN along with its Aadhaar number.
- (vii) In case an enterprise is duly registered as an Udyam with PAN, any deficiency of information for previous years when it did not have PAN shall be filled up on self-declaration basis.
- (viii) No enterprise shall file more than one Udyam Registration: Provided that any number of activities including manufacturing or service or both may be specified or added in one Udyam Registration.
- (ix) Whoever intentionally misrepresents or attempts to suppress the self-declared facts and figures appearing in the Udyam Registration or updation process shall be liable to such penalty as specified under section 27 of the Act.

#### **6. Registration of existing enterprises -**

- (i) All existing enterprises registered under EM–Part-II or UAM shall register again on the Udyam Registration portal on or after the 1st day of July, 2020.
- (ii) All enterprises registered till 30th June, 2020, shall be re-classified in accordance with this notification.
- (iii) The existing enterprises registered prior to 30th June, 2020, shall continue to be valid only for a period up to the 31st day of March, 2021.
- (iv) An enterprise registered with any other organisation under the Ministry of Micro, Small and Medium Enterprises shall register itself under Udyam Registration.

**7. Updation of information and transition period in classification. -**

- (i) An enterprise having Udyam Registration Number shall update its information online in the Udyam Registration portal, including the details of the ITR and the GST Return for the previous financial year and such other additional information as may be required, on self-declaration basis.
- (ii) Failure to update the relevant information within the period specified in the online Udyam Registration portal will render the enterprise liable for suspension of its status.
- (iii) Based on the information furnished or gathered from Government's sources including ITR or GST return, the classification of the enterprise will be updated.
- (iv) In case of graduation (from a lower to a higher category) or reverse-graduation (sliding down to lower category) of an enterprise, a communication will be sent to the enterprise about the change in the status

## ANNEXURE - V

### COMMON APPLICATION FORM FOR SANCTION OF INCENTIVES

(Fields will be auto populated wherever applicable)

#### 1. Personal Details

1.1.	Promoter's/Managing Director's Name	Mr./ Ms. / Mrs.	
1.2.	Father's/Husband's Name	C/O/ W/O S/O D/O	

#### 1.2 Office Address

1.2.1.	Plot/Survey No.	
1.2.2.	Street/Village Name	
1.2.3.	City/Town	
1.2.4.	Country	
1.2.5.	State	
1.2.6.	District	
1.2.7.	Pin Code	
1.2.8.	Email ID	
1.2.9.	Telephone Number (Including STD and ISD Code)	

(Aadhaar of Proprietor in case of Proprietorship, Managing Director in case of partnership firm, Company (LLP), cooperative society, Trust)

## 2. Enterprise Name

2.1	Name of the Enterprise	
-----	------------------------	--

## 3. Enterprise Location & Details

3.1.	Plot/Survey No.	
3.2.	Street/Village Name	
3.3.	City/Town	
3.4.	District	
3.5.	Mandal	
3.6.	Pin Code	
3.7.	Email Id	
3.8.	Telephone Number	
3.9.	Fax	
3.10.	PAN	
3.11.	GST Number	
3.12.	Nature of Enterprise	
3.13.	GST Certificate	

## 4. Details of Managing Director's/Director/Partners

S.No.	Name	Gender	Physically Handicapped	Community	Share (in %)

### 4.1 Caste Certificate (Upload)

## 5. Employment Information (Full-Time Employees)

Employment Category	Male (No's)	Female (No's)	Total (No's)

<b>Management &amp; Staff</b>			
<b>Supervisors</b>			
<b>Workers</b>			
<b>Total</b>			

## 6. Enterprise Information

6.1.	Sector of Enterprise	
6.2.	Type of Enterprise	
6.3.	Total Investment (Plant & Machinery) (in INR Lakhs)	
6.4.	Category of Enterprise	
6.5.	Type of Registration	
6.6.	Registration Number	
6.7.	Date of Registration (DD/MM/YYYY)	
6.8.	Major Line of Activity	
6.9.	Date of Commencement of commercial production (DD/MM/YYYY)	
6.10.	Type of Land	
6.10a	Date of Lease/Sale Agreement/Sale Deed	
6.10b	Lease applicable till (DD/MM/YYYY)	

