

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C DEPT - Andhra Pradesh Electronics Policy 2014-2020- Amendments to Certain Incentives – Orders - Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.MS.No. 7

Dated: 06.04.2015
Read the following:

1. G.O.Ms.No.13, Information Technology & Communications (Promotions) Department, Dated: 31.07.2010

ORDER :

In order to achieve the vision of the State of Andhra Pradesh to “*Develop AP as an **Innovation Society** of global repute, with a focus on enhancing the **Quality of Life** of its citizens, through high-quality **Education and Healthcare**, increased productivity in **Agriculture** and allied activities, creation of **Employment** by promoting Electronics and IT, and above all, by providing **Good Governance**” , Government at 1st read above issued Andhra Pradesh Electronics Policy 2014-2020.*

Comparing the said Andhra Pradesh Electronics Policy 2014-2020 with other State Policies, it is noticed that in some other States, some more incentives or additional incentives or additional amount of money for the same incentives available in our State is being offered. In respect of the following incentives mentioned in the Andhra Pradesh Electronics Policy 2014-2020.

- i. **VAT/ CST Reimbursement:** 100% Tax reimbursement of VAT / CST, for the new units started after the date of issue of this Policy, for a period of 5 years from the date of commencement of production for products manufactured in AP and sold in AP.
- ii. **Skill Up gradation & Training:** 50% reimbursement/ grant of cost involved in skill up gradation & training the local manpower limited to Rs. 2,000per person.
- iii. **Interest Rebate:** 3% Interest Rebate limited to Rs.5 lakhs (0.5 Million) per year for 5 years.
- iv. **Capital Subsidy:** 10% subsidy on new capital equipment

Further the demand in the Indian Electronics market is expected to reach US \$ 400 Billion by 2020 and the objective of AP Electronic Policy is to capture a major market share. AS such, in order to attract US \$ 5 Billion investments in ESDM Sector by 2020, as envisaged in

the AP Electronics Policy 2014-2020, GoAP need to be more aggressive and the incentives offered shall match with the other competing States in the country.

In view of the above, after elaborate deliberations and taking into consideration the need to promote electronic industries / units in the State of Andhra Pradesh, Government has decided to make the following amendments to the incentives mentioned above in AP Electronic Policy 2014-2020

S.No.	Incentives	Amendment
1.	Capital Subsidy	10% of total investment*, up to INR 50 million or Rs. 5 Crores
2.	Interest Rebate (Interest Subsidy)	5% For a period of 7 years (subject to maximum of Rs. 1 crore per annum per unit)
3.	Skill Up gradation & Training (Training subsidy)	50% reimbursement of the cost incurred subject to a maximum of Rs. 10,000 per employee to the companies for providing skill gap trainings to the engineers of AP domicile.
4.	VAT / CST Reimbursement	100% tax reimbursement on VAT/CST for a period of 10 years subject to a maximum of 100% of fixed capital investment other than land (such as building, plant, machinery, testing equipment, etc)

*Investment as defined in Indian Companies Act 1956.

All the other incentives, eligibility conditions for availing the incentives mentioned in the Andhra Pradesh Electronic Policy 2014-2020 issued vide 1st Cited remains the same.

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

**B.SREEDHAR,
SECRETARY TO GOVERNMENT**

To
All the Departments of Secretariat
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, APIIC, Hyderabad
The Commissioner, Industries, Andhra Pradesh
The Commissioner, Information and Public Relations, Andhra Pradesh
The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh
The Chairman & MD, AP TRANSCO
The Managing Director, APEPCPDCL /APSPCPDCL
The Commissioner, Labour, Andhra Pradesh
The Vice Chairman, VUDA/TUDA/VGTMUDA
All the District Collectors & Magistrates, AP
All the Municipal Commissioners, AP,
The Development Commissioner, VSEZ, Visakhapatnam

The Director, STPI, Andhra Pradesh
The President, ELIAP, Andhra Pradesh
The President, ITsAP, Andhra Pradesh
The Regional Director, NASSCOM, Andhra Pradesh,
The President, VITA, Visakhapatnam,
The President, RITPA. Visakhapatnam
The President, GITA, Kakinada
The President, KITA, Vijayawada
The President, MAIT/CII/ELCINA/ISA/ICA,
The Chairman, Electronic Software Export Promotion Council.

Copy to:

The Secretary to GOI, Department of Electronics & Information Technology (DeitY)
The Ministry of Communication & Information Technology, New Delhi
The OSD to CM
The Chief Minister's Office/Chief PRO to C.M.
The Chief Commissioner, Customs & Central Excise, Hyderabad
The OSD to Minister for Information Technology, Andhra Pradesh
The PS to Minister for Finance, Hyderabad
The PS to Minister for Major Industries, Andhra Pradesh
The PS to Minister for Revenue, Andhra Pradesh
The PS to Minister for Energy, Andhra Pradesh
The PS to Minister for Labour, Andhra Pradesh
The PS to Spl CS Planning, Andhra Pradesh
The PS to PFS, Andhra Pradesh
The PS to Principal Secretary to CM Andhra Pradesh
The PS to Chief Secretary to Government of Andhra Pradesh

//FORWARDED:: BY ORDER//

SECTION OFFICER