PARTNER WITH
SUNRISE ANDHRA PRADESH
Investor Handbook – Ease of Doing Business
<table>
<thead>
<tr>
<th>Section</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh – Overview</td>
<td>5 - 6</td>
</tr>
<tr>
<td>Industrial Policy Highlights</td>
<td>7</td>
</tr>
<tr>
<td>Sector Specific Policy Highlights</td>
<td>8 - 10</td>
</tr>
<tr>
<td>Initiatives for Ease of Doing Business</td>
<td>11 - 14</td>
</tr>
</tbody>
</table>
ANDHRA PRADESH: OVERVIEW

8th largest State in India
GDP USD ~ 80 billion
974 km. long coastline (13% of India’s coastline)
Rich natural resource base
Rapidly urbanizing state

INDUSTRIAL INFRASTRUCTURE

» 3 Industrial Hubs & 3 Industrial Corridors
» 4 Major Ports, 4 Active Airports
» Excellent Rail & Road Network
» 32 SEZs, 258 Industrial Parks
» $1.5bn investment on infrastructure
  » JICA supported Chennai – Bangalore Industrial Corridor (CBIC)
  » ADB supported Visakhapatnam – Chennai Industrial Corridor (VCIC)

INVESTMENT OPPORTUNITIES IN INFRASTRUCTURE

- Roads, Rails & IWT
- Water Grid
- Energy
- Social Infrastructure
- Gas
ANDHRA PRADESH: OVERVIEW

LAND AVAILABILITY

- Land on 99 years lease
- Existing land bank of over 700,000 acres, expanding to 1 million acres
- Lower land rates compared to other states
- 100% reimbursement of stamp duty and transfer fees
- Developing Industrial Parks and Clusters on PPP basis

24X7 POWER SUPPLY

- 1st state in South India to offer 24X7 power to industry
- 8,300 MW generating capacity
- 17,000 MW planned capacity addition by 2019
- Green Energy Projects – Enhanced focus
- Strengthening of electricity grid underway

POLICY FRAMEWORK TO FACILITATE INVESTMENTS

- Industrial Development Policy
- MSME Policy
- Sector specific policies
  - Aerospace & Defence
  - Automobile & Auto components
  - Biotechnology
  - Electronics Policy
  - Food Processing
  - Textile & Apparel
- Innovation & Start-up Policy
- IT Policy
- Mineral Development Policy
- Port Policy & Maritime Board Act
- PPP Policy
- Industrial Parks Policy
- Solar & Wind Policy
- Tourism Policy
- Private Universities Bill
Policy Objectives and Targets 2020

• To be the most preferred logistics hub and India’s gateway to East and Southeast Asia
• Increase contribution of manufacturing to GSDP from 9.95% (2013-14) to 15% and industries to GSDP from 20.7% (2013-14) to 25% by 2020
• Attract investment to the tune of ₹2 lakh crores by 2020
• Create employment opportunities for additional 1 million people

Strategy

- Visionary Leadership
- 24x7 Power Supply
- Conducive Business Environment
- Industrial Land Bank
- Fiscal Incentives
- Progressive Labour Policies & Skill Development
- Robust Infrastructure
- Effective Law and Order

Thrust Areas

- Agro & Food Processing
- Life Sciences (including pharmaceutical, biotechnology & medical equipment)
- Textile & Apparel
- Electronics & IT
- Mineral based industry
- Automobiles & Auto Components
- Petroleum, Chemicals, (including Fertilizers) and Petrochemicals
- Energy
- Leather
- Aerospace & Defence

Fiscal Incentives

- Power, Stamp Duty & Tax reimbursements
- Capital incentives for adopting green measures
- Incentives for social inclusion and overall development

Key Initiatives

- International desks to facilitate assistance to foreign investors
- Incubation Centers to promote startups and cultivate innovative ideas
- Planned development of Industrial Corridors, Industrial Parks, Smart Industrial Townships
MICRO, SMALL AND MEDIUM (MSME) ENTERPRISES POLICY 2015-20

**Thrust Areas**
- Facilitation Desk to provide one stop solution
- Facilitation of funds through CGTMSE scheme & SME Exchange
- Land area reserved for MSMEs in Industrial Parks
- Dedicated MSME Parks in each district
- Institutional measures for addressing incipient sickness