**Uploads - Registration Certificate & Land Lease/ Sale Agreement / Sale Deed**

**7. GST Return Details for the First Month of Production**

7.1.	Date of First Sales Bill (DD/MM/YYYY)	
7.2.	Date of Return Filing (DD/MM/YYYY)	
7.3.	GST Paid (in INR)	
7.4.	Payment Receipt Number	

**Uploads – First Sale Bill & First Sales Return****8. Status of Enterprise**

Status of Enterprise	New/Expansion
----------------------	---------------

**9. Line of Activity**

S.No.	Line of activity	Units	Annual Capacity	Value (in Lakhs)

**10. Fixed Capital Investment details**

S.No.	Type of Assets	New Enterprise	Investment Amount (in Lakhs)
1	Buildings		
2	Land		
3	Plant & Machinery		
4	Total		

For expansion/diversification, additional fields include expansion/diversification investment amount & % increase (auto-calculated on initial investment amount).

## 11. Financing of Enterprise

Financing of Enterprise	Bank and NBFC / Self-financed
-------------------------	-------------------------------

### 11.1 Uploads:

#### A. Banks & NFC

1. Statement of Accounts (including machinery)
2. Term Loan Sanction Letter
3. Civil Engineer Certificate on civil works (Please refer **ANNEXURE – XIII** for the requisite format)
4. Board resolution/ partnership deed
5. Secondhand machinery certificate (certified by CA &CE)
6. Self-fabricated machinery (Please refer **ANNEXURE – XV** for the requisite format)
7. Bills and invoices
8. Power Release certificate
9. DCP Certificate by GM

#### B. Self-Financed

1. Machinery certificate (Please refer **ANNEXURE – XVI** for the requisite format)
2. Secondhand machinery certificate (certified by CA &CE)
3. self-fabricated machinery (Please refer **ANNEXURE – XV** for the requisite format)
4. Civil Engineer Certificate on civil works (Please refer **ANNEXURE – XIII** for the requisite format )
5. Power release certificate
6. Board resolution/ partnership deed
7. Bills and invoices
8. DCP by GM (only for those who have not applied online)
9. certificates such as boiler, CFO etc. are auto populated

### 11.2 Details of Financial Institution and Loan amounts (Only for Banks & NBFCs)

Term loan sanction	Name of Financial Institution	Branch & Address of Financial Institution	Date of Filling of Application (DD/MM/YYYY)	Sanction Reference Number	Date of Sanction (DD/MM/YYYY)	Amount Sanctioned

### 11.3 Project Cost, Loan Sanctions and Release, Assets Acquired (in Lakhs) (Only for Banks & NBFCs)

Nature of Asset	Approved Project Cost	Quantum of Loan Sanctioned	Enterprise Share	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.
Land							

<b>Buildings</b>							
<b>Plant &amp;M/c.</b>							
<b>Machinery contingencies</b>							
<b>Erection</b>							
<b>Technical know-how, feasibility study</b>							
<b>Working capital</b>							
<b>Total</b>							

#### 11.4 Details of machinery

S.No	Name of the machine with specifications	Condition of Machine	Imported directly by entrepreneur	Name of Supplier	Supplier GST Number	Date of placement of order (DD/MM/YYYY)	e-way Bill No	Bill Date (DD/MM/YY YY)	Amount of the bill including freight, Insurance, taxes, etc. (in lakhs)

Upload option is provided for investors with a lot of equipment in excel as per the table format

**12. Power Details**

S.No.	Source of Power	Service Connection No.	Total Power Connected	Units	Date of Power Connection (DD/MM/YYYY)

**13. Details on incentives availed from Govt. of India**

Have you availed any incentives from Govt. of India	Yes/No
---	--------

**For Yes:**

S.No.	Scheme	Incentive Type	Incentive Amount	Incentive Application Date (DD/MM/YYYY)	Incentive Sanction Date (DD/MM/YYYY)	Name of Lead Banker

