

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department –Andhra Pradesh MSME & Entrepreneur Development Policy 4.0 (2024-29) / One Family, One Entrepreneur by 2030 – Amendment - Orders – Issued.

INDUSTRIES & COMMERCE (PROGRAMME - I) DEPARTMENT

G.O.Ms.No.22

Dated:17/02/2025
Read the following:

1. G.O.Ms.No.69, Ind. & Com.(Prog-I) Department, Dt: 26-10-2024.
2. Stakeholder representation letter to Hon'ble Chief Minister, dt:05-11-2024.
3. Memo. No. 2642743/2024-P-I, Industries & Commerce (P&I) Department, Dt:18-12-2024.

ORDER:

In the reference 1st read above, for the upliftment of MSMEs in the state, Government has released AP MSME & Entrepreneurship Development Policy 4.0 (2024-29), announcing competitive and best package of incentives to MSMEs and Entrepreneurs.

2. In the reference 2nd read above, a letter addressed to Hon'ble Chief Minister by group of (7) MLAs has been forwarded by Additional Secretary to Chief Minister to Secretary to Government, I&C Department for examination of the proposal received from multiple Industry associations representing Dalit communities on enhanced incentives for SC/ST entrepreneurs to create a level playing business environment.

3. In the reference 3rd read above, Government referred the proposal to Director of Industries and requested to examine the proposal in consultation with concerned stakeholders and give recommendations on amendments to be made in the policy for benefit of SC/ST entrepreneurs in the state.

4. Accordingly, the Director of Industries has examined the proposal and conducted series of meetings with Industry Associations consisting mainly of SC/ST Entrepreneurs, to understand the pain points of the SC/ST communities in starting and sustaining businesses. After extensive industry consultations, the Director of Industries has distilled three prominent support interventions in the policy for entrepreneurs from backward communities i.e., Capital Expenditure, Power Cost, Land cost.

- Related to capital expenditure, it was identified that backward communities are facing challenges in sourcing credit support from financial institutions. Additionally, Department identified that traditionally

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SC/ST communities are more inclined towards business activities related to Transportation services. The Department, therefore recommended Government to extend additional support to such communities on capital expenditures incurred, which can give confidence for financial institutes on repayment and help the institutes to extend credit to the entrepreneurs from the community with more ease.

- One of the major costs for MSMEs is cost on land. Considering increased development costs in Industrial parks land prices have seen an upward revision. To enable entrepreneurial spirit among SC/ST communities in alignment with state motto of One Family One Entrepreneur, Department recommended to reduce cost burden for SC/ST enterprises and include land cost as a component in Fixed capital Investment for enterprises availing land within Industrial Parks.
- Another major cost for MSMEs is investments in the form of Security Deposit and Development charges which occurs at the time of getting power connection and operating power costs. To reduce operating cost burden, department recommended to increase power tariff subsidy for entrepreneurs from backward communities.
- Department further clarified that, the above recommendations shall be applicable for MSME enterprises wholly owned by women/BC/SC/ST/Minority/specially - abled/Transgender.

5. Government after careful examination of the matter hereby issued the following amendment/additions to Andhra Pradesh MSME and Entrepreneur Development Policy 4.0 (2024-29) issued vide G.O.Ms.No.69, I&C (Programme-I) Department, Dt: 26-10-2024.

- i. Para 5.1 of Content 5 i.e., Eligibility Criteria to avail Incentives and Offerings - penultimate para shall stand modified as follows:

*"To keep the momentum of growth and to encourage holistic development of MSMEs, the State government will provide the following incentives and concessions. **The incentives would be applicable for enterprises involved in eligible Manufacturing and Services activity during the policy period.**"*

- ii. Para 6.3 of Content 6 i.e., Capital Subsidy, page 34, shall be read as follows:

Category	Micro Enterprise	Small Enterprise	Medium Enterprise
General (Manufacturing & Service activities)	25% of FCI (Cap- INR 25 Lakh) on CoD/1 st invoice in 2 annual installments	25% of FCI (Cap - INR 1.5 Cr) on CoD/1 st invoice in 3 annual installments	25% of FCI (Cap - INR 7 Cr) on CoD/1 st invoice in 4 annual installments

(Contd...3)

<i>Special Category (Manufacturing & Service Activities)</i>	<i>45% of FCI (Cap- INR 45 Lakh) on CoD/1st invoice in 2 annual installments</i>	<i>45% of FCI (Cap - INR 4.5 Cr) on CoD/1st invoice in 3 annual installments</i>	<i>35% of FCI (Cap- INR 7 Cr) on CoD/1st invoice in 4 annual instalments</i>
<i>SC/ST enterprises (Transport Service Activities)</i>	<i>45% of FCI (Cap- INR 45 Lakh) on CoD/1st invoice in 2 annual installments</i>	<i>45% of FCI (Cap - INR 75 Lakh) on CoD/1st invoice in 2 annual installments</i>	<i>35% of FCI (Cap - INR 75 Lakh) on CoD/1st invoice in 2 annual installments</i>

