

Doing Business with

# Andhra Pradesh



The Best Investment Destination





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# Andhra Pradesh

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**Commissionerate of Industries**

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## MESSAGE



**Dr. Y. S. RAJASEKHARA REDDY**  
Chief Minister of Andhra Pradesh

I am happy to share with you that with the objective of providing best possible information to the investors, Industries Department and AP Invest has brought out this Booklet 'Doing Business with Andhra Pradesh'. I am sure that the contents of this book will provide incite into congenial industrial climate built in Andhra Pradesh in India.

While giving top priority to Agriculture, its allied sectors and Irrigation, the State Government is exploring the possibility of setting up of more and more establishments in Trade, Commerce and Industry to create, employment to youth in particular and the rural population in general. A separate department of Infrastructure and Investments is created to promote infrastructure development through Public-Private-Partnership. APInvest is a nodal organisation, created with an objective of facilitating global investments to flow into Andhra Pradesh. We are striving to evolve new strategies and policy initiatives and minimize the cost of production through technical efficiency and effective management in every sector. We have been striving to compete with global standards in enhancing productivity both qualitatively and quantitatively,

I hope this endeavor of ours will focus its attention to bring about awareness among Business Leaders, Investors, Entrepreneurs and officials of various departments about the huge investment opportunities as well as the infrastructure facilities in Andhra Pradesh. I also hope that the book would be a source of information for the entrepreneurs both within the country and abroad, and help the entrepreneurs to come forward with huge investments in the core sectors of development all over Andhra Pradesh.

I wish the efforts all success.

10th April, 2007

  
(Y. S. RAJASEKHARA REDDY)



## Strategic Geographic Location Advantage



Andhra Pradesh is strategically located in India. It has easy access to all parts of the country. Country's capital, New Delhi is less than two hours fly from Hyderabad. Populous and Business states like Uttar Pradesh, Gujarat, Maharashtra, West Bengal, Tamilnadu and Karnataka are at just 1 to 1½ hours flying distance. Strategic location of the state is very advantageous for the business to have the best domestic market in country, easy to reach all corners of the country.

Andhra Pradesh is known as Gate of South-East Asia. Easy access to the most economically developed countries like Japan, Philippines, Singapore, Malaysia, Hong Kong, Thailand, New Zealand, Australia.

Andhra Pradesh is richly endowed with natural resources and competitive advantages with geographical area of 274.40 lakh hectares being the fourth largest state accounting for 8.37% in India with population of 81.60 million being the fifth most populous state accounting for 7.4% in the country. The state lies between 12041' and 220 longitude and 770 and 84040' latitude and is bounded by Madhya Pradesh, Orissa and Chattisgarh in the north

and caressed by Bay of Bengal in east. The state also shares its boundaries with Tamilnadu and Karnataka in the south and with Maharashtra in the west. Hyderabad, the State capital is centrally located and exudes a huge potential to be transformed into a transit hub of South Asia. It has in the recent years become prominent as preferred destination for leading software services companies



Visakhapatnam port in AP is the largest cargo handling port in the country which provides a major share of cargo to south east Asian countries and Australia.

The State have easy access of less than 4 hours fly to Global Oil capitals of Gulf countries and another 4-5 hours fly to European majors. Strategic geographic location of the State is very advantageous for the trade promotion and create sustained global potential market.



# Andhra Pradesh

## Advantage



Andhra Pradesh, the Business State is  
the most preferred investment destination in the country



### Why Andhra Pradesh is on the Global Radar?

Andhra Pradesh is a fifth populous state in India with a population of 7,62,10,007, which is 7.43% of the countries population. It is fourth largest state with an area of 2,75,045 Sq. Kms constituting 8.37% of the country's area. Andhra Pradesh is strategically located in the Country having an easy access to all parts of the country and Gateway to South East Asia & Australia. The State is blessed with seven agro climatic conditions and variety of soils poised to large agriculture production. The state has 23 districts with Hyderabad city as the Capital, 7 Municipal Corporations, 79 Revenue Divisions, 1126 Mandals and 21,908 Gram Panchayats.

The total Gross State Domestic Product (GSDP) is Rs 2,258 billions. Andhra Pradesh one among the five large and progressive economy states and its fast growing economy is first in the country. The percapita income of the State increased from Rs 17932 in 2001-02 to Rs 25,526 in 2005-06.