**Declaration: I/We hereby declare that information provided on incentives availed from Govt. of India is complete. Any deviation from information provided shall make me liable for legal action as specified under respective acts/codes and rules including withdrawal of incentive specified under respective acts.**

**14. Special GO from Govt. of Andhra Pradesh**

Have you availed any special GOs from Govt. of Andhra Pradesh	Yes/No
---	--------

**For Yes:**

(Upload GO)

**15. Bank Details (for incentives disbursement)**

Type of Account	Bank Name	Branch	IFSC Code	Account No.	Re-enter Account No.	Upload Canceled cheque leaf

**Note: Investor can enter multiple bank accounts such as term loan account, working capital loan account etc.**

**16. Other Details**

S.No	List of Categories	Yes/No	Date	Upload Document	Remarks
1.	Has there been a break in production of the enterprise?				
2.	Has the enterprise been purchased from other sources?				
3.	Has there been a merger of the enterprise?				
4.	Has there been an amalgamation of the enterprise?				
5.	Has there been a change in management of the enterprise?				
6.	Does Enterprise have any additional Line of Activity?				
7.	Whether enterprise separate Identifiable Investment?				

## **DECLARATION**

1. I / We hereby confirm that the contents of the claim application are true to the best of my our knowledge.
2. I am authorized to file this application and I will take full responsibility of the information mentioned. 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 released to me/us under scheme, if the amount of IS/Stamp Duty/ Land Conversion Charges/ Land Cost / netSGST etc. are found to be disbursed in excess of the amount admissible whatsoever the reason.
3. Authorization by the other Partners/Board of Directors Resolution wherein the Name, Designation and signature are attested.
4. I / We abide by the provision under APIDP 2020-23, State Incentives and further abide by the changes / modifications made by the State Government. I / We also abide by the decisions of Industries &Commerce Department.
5. I / We shall not change the location of the whole or part of the industrial Enterprise or effect any substantial contraction or disposal of substantial part of its total capital investment within a period of six (6) years from the DCP.
6. I / We assure that the State incentives applied for will be used solely for the development of the Enterprise and shall produce utilization 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.
7. I / We confirm that subsidy was already availed under the Government schemes mentioned at para No.9.0.
8. If the amount of Investment Subsidy is 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.
9. In case a claim is made as a Benami as defined under Benami Transactions Act 2016, I understand that action shall be taken against me as per respective provisions of the act.
10. In case of wrong claim, I shall repay the entire amount of Concession(s) availed under APIDP 2020 – 23 in lumpsum with prevailing interest.

11.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 misutilization. I / We not only agree to pay back these incentives / financial concessions but also authorize State Government to call back the same through summary proceedings under the provisions of R.R.Act 1864.

## ANNEXURE-VI

### SELF-COMPUTATION SHEET FOR ELIGIBLE INVESTMENT SUBSIDY DETAILS

(Fields Will Be Auto - Populated If Applicable)

#### Details of Land Purchased

S.No	Area (in sqm)	Value as per approved project cost (in INR)	Purchase Value (in INR)	Stamp Duty (in INR)	Registration Fees (in INR)	Building Plinth Area (in Sqm.)	Eligible Value of Land (in INR)

#### Details of Factory Building

S.No	Item	Actual Cost as per Civil Engineer Certificate	Cost as per APSFC Rates	Calculation Details as per APSFC Rates
1	Main factory shed			
2	Raw material and finished products godown			
3	Office room and lab room			
4	Cooling water ponds			
5	Boiler shed and generator room			
6	Effluent treatment ponds, etc.			
7	Overhead tanks, bore-wells and pump house and sump			
8	Fencing and gate			
9	Architect fees and supervision charges			
10	Compound wall			
11	Canteen			

S.No	Item	Actual Cost as per Civil Engineer Certificate	Cost as per APSFC Rates	Calculation Details as per APSFC Rates
12	Workers rest room			
13	Time office			
14	Cycle/vehicle stand			
15	Security shed			
16	Toilet room & sanitary fittings			
17	Total			