**Key Incentives**
- Reimbursement of stamp duty, power cost & VAT/CST/SGST
- Subsidy on capital investment and skill up-gradation & Training
- Seed Capital Assistance for first generation entrepreneurs
- MSME revival fund of USD 16 million in FY 15-16

FOOD PROCESSING POLICY 2015-20

**Thrust Areas**
- Commodity based cluster development
- Food park in every district
- Promotion of innovation, R&D
- Capacity building and enhancing competitiveness
- GoAP to set up inland container port (ICD) at Chittoor and Kakinada port

**Key Incentives**
- Incentives for establishment of Food Parks
- Power and Capital subsidy for cold chain units
- Reimbursements of cost incurred in obtaining quality certifications and marketing initiatives
- Capital and interest subsidy for setting up PPCs & CCPs
- Grant for setting up/up-gradation of NABL accredited testing labs
- 100% exemption of APMC cess/fees

AEROSPACE AND DEFENCE MANUFACTURING POLICY 2015-20

**Thrust Areas**
- Establishment of Aerospace & Defence clusters for ecosystem development
- Promotion of R&D
- Encouragement of skill development
- Development of Aerospace & Defence parks, MRO facility and Air Cargo complex

**Key Incentives**
- Capital subsidy for basic infrastructure development and setting up new units
- Reimbursement of cost incurred for patent registration and quality certifications
- Specific incentives for Public Sector units and R&D centers
- 100% Exemption from Entry Tax on ‘Plant & Machinery and Capital goods’
### ELECTRONICS POLICY 2014-20

**Thrust Areas**
- Centre of Excellence for fabless semiconductors
- Promotion of “Electronics AP” by Annual Mega Electronics Event, Road Shows, Electronic Bazaars, web campaign
- Special focus on Mobile, LED, Smart Meters, FPD TVs, Tablets, Sensors, IOT etc.

**Key Incentives**
- 100% reimbursement of Stamp Duty, Transfer Duty and Registration Fee
- 100% exemption on electricity duty for 5 years from commencement of commercial operations
- 10% Capital Subsidy on total investment
- 6% Interest Subsidy for a period of 7 years

### TEXTILE & APPAREL POLICY 2015-20

**Thrust Areas**
- GoAP to provide land for Textile & Apparel parks
- Assistance to apparel training institutions & trainees
- Focus on textile based industries such as ginning & pressing, cotton spinning, weaving, dyeing & processing, knitting, garment/made-ups, machine carpeting, machine embroidery and any other activities/ process like crimping, texturizing, twisting, winding, sizing etc. within the textile value chain

**Key Incentives**
- Interest subsidy up to 12.5% per annum
- Power Tariff subsidy at ₹1-1.50 per unit depending on category
- 100% reimbursement of stamp duty on lease of land
- Capital subsidy, linked to investments, ranging from 20% of fixed assets to 10% of project cost

### BIOTECHNOLOGY POLICY 2015-20

**Thrust Areas**
- 3 mini Life Sciences Parks to be set up within next 3 years
- Life Sciences Knowledge Centers to be established across the State on PPP model
- Agri Biotech committee to expedite R&D proposals
- Andhra Pradesh Biotechnology Committee (APBC) under Chief Secretary to be setup

**Key Incentives**
- Fixed power cost reimbursement of ₹ 1.50 per unit for 5 years from commencement of commercial production
- Technology acquisition fund of USD 1.6 Million to be set up
- Additional interest subsidy @ 3% per annum on term loans towards purchase of capital equipment necessary for technology up gradation for 5 years
- Financial assistance for patent registration
SECTOR SPECIFIC POLICIES

TOURISM POLICY 2015-20

Thrust Areas
- Theme based development of tourism projects
- Destination based development through Hub & Spoke model

Key Incentives
- Complementary/Linkage Infrastructure Development Assistance
- Waiver of Non-Agricultural Land Assessment (NALA) tax or Land Use Conversion charge
- 100% reimbursement on Registration and Stamp duty for all tourism infrastructure projects
- Investment subsidy for Tourism Services