### Large base for Agro and Food processing

Andhra Pradesh is primarily an agro-based state and employs 65% of the state's population. It has about 115.32 lakh operational land holdings out of which 94.41 lakh are marginal farmers and 25.18lakh are Small farmers. The contribution of primary sector is 27%. Andhra Pradesh ranks 2nd in producing Value Added food products and beverages with country 10% share. Per worker output in the food-processing sector in Andhra Pradesh is very high.

The state has highest egg and broiler

production in the country. Largest sheep production. Pioneer in Oil palm cultivation. Highest in production of Mango, Chillies and turmeric. Highest in brackish water shrimp and fresh water prawn production. Highest productivity in Coarse cereals, Jowar, Maize and Bengal gram. Second highest fresh water fish production. Second Largest producer of Horticulture products. Second longest coastline, Andhra Pradesh become the pioneer in the marine exports in the country. The State is the first maritime.

The state has about Rs 5,000 crores investment in the food processing sector contributing 20% of the total existing investments in the state. The annual production in this sector is about Rs.9260 crores contributing 20% of the total industrial production in the state. Agriculture will experience a quantum leap in growth, achieving an average annual growth rate of 6 per cent in real terms over the next 20 years.

### Andhra Pradesh is a Mineral house of the country

- World's largest single deposit of Barytes in Kadapa
- 1st in granite reserves in the country
- 1st in production and promoting various colours of lime stone slabs for flooring.
- 2nd largest store house of mineral resources in India
- 2nd in value of mineral production - 9-10% of country's mineral revenue.
- 2nd largest Bauxite deposits in the country
- 2nd in occurrence of uranium deposits in the country
- 2nd longest coastline of 974 kms – rich beach sand resources
- 2nd largest producer of cement – 59 plants with 23 million tones p.a.



Andhra Pradesh is very strong in the mineral sector resulting in creating strong base for Thermal Power plants, Steel plants, Aluminum plants, ceramic industries, Cement plants, Granite industries etc.

### Bulk Drug Capital of India

Due to the presence of world class Research & Development Institutions in the state and availability of large pool of skilled manpower at competitive prices Hyderabad became the Bulk Drug Capital of India with a contribution of more than 1/3 rd of the country's Bulk Drugs production.

### Fast growing IT/ITES economy

Strong business presence of Global Software giants like Microsoft, Oracle, IBM, GE Capital, Satyam, Wipro, Infotech, Infosys, Metamor, Motorola, Ericsson, Keane, Portal Player, ICICI, Vanenburg, Computer Associates etc. Andhra Pradesh has become a leading state in promotion of Software industry in the country. Registered the country's highest growth rate of 65% in Software exports. The state was committed in creating IT infrastructure, HRD and investment climate.

Andhra Pradesh is a leading producer of Cotton with average production 2.6 million bales annually. 2nd rank in production of Paper and Machinery Equipment, 3rd rank in production of chemicals, 4th rank in production of Wood, Rubber and Plastic products in the country.

Andhra Pradesh is the 3rd largest power utility in the country. APGENCO's Hydel Installed Capacity is highest in India. The power installed capacity is 11,134 MW.

During the last 3 years the capacity addition of 2080 MW is highest in the Country. The state achieved highest Plant Load Factor of 89.7% in the country. Andhra Pradesh is consistently strong in the power sector in India due to advantageous mix of Thermal, Hydro and Gas power general. Availability of huge resources of Natural Gas, Coal and perennial rivers with good monsoons are the major advantages for the power generation in the State.

### Huge gas findings in Krishna-Godavari basin

Reliance Industries Limited (RIL) struck 9 trillion cubic feet (tcft) of gas reserves in Krishna Godavari basin which was found the biggest gas find in the country constituting 50% in the country. RIL is proposed to produce 40 MMSCMD gas for the next 20 years.