### Documents

Civil Engineer Certificate (Please refer <b>ANNEXURE – XIII</b> for the requisite format)	(Upload)
Approved Area Certificate by Town & Country Planning	(Auto populated)
Chartered Engineer Certificate for self Fabricated Machinery (Please refer <b>ANNEXURE – XV</b> for the requisite format)	(Upload)

**Details of Machinery**

S.No	Name of the machine with specifications	Condition of Machine	Imported directly by entrepreneur	Name of Supplier	Supplier GST Number	Date of placement of order (DD/MM/YY YY)	e-way Bill No	Bill Date (DD/MM/YY YY)	Amount of the bill including freight, Insurance, taxes, etc. (in lakhs)

Have you availed any special GO from GoAP: Yes/No If Yes,

1. Eligible investment subsidy % as per GO:
2. Upload the GO: (Auto populated) If No,
3. Eligible investment subsidy % as per applicable policy:

**Total Eligible Value of Plant and Machinery (in INR):** (Auto populated)

**Computed Cost for Land, Factory and Machinery**

<b>S.No.</b>	<b>Parameter</b>	<b>Value</b>
1	Eligible cost of land for investment subsidy	
2	Eligible cost of factory, building for investment subsidy	
3	Eligible cost of machinery for investment subsidy	
4	Total eligible capital investment	
5	Eligible investment subsidy in %	
6	Eligible investment subsidy in % as per the application date	
7	Total Eligible investment subsidy (Value)	

**ANNEXURE-VII**

**SELF-COMPUTATION SHEET FOR THE REIMBURSEMENT OF STAMP DUTY,  
TRANSFER DUTY, MORTGAGE DUTY AND HYPOTHICATION**

**STAMP DUTY REIMBURSEMENT DETAILS**

(Fields will be Auto – Populated wherever it is applicable)

<b>Document No.</b>	<b>Amount of Stamp Duty Transfer duty &amp; Mortgage duty Paid (In INR)</b>	<b>Date of Payment of Stamp Duty ,Transfer duty &amp; Mortgage duty (DD/MM/YYYY)</b>	<b>Registered Land sale Deed/ Lease Deed/Transfer Deed/ Land Conversion / Mortgage Documents</b>	<b>Payment Receipt Numbers</b>	<b>Payment Receipt</b>
			(Upload)		(Upload)

1	Area of the land Purchased (as per registered sales deed) (in Sq.Mts)	
2	Plinth area of the building (as per approved building plan) (in Sq.Mts)	
3	Five times of the plinth area of factory buildings (in Sq.Mts)	(Auto Populated)
4	Eligible area for reimbursement beyond 5 times plinth area (in Sq.Mts)	
5	Reasons for increase in plinth area	
6	Nature of transactions/deed registered for industrial use (sale/lease-cum- sale Transfer deed/financial deeds and mortgages etc.)	
6.1	Purchase value of land as per document	
7	Date of registration (DD/MM/YYYY)	
8	Name of Sub-Registrar Office, where registered	
9	Details of payment of stamp Duty	
10	% reimbursement of stamp Duty	(Auto Populated)
11	Applicable stamp duty reimbursement amount	(Auto Populated)

**Land Conversion Details (Auto – Populated if applicable)**

12	Land Conversion charges paid	
13	Date of payment of land conversion	
14	Payment Receipt No	
15	RDO Copy for Land Conversion	(Upload)
16	Payment Challan	(Upload)
17	% reimbursement of land conversion charges	(Auto Populated)
18	Have you availed any special GO, if Yes, upload	(Upload)
19	Applicable land conversion reimbursement amount	(Auto Populated)
20	Final Eligible Land Conversion incentive amount to be reimbursed	(Auto Populated)

**Land Cost Details**

21	Date of payment of land cost	
22	Payment Receipt No.	
23	% reimbursement of land cost	
24	Have you availed any special GO, if Yes, upload	(Upload)
25	Applicable land cost reimbursement amount	(Auto Populated)
26	Final Eligible Land cost incentive amount to be reimbursed	(Auto Populated)

**ANNEXURE- VIII**

**SELF-COMPUTATION SHEET FOR ELIGIBLE POWER COST REIMBURSEMENT  
INCENTIVE**

**POWER COST REIMBURSEMENT DETAILS**

(Auto – Population of data wherever it is applicable)