AUTOMOBILE & AUTO COMPONENTS POLICY 2015-20

Thrust Areas
- Automobile Industry declared to be ‘Public Utility’ under Industrial Disputes Act, 1947
- Quality Testing / R&D laboratories to be set up in collaboration with leading global institutions
- Provision of land to dependent ancillary units at same rate as OEM (wherever Government allocates land to OEM and up to a maximum of 50% of the land allocated to OEM)
- 24 X 7 reliable power

Key Incentives
- Capital Subsidy for Auto Clusters and ASMC developers – 50% of fixed capital investment in building & common infrastructure
- 75% reimbursement of patent cost and 50% reimbursement for quality certification
- For Mega Integrated Automobile Projects –
  - 100% CST reimbursement for 10 years or GST regime whichever is earlier
  - Gross VAT/SGST reimbursement on sale of finished goods
  - 75% reimbursement of Gross VAT/SGST for 10 years
Andhra Pradesh ranks amongst top Indian states in creating conducive business environment.

ANDHRA PRADESH SINGLE DESK

- Single Window Act mandating time-bound delivery of services
- Comprehensive checklist of for all requisite approvals made available
- Transparent, unified, one-stop solution for investors with SLAs
- Single front-end portal interface across multiple departments
- Investor onboarding without need for physical interaction with various departments
- Common Application Form (CAF) across multiple departments
- Integration of requisite pre-establishment and pre-operation stage clearances for online filing and tracking
- Dashboard view of clearances in pipeline
- Channel for routing queries and interacting with departments for additional documentation
- Institutional arrangements for Single window clearances through State & District-level Bureau
- Incentives under Industrial Policy 2015-20 to be facilitated as services through Single Window System
INITIATIVES FOR EASE OF DOING BUSINESS

- **1 Day**: VAT & Professional Tax Registration Certificate
- **7 -15 Days**: Construction permit/building permission approval
- **15 Days**: Electricity connection from date of approval
- **21 Days**: SLA for clearances under Single Window
- **60 Days**: VAT refund direct to bank account

FAST TRACK APPROVALS
INITIATIVES FOR EASE OF DOING BUSINESS

LAND & PROPERTY

- Transparent criteria for land allotment
- Industrial land availability accessible via online GIS System
- Framework to categorise land parcels based on nature of industry
- Digitized land records available at Sub-Registrar’s office
- Zonal plans available online to assist in building plans
- Model sale deed available online for property registration
- Third party certification for structural design and architectural drawings for construction permits

INFRASTRUCTURE & UTILITIES

- Online application and payment for infrastructure related utilities – electricity connection, storm water and drainage, sewage
- Load sanction based on fixed cost estimate

TAXATION

- E-Registration for State taxes (VAT, CST, Property Tax, Entertainment Tax)
- Online payment for state taxes
- Centralized helpline for assistance in preparing and filing returns
- Dealer service centers to assist in e-filing

ENABLING FRAMEWORK
**INITIATIVES FOR EASE OF DOING BUSINESS**

**RATIONALISED ENVIRONMENTAL CLEARANCES**
- Online registration for environment/pollution related clearances
- Green category industries exempt from PCB clearances
- Downloadable and verifiable Approval Certificate for environmental clearances

**LABOUR REFORMS**
- 1st state to amend Contract Labour Act – defined core and non-core activities
- Combined online registration for multiple Labour Acts
- Rules regarding government registration of contract labour relaxed from minimum 5 to minimum 50
- Maximum limit of number of workers where lockout/closure/retrenchment without government permission increased from 100 to 300
- Defined “go slow” as illegal activity

**SELF-CERTIFICATION & SIMPLIFIED INSPECTIONS**
- Self-certification/ third party certification for auto-renewal of consent to establish
- Self-certification for labour related approvals/ clearances for all industries, except major hazardous industries
- Synchronized/joint inspection under all major applicable acts
- Online system for faster allocation of inspectors to conduct inspections
- Inspections based on computerized risk assessment
- Inspection reports available within 72 hours