### World Class Infrastructure

Hyderabad International Airport is the first green field Airport in the country. It is being designed to handle 12 million passengers per annum with 4.2 Kms run way, the longest in the country. The project is in the area of 5,400 acres of land in Shamshabad, which about 20 Kms from the existing Hyderabad Airport with the project cost of Rs 2283 crores and scheduled to complete by 2008



### Port

Visakhapatnam Port is a prestigious major port in the country for its largest cargo handling of more than 60 million tonnes per annum. Kakinada deep sea water Port in East Godavari District is a state port which is presently reducing the cargo load of Visakhapatnam. The port can handle 10 million tonnes of cargo. The upcoming Gangavaram port which is 15 kms from Visakhapatnam port to handle 35 MTPA will be the deepest port in the country scheduled to commence its operations by 2008. Krishnapatnam port in Nellore District is a Rs 1,432 crore project will commence its operation by 2008 committed to export 14 million tonnes per annum. All minor ports of Andhra Pradesh handle 15 million tonnes of cargo which is 2nd highest cargo handling state in India. The state has planned to develop ports in the State to handle 173 million tonnes of cargo in the next 15 years.

### Road

The State has an excellent road network with backbone of 4-lane roads. All industrially developed areas are well connected with National Highways / State Highways. Andhra Pradesh has 1,78,747 Kms Roads out of which the length of National Highways is 4,014 Kms and State Highways is 8,763 Kms. Road network of Andhra Pradesh is very large and connects all small villages in the State. Golden corridor project of Government of India covered 1014 Kms of NH - 5 in the State

### Railway

Secunderabad is the Head Quarters for the South Central Railway network and

covers a railway network of 4752 Kms in the State and surroundings. Number of Super fast Trains are operated to all major metro cities in the country. 3754 Kms of Broad Gauge, 508 Kms of Meter Gauge and total 748 Railway Stations are covered in the state railway network.

### Education

AP is home to many specialized and internationally renowned academic institutions like Indian School of Business (set up in collaboration with Kellogg Institute, USA), producing World-Class management graduates. The Administrative Staff College of India has been India's oldest advanced management training institute for senior managers in reputed companies and senior bureaucrats in the Government. The other prestigious institutions are National Institute of Fashion Technology, National School of Law, International Institute of Information Technology. National Institute of Rural Deaharlal Nehru Institute of Development Banking.

### Tourism

Andhra Pradesh is the best tourist place. There are number of tourist places in the state covering historical structures, Heritage & Culture, Arts & Crafts, Cuisine, Fairs and Festivals which include

Hyderabad - Charminar, Golconda, Salarjung Museum, Ramoji film City, Hitec City, NTR Gardens etc.

Visakhapatnam - Rishi Konda, Bhimunipatnam, Kailasagiri, Arakuvalley, Borra Caves, Simhachalam  
Chittoor - Tirumala Tirupati Devasthanam, Chandragiri Fort, Srikalahasthi, Horsley Hills

Ananapur - Sri Satya Saibaba Institutes, Lepakshi

Guntur and Krishna Districts - Nagarjunsagar Dam, Nagarjuna Konda, Ethipothala Water falls, Amaravathi, Krishna Barriage

Warangal - Kakatiya Fort, Thousand Pillar Temple, Ramappa Temple

Kurnool - Belum Caves, Srisailem

Due to the continuous efforts of the Government in promoting the tourism sector in the state, domestic tourist arrivals have significantly increased from 63.3 million in 2002 to 84.9 million in 2004, similarly, the International Tourist arrivals also increased from 2.10 lakhs in 2002 to 5.01 lakhs in 2004

### Industry

AP is home to many large Public and Private Sector companies manufacturing diverse products like ship building, fertilisers, Hi-precision machine tools, drugs and pharmaceuticals, cement, paper, large power generating equipment, electronic hardware, long range missiles, castings & forgings, defence electronics etc.

### Research & Development

AP is home to a large number of internationally renowned civil and defence research establishments, which include Defence Metallurgical Research Laboratory, Defence Electronics Research Laboratory, Defence Research and Development Laboratory, Indian Instt. of Chemical Technology, Centre for Cellular and Molecular Biology, Central Institute of Plastic Engineering Technology, National Remote Sensing

Agency, National Geo-physical Research Institute, Centre for DNA Fingerprint, Central Institute of Tool Design, ICRISAT, National Institute of Nutrition, Nuclear Fuel Complex. AP is perhaps the only state in the country in post independence India to have consciously developed local technocrat entrepreneurial base and with this support only that large Public Sector Units like BHEL, HMT, HAL, MIDHANI, BDL, BEL, HCL, Praga Tools, VSP, BHPV, IPCL etc. could build up their ancillary (vendor) network.