1	Industrial Service Connection Number	
2	Category of Connection (LT/HT)	
3	Connected Power Load at the time of DCP (in KVA)	
4	Power Release Date (DD/MM/YYYY)	
5	Have you availed any special GO from Government of Andhra Pradesh	
6	Eligible Rate per Unit (As per the GO Uploaded)	
7	Upload Relevant GO	

S N o.	Source of Power	Month to be Applied	Year to be Applied	Units Consumed as per Power Bill	Light & Fans and Colony Consumption Units	Eligible Units as per Bill	Rate per Unit	Amount Paid as per Bill	Eligible Rate of Incentive	Eligible Incentive Amount	% of Eligible Incentive Amount	Power Receipt	Power Bill

Final eligible incentive amount to be reimbursed : (auto populated) Select Bank Account:

**ANNEXURE- IX**  
**SELF-COMPUTATION SHEET FOR ELIGIBLE INTEREST SUBSIDY REIMBURSEMENT**  
**INCENTIVE**

Enter Financial Institute Details	
Bank Name	
IFSC Code	
Bank Address	(auto populated based on IFSC Code)
Bank Proof	(Passbook/ Cancelled Cheque Leaf)
Account Number	
Loan Sanctioned Amount	
Date of Sanction	

(Can add multiple banks)

Details of Financial Institutions						
S.No	Bank Name	Bank Address	Proof	Account No.	Loan Sanctioned (in INR)	Date of Sanction
(Auto population of data where ever it is applicable )						

Upon clicking each bank:

S.No	Date of disbursement of term loan	Loan Amount disbursed (in INR)	Remarks

- 1) **Is moratorium period applicable:** Yes/No
- 2) **Rate of Interest:**
- 3) **Repayment Installment type:** Monthly/ Quarterly/ Semi-Annual/ Annual
- 4) **Total No. of Installments:**
- 5) **Projected Installment Amount:**

**6) Has the enterprise availed TUF subsidy from**

**GOI:** Yes/No If Yes:

- a) Amount of TUF subsidy sanctioned during the application period:
- b) **Data of sanction of TUF subsidy:**

S.No	Date	Outstanding Term Loan due after repayment of installment	Installment No	Interest Payable as per projected installment (in INR) (diminishing the principal amount)	Interest paid by the unit to the financial institution during the period	Eligible Interest Amount	Eligible Rate of interest per annum	Eligible amount applicable for subsidy	Eligible % as per application date	Final Eligible Amount of Reimbursement

**7) Documents to be uploaded**

- a. Interest Paid Certificate
- b. Loan Disbursement Certificate
- c. Bank Certificate on Status of Loan

For the above certificates, we shall approve standard certificates issued by bank on its official letterhead.



**ANNEXURE -X - B**

**FORM-A**

**APPLICATION-CUM CERTIFICATION OF SALES TAX DEPARTMENT SHOWING TAX PAID BY THE ENTERPRISE FOR AVAILING REIMBURSEMENT UNDER INDUSTRIAL INVESTMENT PROMOTION POLICY (IDP)-2020-2023 OF ANDHRA PRADESH**

(G.O. Ms. No. 39 Industries and Commerce (P&T) Department, dated. 10.08.2020)

**YEAR - 20 - 20**

To:

The Assistant Commissioner of State Tax,

\_\_\_\_\_ Circle

Sir,

I am to request you to Certify for reimbursement of Net SGST \_\_\_\_% under the Industrial Development Policy 2020-2023.

1. Name of the Enterprise/Industry and Address.

<i>Name of the Enterprise / Industry and address (Administrative office)</i>	

2. Name of the goods manufactured in Andhra Pradesh in his own Enterprise/industry.

Unit name:		
Item wise production details during the Year:	Units	Qty.
a)		
b)		
c)		
Total		

3. SGST paid by the Enterprise/industry under the Andhra Pradesh Goods and Services Tax Act, 2017 for the year: 20 - 20 (Three Units put together)

Sl.No	Description	Gross SGST Payable in Rs.	SGST Paid through ITC in Rs.	SGST Net Cash Paid in Rs.	Remarks
(a)	(b)	(c)	(d)	(e)	(f)
1-A	SGST paid on Goods Produced in the units to which incentives granted and sold				Eligible for incentive

4. Name of the Bank with its branch

Name and bank account No. through Which the payment was made:

5. R.C No. of the Dealer under the Andhra Pradesh Goods and Services Tax Act

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

Station :

Signature of Authorized

Person

Date :

with Firm/Office Seal.