- *The subsidy is applicable to only new enterprises.*
- *Special Category shall include - enterprises wholly owned by women/BC/SC/ST/minority/specially -abled/transgender entrepreneurs having domicile in the state.*

iii. Para 6.4 of Content 6, Technology Upgradation Cost, page 34, shall be read as follows:

Category	Micro Enterprise	Small Enterprise	Medium Enterprise
General (Manufacturing & Service activities)	20% of FCI (Cap- INR 20 Lakh) on CoD/1 st invoice in 2 annual installments	20% of FCI (Cap- INR 2 Cr) on CoD/1 st invoice in 3 annual installments	20% of FCI (Cap- INR 5 Cr) on CoD/1 st invoice in 4 annual installments
Special Category (Manufacturing & Service Activities)	40% of FCI (Cap- INR 40 Lakh) on CoD/1 st invoice in 2 annual installments	40% of FCI (Cap- INR 4 Cr) on CoD/1 st invoice in 3 annual installments	30% of FCI (Cap- INR 5 Cr) on CoD/1 st invoice in 4 annual installments

- *The subsidy is applicable to only expansion/diversification units.*
- *Special Category shall include - enterprises wholly owned by women/BC/SC/ST/minority/specially-abled/transgender entrepreneurs having domicile in the state.*

iv. Para 6.5 of Content 6, Power Cost Reimbursement, page 35, shall be read as follows:

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Category	Micro Enterprise	Small Enterprise	Medium Enterprise
General (Manufacturing & Service activities)	INR 1 per unit for 5 years from DCP at INR 1 Lakh per annum	INR 1 per unit for 5 years from DCP at INR 5 Lakh per annum	INR 1 per unit for 5 years from DCP at INR 15 Lakh per annum
Special Category (Manufacturing & Service Activities)	INR 1.5 per unit for 5 years from DCP at INR 1 Lakh per annum	INR 1.5 per unit for 5 years from DCP at INR 5 Lakh per annum	INR 1 per unit for 5 years from DCP at INR 15 Lakh per annum

- *Special Category shall include - enterprises wholly owned by women/BC/SC/ST/minority/specially-abled/transgender entrepreneurs having domicile in the state.*

v. Para 6.6 of Content 6, Net SGST Reimbursement, page 35, shall be read as follows:

Type of support	Micro Enterprise	Small Enterprise	Medium Enterprise
Net SGST Reimbursement	100% for 5 years , with annual cap of 5% of annual turnover	100% for 5 years , with annual cap of 5% of annual turnover	100% for 5 years , with annual cap of 5% of annual turnover

- *Total incentive on SGST shall not exceed 100% of FCI.*

vi. Additional para shall be inserted after para 6.10 of content 6 which reads as para 6.11 Rebate on Land Cost

- 75% rebate in land cost limited to INR 25 lakhs for SC/ST led Micro and Small Enterprises, setup in Industrial Estates/Industrial Parks developed by APIIC.
- The rebate is applicable only for new units and the incentive can be availed only once on the land.

6. The amendments made in MEDP 4.0 for MSMEs from backward communities shall be reflected in other sectoral policies (as applicable) to maintain uniformity in incentive structure across policies.

7. The incentives along with above mentioned amendments to MEDP 4.0 policy will be extended to eligible industries as per the operational guidelines, which shall be notified separately.

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8. The Director of Industries, AP, Mangalagiri and the CEO, AP MSME Development Corporation, Vijayawada shall take necessary action accordingly.

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

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To

The Director of Industries, APIIC Towers, Mangalagiri.

The CEO, AP MSME Development Corporation, Vijayawada.

The VC & MD, APIIC Ltd., APIIC Towers, Mangalagiri.

The VC & MD, APIDC Ltd., Hyderabad.

Copy to:

The Director of Handlooms and Textiles, Yerrabalem, Mangalagiri.

The Director of Mines and Geology, Ibrahimpatnam, Vijayawada.

The Managing Director, A P State Financial Corporation, Tadepalli, Guntur.

The Principal Secretary to Government, Finance Department.

The Secretary to Government, Finance Department.

The Secretary to Government, Social Welfare Department.

The Secretary to Government, Tribal Welfare Department.

The Special Chief Secretary to Government, Revenue (CT/LA) Department.

The Spl. Chief Secretary to Government, Irrigation & CAD(Reforms) Department.

The Special Chief Secretary to Government, Energy Department.

The Secretary to Government, I&I Department.

The LFB&IMS Department.

The Accountant General, Andhra Pradesh, Vijayawada.

The Convener, State Level Banker's Committee.

The GM, Small Industry Development Bank of India (SIDBI), Vijayawada.

The Pay and Accounts Officer, Vijayawada.

All District Collectors **through** Director of Industries.

All Heads of the Departments **through** Director of Industries.

All Departments of Secretariat, Velagapudi.

All Govt. Companies/Corporations **through** Director of Industries.

The P.S. to Chief Secretary to Government, Andhra Pradesh.

The P.S. to Secretary to Chief Minister, Andhra Pradesh.

All Private Secretaries to the Ministers.

All General Managers, District Industries Centre in the State **through** DoI.

All Sections in the Department.

Sf/Sc(Computer No.2553542)

//FORWARDED::BY ORDER//

SECTION OFFICER