**ENABLING FRAMEWORK**
<table>
<thead>
<tr>
<th>Directorate of Fire Services</th>
<th>1) Fire No Objection Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2) Fire Occupancy Certificate</td>
</tr>
<tr>
<td></td>
<td>3) License for Storage of Petroleum, Diesel, Naptha</td>
</tr>
<tr>
<td>District Collector</td>
<td>4) DISCOM Connection</td>
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<tr>
<td></td>
<td>5) DISCOM Power feasibility</td>
</tr>
<tr>
<td>Energy</td>
<td>6) Electrical Inspectorate Approval of Drawings</td>
</tr>
<tr>
<td></td>
<td>7) Electrical Inspectorate Final Approval</td>
</tr>
<tr>
<td></td>
<td>8) NREDCAP Registration to set up Solar Power Project</td>
</tr>
<tr>
<td></td>
<td>9) NREDCAP Registration to set up Wind Power Project</td>
</tr>
<tr>
<td>Environment, Forest, Science and Technology</td>
<td>10) APPCB Authorization for handling Bio-medical Waste</td>
</tr>
<tr>
<td></td>
<td>11) APPCB Authorization for handling Municipal Solid Waste</td>
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<tr>
<td></td>
<td>12) APPCB Consent to Establish</td>
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<tr>
<td></td>
<td>13) APPCB Consent to Operate</td>
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<tr>
<td></td>
<td>14) APPCB Registration of Plastic Units</td>
</tr>
<tr>
<td></td>
<td>15) Forest Department permission for felling trees</td>
</tr>
<tr>
<td>Health, Medical &amp; Family Welfare</td>
<td>16) AYUSH License</td>
</tr>
<tr>
<td></td>
<td>17) DCA License for Bulk Drugs, Formulations</td>
</tr>
<tr>
<td></td>
<td>18) DCA License for Cosmetics</td>
</tr>
</tbody>
</table>

URL: www.apindustries.gov.in/
19) APIIC IALA Building Plan Approval
20) APIIC Land Allocation
21) Industries EM Part I
22) Industries EM Part II
23) Mining Granite Quarry License
24) Mining Marble Quarry License
25) Mining Mineral Dealer License
26) Mining Lease
27) Mining Other Quarry License
28) Mining Prospecting License
29) Mining Reconnaissance Permit

30) Ground Water Permission to dig new wells
31) Irrigation Permission to draw water

32) Factory Plan Approval
33) Factory Registration
34) Labour Registration for engaging Contract Labour
35) Labour Registration for engaging inter-state migrant workmen
36) Labour Registration of Shops & Establishment
37) Labour Registration under Building and other Construction Workers Act
38) Labour Registration under Motor Transport Workers Act
39) Labour Registration under Payment of Gratuity Act

40) Legal Metrology Dealer License
41) Legal Metrology Manufacturing License

URL: www.apindustries.gov.in/
<table>
<thead>
<tr>
<th>Department</th>
<th>Approvals</th>
</tr>
</thead>
</table>
| **Municipal Administration and Urban Development** | 42) DT&CP Building Plan Approval  
43) UDA Building Plan Approval  
44) UDA Water Supply  
45) ULB Building Plan Approval  
46) ULB Sewerage NOC & Connection  
47) ULB Storm Water NOC & Connection  
48) ULB Trade License  
49) ULBs Water Supply     |
| **Panchayati Raj**               | 50) Gram Panchayat Building Permission  
51) Gram Panchayat Water Supply     |
| **Prohibition and Excise**       | 52) Prohibition & Excise License for Denatured Spirit  
53) Prohibition & Excise License for Rectified Spirit     |
| **Registration & Stamps**        | 54) Registration of Partnership firms     |
| **Commercial Tax & Revenue**     | 55) CST Registration  
56) Professional Tax Registration  
57) VAT Registration  
58) Land Conversion     |
INFORMATION REPOSITORY

- Comprehensive checklist of all approvals department-wise
- Centralized helpline number
- Clear timelines for approvals
- Investor Grievance Redressal mechanism
- Incentives under Industrial Development Policy 2015-20, MSME Policy 2015-20 and other sector-specific policies
- Acts, G.O.s, circulars and notifications related to industries' set up and operations

SERVICES REPOSITORY

Single Desk Portal for registration, payment and approvals

- Online filing of Industries EM Part I and Part II
- Common Application Form (CAF)
- Registration under Shops and Establishments Act
- Factories License and Factory Building plan approval (under Factories Act, 1948)
- Application for new electricity connection
- Registration under Boiler Act
- Change of Land Use
- Approval of Building Plans
- NOC from Fire Department