### Specialized Industrial Parks

Government of Andhra Pradesh has promoted specialized industrial parks on sector basis. ICICI Knowledge Park, Apparel Park, Hardware Park, Hitec City in two Phases, Jawaharlal Nehru Pharma Park, Biotech Park, Export Promotion Industrial Park, Exclusive industrial estate for the AP Women Entrepreneurs, Auto Park, IT Parks, Food Processing Park and Leather Park.

In addition to the above, Government of AP is promoting Special Economic Zone in Visakhapatnam and Kakinada, Mega Industrial Chemical Estate in Visakhapatnam, IT Parks in Hyderabad, Visakhapatnam, Warangal and Vijayawada, Gems & Jewellery Park in Hyderabad, Leather Parks and Apparel Parks across the state.

Andhra Pradesh is a home for 3680 large and Medium Enterprises with an investment of Rs 53,339 crores and 1,47,217 Small Enterprises with an investment of Rs 5,098 crores. The exports from the state is growing at a rate of 20% annually.

### Investor friendly industrial investment promotion policy

In order to promote investments in the state, Government of Andhra Pradesh has announced vibrant industrial and investment promotion policy 2005-2010 covering various fiscal and non-fiscal incentives including

- Providing infrastructure at the doorstep of the industry
- Reimbursement of power @ Rs 0.75 per unit for eligible industries and Rs 1.00 per unit for eligible food processing industries
- Reimbursement of 25% of the VAT paid by the industry for a period of 5 years
- 100% stamp duty exemption for the registration of land & building / leased property for industrial use
- Tailor made benefits for the mega projects with investment above Rs 100 crores depending on the nature of project and creation of employment.

With all the efforts and initiatives of the Government and based on the availability of the resources, large industrial base and infrastructure in the State could attract investments proposals of Rs 1,96,364 crores since August 1991 and ranks 3rd in the country.

Government of Andhra Pradesh was very keen and committed in creation of world-class infrastructure, framing investor friendly policies, simplifying the laws, rules, procedures and documentation for making Andhra Pradesh the foremost-industrialized state in the country.

Andhra Pradesh becomes the best state for the investments. Government of Andhra Pradesh appeal to all the investors to investment in the state as the banking system in the state/country is flush with funds and no dearth of funding for a right project. Capital markets are booming and the rupee has been appreciating against dollar. It is the right time for the investor to invest in AP.

Andhra Pradesh – Ideal investment destination of India awaits you....



# Andhra Pradesh

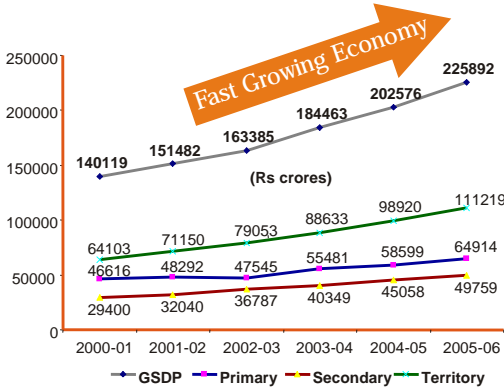
## Macro Aggregates



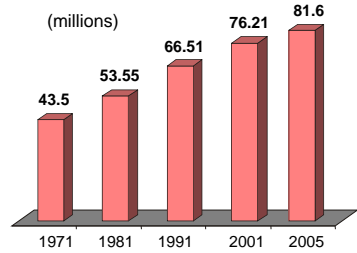
Andhra Pradesh will be a \$300 billion economy by the year-end 2010