(Proprietor/Partner/Managing Director/Director)

(Stike out whichever is not applicable)

#### Annexures :

- Statement showing the details of turnover, Tax due, Tax paid ( through ITC and Cash paid , Reverse charge in separate columns) and date of Filing of 3B returns during the financial year (Tax period March to Feb)

#### ANNEXURES

- Production unit wise for which incentives granted
  - Production unit wise for which no incentives granted, if applicable
  - Trading ( purchased and sold ), Consolidated ( MFG and Trading in AP)
  - SGST ITC utilized for payment of IGST due (in relation to the inter- state sales from the production units which are permitted for incentives.
- Dealer wise sales details of the products manufactured in the incentivized units during the year with Turnover, SGST due on the sales (1<sup>st</sup> sales by incentive holder)

along with the commodity dealt by the buyer and purpose (consumption or sales )

**3. Declaration by the tax payer (incentive holder) stating that**

- the buyers from the incentive holder are generally not permitted for inter-state transactions of the commodity that is purchased from them.
- In case if buyers from the incentive holder have effected inter-state sales (IGST) of the same commodity, accepting the restriction of the claim to the extent of SGST ITC is adjusted towards IGST payment

**Declaration:**

We hereby undertake that in order to assure that the claim of incentive will be confined to the amount of SGST accrued and retained by the State of A.P out of the sales by the products produced in the incentivized units located in the State of Andhra Pradesh. In order to ensure, the following precautions will be initiated.

- A. C.A. certification stating the details of the SGST ITC utilized for the payment of IGST due on the sales affected by us will be filed and also assure that the same will be reduced from the claim of incentive.
- B. We generally not permit the buyer to effect any inter-state sales of the products produced within the unit/s granted for avaiement of Industrial Incentives.
  - A letter or declaration from our buyers will be furnished in case the goods are purchased for their consumption and the total SGST relating to sales to them will be claimed without any restriction.
  - In respect of inter-state sales by the buyers who purchased from us and adjusted the ITC of SGST against the liability of IGST, the same will be restricted from our claim.
  - Any claim which is found that SGST adjusted against IGST liability is claimed involved in trading , double the amount of the same in addition to the SGST component may be restricted from our claim at any point of time.
- C. We will furnish the details (Annexure 1 to 5) as prescribed by the Department of Industries

Station:

Signature of Authorized

Person

Date:

with Firm/Office Seal.

(Proprietor/Partner/Managing Director/Director)

(Stike out whichever is not applicable)

### CERTIFICATE

It is certified that all the facts and figures furnished by the Enterprise is verified with the returns and found that the Net SGST Payable, SGST paid through ITC and SGST Net Cash paid for the year 20 - 20 are as under:

**A.**

SI.No	Description	Gross SGST Payable in Rs.	SGST Paid through ITC in Rs.	SGST Net Cash Paid in Rs.	Remarks
(a)	(b)	(c)	(d)	(e)	(f)
1-A	SGST paid on Goods Produced in the units to which incentives granted and sold (other than paid under RCM)				Eligible for incentive

Place:

Date:

**ASSISTANT COMMISSIONER (ST)**  
**(Concerned)**  
**Official Seal**

**Note:** This application form, if photo copied must be exactly as per original & it must be both sides of the page.

## ANNEXURE-XI

### Account Statement & Machinery Statement by Financial Institution

(TO BE SUBMITTED ON OFFICIAL LETTERHEAD OF FINANCIAL INSTITUTION)

#### Account Statement:

1.	Name & Address of the Enterprise			
2.	Name & Address of the Financial Institution			
3.	Term loan sanction	Date of filling of application	Date of Sanction	Amount Sanctioned (in Rs.)
	1st Loan			
	2nd Loan			
	3rd Loan etc.			