* Accessible through www.apindustries.gov.in
SERVICES & INFORMATION REPOSITORY - LAND

GENERAL

- Availability of land banks for industrial use viewable in online GIS system
- Framework to categorize land parcels for industrial use
- Criteria and timelines for land allotment and conversion of land

CONSTRUCTION PERMITS

- Timelines for obtaining construction permit/building permission
- Notification on certificate of no tax due no longer required prior to filing for construction permit
- Notification on notarized affidavit / undertaking no longer required prior to filing for construction permit
- Notification for approval based on third party certification of structural design and architectural drawings by authorized structural engineers and architects
- Appropriate mechanisms to levy penalty in case of violation of certification procedures

* Accessible through www.apindustries.gov.in
PROPERTY REGISTRATION

- Model Sale Deed format
- Online application

- Online payment

NOCs/ LICENSES/ REGISTRATIONS

- Comprehensive checklist of all requisite documentation
- Timelines for approvals

- Online application and payment
- Downloading approval certificates (issued online)
- Verifying approval certificates (issued online)

- Timelines for approvals (in some cases)
- Online application and payment (in some cases)

* Accessible through www.apindustries.gov.in
READY RECKONER

Doing Business in Sunrise AP

SERVICES & INFORMATION REPOSITORY - LABOUR

GENERAL

www.apindustries.gov.in

- Self-certification for all industries except non-hazardous
- Self-certification/third party certification of boilers

NOCs/ LICENSES/ REGISTRATIONS & RENEWAL OF APPROVALS

www.apindustries.gov.in

- Comprehensive checklist of all requisite documentation
- Timelines for approvals

www.ap.meeseva.gov.in

- Online application and payment
- Downloading approval certificates (issued online)
- Verifying approval certificates (issued online)

* Accessible through www.apindustries.gov.in
SERVICES & INFORMATION REPOSITORY - ENVIRONMENT

GENERAL

- Provision for auto-renewal of Consent to Establish (under Water Act, 1974 and Air Act, 1981) based on self-certification/third party certification
- Type of Green category industries for which 'Consent to Operate' is provided for 5 years
- Online registration of various environment/pollution related acts

NOCs/ LICENSES/ REGISTRATIONS

- Comprehensive checklist of all requisite documentation
- Timelines for approvals
- Online application and payment
- Downloading approval certificates (issued online)
- Verifying approval certificates (issued online)
- Online application and payment (in some cases)
SERVICES & INFORMATION REPOSITORY - INFRASTRUCTURE UTILITIES

GENERAL

- Timelines for obtaining electricity connection; water connection; sewage/sewer connection
- Online application for electricity connection
- Fixed cost estimate for electricity connection based on load requirement
- Documentation for obtaining electricity connection: Reduced to 2 documents

NOCs/ LICENSES/ REGISTRATIONS

- Comprehensive checklist of all requisite documentation
- Timelines for approvals

- Online application and payment
- Downloading approval certificates (issued online)
- Verifying approval certificates (issued online)

* Accessible through www.apindustries.gov.in
SERVICES & INFORMATION REPOSITORY - TAX

GENERAL

- VAT and CST e-registration
- Online payment of VAT, CST, Professional Tax and Entertainment tax
- Online filing of returns
- Helpline providing basic assistance in tax filing and assistance for e-filing at service centres
- Audit manual detailing risk based inspection for compliance
- Notification details on advance tax ruling for State level taxes (on lines of Income Tax Act)
- Forms relating to information captured at check posts

NOCs/ LICENSES/ REGISTRATIONS

- Comprehensive checklist of all requisite documentation
- Timelines for approvals

- Online application and payment
- Downloading approval certificates (issued online)
- Verifying approval certificates (issued online)

* Accessible through www.apindustries.gov.in

www.apct.gov.in *

www.apindustries.gov.in

www.ap.meeseva.gov.in *
SERVICES & INFORMATION REPOSITORY - INSPECTION

GENERAL

- Joint inspection under major applicable Acts
- Defined inspection procedure
- Provision mandating submission of inspection reports within 72 hours
- Online system for allocation of inspectors
- Provision for conducting inspections based on computerized risk assessment

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