# Macro Aggregate

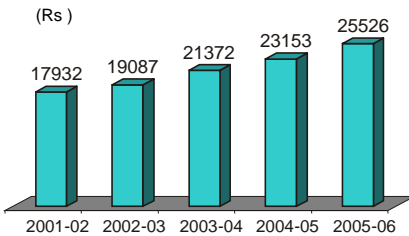


GSDP at current prices of 1993 - 94



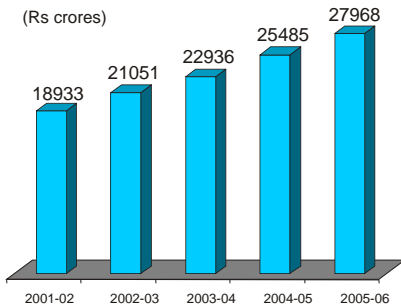
Population

Large population is a best size of potential market



Fast growing per capita income

Growth of per capita income enhanced the purchasing capacity



Contribution of manufacturing sector in total GSDP

Fast growing manufacturing sector

## Strong Manufacturing Sectors

Pharmaceuticals & Bulk Drugs

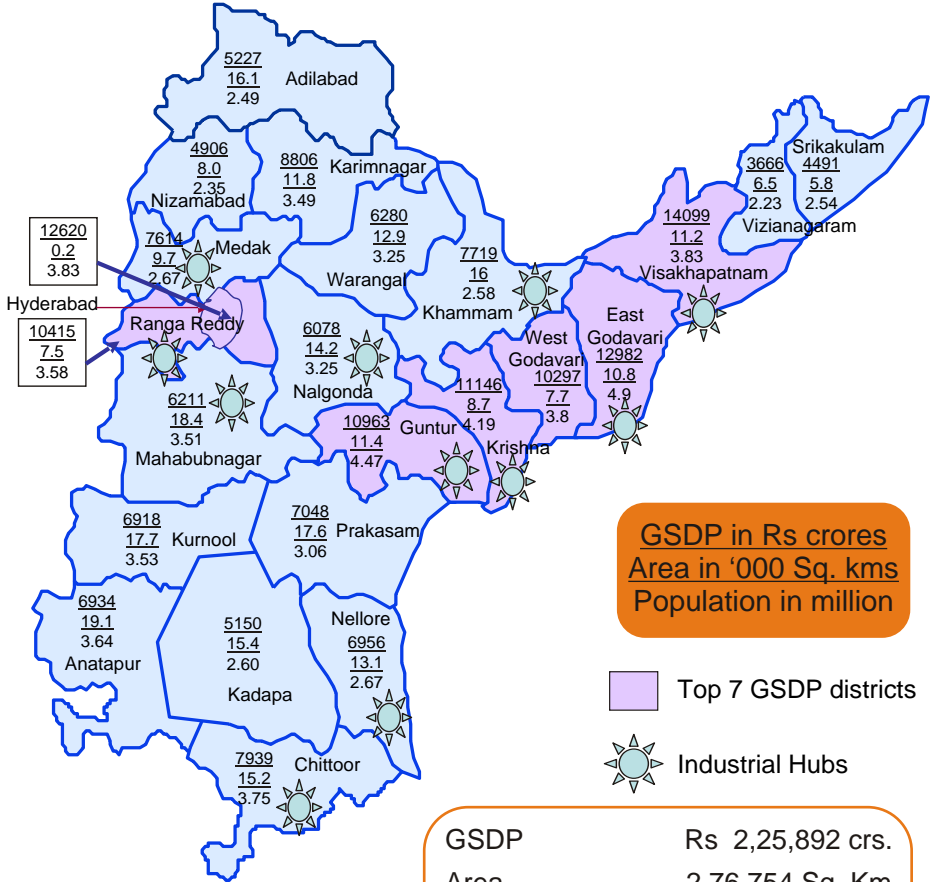
Food & Agro Processing Industries

Biotechnology

Iron & Steel, Paper, Cement, Sugar, Cotton Spinning, Textile, Granite, Fertilisers & Chemicals, Hitech manufacturing, Engineering, Electrical & Ceramics

IT/Hardware

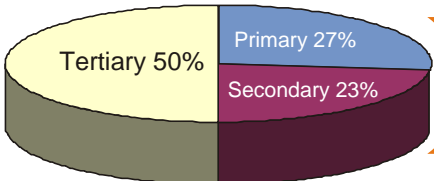
## District Economic and Demographic Profile



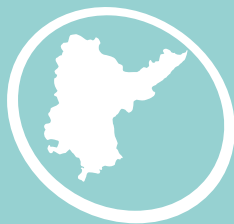
GSDP in Rs crores  
Area in '000 Sq. kms  
Population in million

- Top 7 GSDP districts
- Industrial Hubs

GSDP	Rs 2,25,892 crs.
Area	2,76,754 Sq. Km
Population	81.60 million
Density	295 per sq. km
Per capita income	Rs 25,526



### Sectoral Contribution of GSDP





# Andhra Pradesh

## Resources



Andhra Pradesh is the leading producer of  
Agriculture / Horticulture crops



Andhra Pradesh is endowed with bountiful natural resources with good soil and a diversified cropping pattern. The State is rightly called “A RIVER STATE” as it is blessed with major river system like Godavari, Krishna, Pennar, Vamsadhara and 36 others. The major irrigation systems are fed by these rivers.