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

Nature of Asset	Approved Project Cost	Quantum of Loan Sanctioned	Enterprise Share	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
Land							
Buildings							
Plant &M/c.							
Machinery contingencies							
Erection							
Technical know- how,							

Nature of Asset	Approved Project Cost	Quantum of Loan Sanctioned	Enterprise Share	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
feasibility study							
Working capital							
Total							

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

a) Date of Revision (DD/MM/YYYY): \_\_\_\_\_

Nature of Asset	Revised Approved Project Cost	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
Land							
Buildings							
Plant & M/c.							
Machinery contingencies							

Nature of Asset	Revised Approved Project Cost	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
Erection							
Technical know-how, feasibility study,							
Working capital							
Total							

a) Name of the Certifying Officer:.....

b) Designation :.....

Signature of the Certifying Officer Stamp with Designation

Financial Institution Seal

**Machinery Statement:**

Statements on machinery including erection, freight transportation on which term loan was released and not utilized but they form part of approved project cost of M/s.

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

For second-hand and self- fabricated machinery, enterprises should submit appropriate certificates. Standard templates are available on website for download.

Name of the Certifying Officer :.....

Designation :.....

Signature of the Certifying Officer with Designation

Financial Institution Seal

**ANNEXURE - XII – A**  
**APPLICATION FOR THE ISSUANCE OF DATE OF**  
**COMMENCEMENT OF COMMERCIAL PRODUCTION (DCP)**

(Auto Populated wherever it is applicable)

<b>Basic Details</b>		
1	Enterprise Name	
2	Entrepreneur Name	
3	Enterprise Ownership	
4	Aadhar No	
5	PAN No	
6	GST Registration Number	
7	IEM Part I & II	
8	Type of Industry	
9	Sector	
10	Line of Activity	
11	Seasonal Operational Certificate	
<b>Machinery Details</b>		
1	Machinery Name	
2	Date of Purchase	
3	Date of Installation	
<b>Location Details</b>		
1	Location of the unit	
2	Mandal	
3	Address	
<b>Cost Details</b>		
1	Land Cost	
2	Building Cost	
3	Plant & Machinery Cost	
4	Total Cost	
<b>Uploads</b>		
1	First Power Bill	
2	Udyam/ IEM Part A/ Part B	
3	Name board image of the enterprise	

4	Power Release Certificate	
5	First Sale Bill	
6	GST Payment Bills	

**ANNEXURE - XII – B**



GOVERNMENT OF ANDHRA PRADESH

DEPARTMENT OF INDUSTRIES

**CERTIFICATE OF DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION**

This is to certify that the unit of M/s. **“Enter Unit Name”**, ADDRESS: \_\_\_\_\_, **“Entrepreneur Name”**,h with Parishrama Aadhar No **XXXXXXXXXXXX** has commenced commercial production on **DD/MM/YYYY**. The details submitted by the applicant found **CORRECT**.

**ENTERPRISE DETAILS**

Line of activity	
Type of industry	
Category of enterprise (Micro / Small / Medium / Large / Mega)	
Date of first sale bill	
Date of power release certificate	

The Certificate is valid w.e.f. the date of commencement of commercial production unless and until withdrawn.

Date :

GENERAL MANAGER

Place :

DISTRICT INDUSTRIES CENTRE

\_\_\_\_\_

## ANNEXURE-XIII

### Civil Engineer Certificate for Cost of Buildings and other Civil Works

I/We hereby certify that M/s. \_\_\_\_\_ (Name of the industrial Enterprise with complete address) has completed the civil works for an estimated cost of Rs. (in words)

\_\_\_\_\_. The value of item-wise cost of building and civil works is given below:

S.No.	Details	Plinth Area	Cost

Signature of Civil Engineer of Financial Institution or Chartered Engineer with Office Seal

## ANNEXURE-XIV

### Second-hand Machinery Certificate certified by Chartered Accountant & Chartered Engineer for all Enterprises

I/We hereby confirm that I/We have examined, and I/We certify that the following plant, machinery and equipment are purchased and installed by M/s \_\_\_\_\_ (enterprise) located at \_\_\_\_\_.