Andhra Pradesh is primarily an agro-based state and employs 65 % of the state’s population. . It has about 115.32 lakh operational land holdings out of which 94.41 lakh are marginal farmers and 25.18lakh are Small farmers. The average size of land holding is 1.25 hect. Around 15 percent (average contribution) of AP’s GDP comes from agriculture. The state enjoys a position of prominence in respect of crop production.



The State’s water share of dependable flow at 75% is estimated at 2,746 TMC. This beaks up into 1480 TMC from the Godavari River system, 811 TMC from the Krishna, 98 TMC from Pennar and the rest from other rivers. Entire dependable water from Krishna River is harnessed through construction of several reservoirs and barrages. Yield from Godavari River being utilised to 720 TMC and surplus flow aggregating to an average of 3000 TMC are flowing into the sea. Total utilization of river yields is works out to 1700 TMC only and thus there is vast scope of tapping water resources for creating irrigation potential.

- Andhra Pradesh ranks first in productivity of crops like coarse cereals, Jowar, Maize and Bengal gram.
- Andhra Pradesh ranks 2nd in producing Value Added food products and beverages with country 10% share. Per worker output in the food-processing sector in Andhra Pradesh is very high
- The state is very strong in the crops like Cotton, Rice, Groundnut, Pulses and Bajra.

## Resources

Andhra Pradesh has the diverse agro-climatic conditions in different parts of the state is conducive to growing all kinds of tropical and sub-tropical fruits and vegetables. Andhra Pradesh is one of the more progressive states with farmers adapting quickly to modern and innovative practices to improve productivity. The state ranks 3rd in production and productivity of paddy. Economy of the AP continues to be predominantly agrarian. The dependence of rural labour force on agriculture and allied activities is quite evident and is likely to continue on the same in the near future. Apart from direct impact of agricultural growth on generation of rural employment and incomes its significant secondary linkages with the development of rural non-farm sectors are more crucial. Trade in agricultural outputs and inputs and services required by it and processing of its products open up additional and more significant avenues for labour absorption. Andhra Pradesh being an important producer of Groundnut, Cotton, Chillies, Sugarcane etc., and quite a number of Horticultural crops, such secondary linkages of agriculture assume added importance to its rural economy, more so now in the context of new Agricultural Policy initiatives taken up by the Government. New investments in the sector focus on producing fruit concentrates and pulp,

vegetable purees, pastes and powders, frozen fruits and vegetables, dehydrated products, oleoresins and cold chains. Palm cultivation and oil processing plants are already coming up capitalizing on the warm, humid conditions in the villages close to the coast.

Owing to a good seasonal rainfall received copiously across all districts, agricultural operation could take place in a record area. The area sown under Food grains have increased to 70.20 lakh hectares with production of 151.51 lakh tones. Andhra Pradesh ranks first in the productivity of crops like coarse cereals, Jowar, Maize and Bengal gram. The gross area irrigated in the State increased to 50 lakh hectares, the major share of irrigated area under wells accounts 51.40% followed by canals-34.7% and by tanks by 10.3%. Andhra Pradesh ranks 1st in area, production and productivity of oil palm development. An area of 4.10 lakh hectares has been identified as potential for oil palm cultivation in 11 districts in the state.



- The State is pioneer in Oil palm cultivation – 4.1 lakh hectares
- The State is 1st in sheep production
- The State ranks 1st in area and production in Mango, Oil palm, Chillies and turmeric
- The State ranks 1st in egg (1,505 crores p.a) and broiler production

## Resources

The state is implementing various schemes with main thrust on fruits & plantation crops, hybrid vegetable and seed distribution, floriculture under controlled conditions, spices & condiments, medicinal & aromatic plants, mushroom cultivation, precision farming, tissue culture, leaf analysis etc. The activities include area expansion, training on latest technologies, pre and post harvest trainings, Special emphasis on oil palm development.