#### SECOND-HAND PLANT, MACHINERY & EQUIPMENT

S.No.	Name of Machinery/ Equipment	Date of Placement of Order	Name of Supplier	Address of Supplier	Supplier GST Number	e-way Bill No.	Basic Cost (Rs.)	Taxes Duties (Rs.)	Insurance (Rs.)	Others

Total (Rs.)	Receipt No.	Date in token of receipt of amount by Supplier	Depreciated Value	Minimum Life (in years)	Remarks

Signature of Chartered Accountant with Firm/ Office Seal

Signature of Chartered Engineer with Firm/ Office Seal

## ANNEXURE-XV

### Self-fabricated Machinery Certificate certified by Chartered Accountant & Chartered Engineer for all Enterprises

I/We hereby confirm that I/We have examined and I/We certify that the following  
plant, machinery and equipment are self-fabricated and installed by M/s \_\_\_\_\_ (enterprise) located at

\_\_\_\_\_.

#### SELF-FABRICATED PLANT, MACHINERY & EQUIPMENT

S.NO	Name and specifications of the item fabricated	Estimated Raw Material Cost (in Rs.)	Estimated Wages Paid (in Rs.)	Total Cost (in Rs.)	Minimum Life	Remarks

Signature of Chartered Accountant with Firm/ Office Seal

Signature of Chartered Engineer with Firm/ Office Seal

## ANNEXURE-XVI

### Machinery Certificate certified by Chartered Accountant & Chartered Engineer for Self-Financed Enterprises

I/We hereby confirm that I/We have examined and I/We certify that the following plant, machinery and equipment are purchased and installed by M/s \_\_ (enterprise) located at \_\_.

#### NEW PLANT, MACHINERY & EQUIPMENT

S.No.	Name of Machinery/ Equipment	Date of Placement of Order	Name of Supplier	Address of Supplier	Supplier GST Number	e-way Bill No.	Basic Cost (Rs.)	Taxes Duties (Rs.)	Insurance (Rs.)	Others

Total (Rs.)	Receipt No.	Date in token of receipt of amount by Supplier	Depreciated Value	Minimum Life (in years)	Remarks

Signature of Chartered Accountant with Firm/ Office Seal

Signature of Chartered Engineer with Firm / Office Seal

**ANNEXURE-XVII**

**ANNUAL PERFORMANCE REPORT**

(Fields will be auto populated wherever is applicable)

<b>Name of the Enterprise</b>	
<b>Financial Year</b>	

<b>SL No</b>	<b>Parameter</b>	<b>Value</b>
1	IEM Part B / UDYAM / (Registration No )	
2	<b>Incentives Received</b>	
	Capital / Investment Subsidy Received in INR`	
	SGST Reimbursement Received in INR`	
	Power Cost Reimbursement Received in INR`	
	Stamp Duty Reimbursement Received in INR`	
	Land Cost Reimbursement in IE / IDA/ IPs Received in INR`	

<b>SL No</b>	<b>Parameter</b>	<b>Value (Yes / No )</b>
1	Break in Production / Management	

**If Yes**

<b>Time Period of Break in Production and Reasons</b>		
<b>From</b>	<b>To</b>	<b>Reasons</b>

**Details of Production and Capacity**

<b>Details</b>	<b>Quantity</b>	<b>Units</b>	<b>Value</b>
<b>Production</b>			

<b>Details</b>	<b>Quantity in Units</b>	<b>Percentage</b>
<b>Installed Capacity</b>		
<b>Operational / Utilizing Capacity</b>		

**Details of Employment**

<b>Details</b>	<b>Permanent</b>		<b>Temporary</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
<b>Employment</b>				

**Details of Financials**

<b>Details</b>	<b>Value (In Lakhs)</b>
<b>Total Investment</b>	
<b>Net Turnover</b>	

**Quality certification Details**

<b>Details</b>	<b>(Yes / No)</b>
<b>Quality Certification</b>	