Cashew is being encourages with high yielding grafts and strains /selections. Cashew is a dollar-earning crop, hence the cultivation promoted in an area of 706 hectares.

Andhra Pradesh holds 1st rank in Chillies and Turmeric in area, production and productivity. Considerable increase in productivity of spices has been reported in research stations. The need of the hours is effective transfer of technology to progressive farmers.

Floriculture sector has been identified as most focused segment of Horticulture. It is proposed to set up 8 units of green / policy houses of 560 sq. meters for production high value flowers like carnations, gerbera, anthurium etc. under controlled conditions with an object to explore the export potential. It was also proposed to set up 1269 units for production of chrysanthemum, jasmine, rose and marigold in bulk and as

loose flowers.

Andhra Pradesh is the Horticulture bowl of India with enterprising farming community, varied agro climatic zones, variety of soils coupled with endemic irrigation sources, the State is a front running producer of variety of fruits, vegetables. Horticulture crop is the besting means for crop diversification and improving productivity and returns, nutritional security, employment opportunities raw material for agro processing industries. The state could be the most preferred destination to register healthy growth in food processing industry driven mainly by export demand in the next 10 years. The area under horticulture is 16 lakh hectares with an annual production of 130 lakh tonnes and 1200 million coconuts. AP hold 2nd in citrus and coriander, 3rd in cashew, 4th in flowers and 5th in grapes, banana, ginger and guava.



### Agriculture Technology Mission

In order to bring Agriculture and allied activities under one umbrella, Government have set up Agriculture Technology Mission under the Chairmanship of Chief Minister.

- The State ranks 1st in production of brackish water shrimp and fresh water prawn
- 2nd in production of fresh water fish
- 2nd longest coastline of 974 kms
- 2nd in area and production in Citrus and Coriander
- 2nd in productivity and production of cotton
- 1st in paper production with 5.2 lakh tones per annum

## Resources

### Agri Export Zones

Government of India and Govt. of AP have jointly set up 4 Agri Export Zones in the state to boost exports and encourage private investment.

Zone	Crop
Chittoor	Mango Pulp & Vegetables
Vijayawada	Mango
RR, Medak and Mahboobnagar	Mango & Grapes
Mahboobnagar, Rangareddy, Medak, Warangal, Ananthapur and Nalgonda	Gherkins



### Meat Poultry & Egg

Animal Husbandry is one of the rapid expanding sector playing a significant role in the rural economy by providing gainful employment to a large number of small / marginal farmers and agricultural labourers and raising their economic status. Livestock sector contributes 7.27% to GSDP. Andhra Pradesh has the distinction of much diversified livestock resources in seven agro climatic zones with different production systems. Live stock farming is one of the most sustainable and dependable livelihoods as an alternative to their dependable resources in rural areas. Over the past 50 years, the state has undergone a metamorphic change and emerged as a pioneer in the livestock and poultry production. Poultry farming in AP is most dynamic and fastest growing

The annual milk production is 72.57 lakh metric tones and state stand 4th position in the country.. The state is known as egg basket of the India with an annual production of 1,505 crore eggs. It stands 1st position. It also stands 1st position in sheep population and 5.31 lakh families are being benefited from the sheep sector. Government has helped in channelising all efforts and resources for a common goal to reach self-sustainable.

AP has achieved significant growth in the areas of livestock breeding, health care, fodder management, small ruminant development, poultry production and human resources development.

- 4th in area and production in flowers
- 4th in productivity of pulses and groundnuts
- 4th in the milk production ( 72.57 lakh MT)
- 5th in area and production in grapes, banana, ginger and guava
- 5th in production of marine fish and shrimp

## Fisheries

Andhra Pradesh ranks 1st in India in production of brackish water shrimp and fresh water prawn, 2nd in production of fresh water fish and 5th in production of marine fish and shrimp. Nearly 10 lakh tonnes of fish / prawn per annum is produced. The state is contributing about Rs 2,500 crores by way of marine export which is nearly 40% of the marine export from India. The fisheries sector is providing direct and indirect employment to over 14 lakh person, especially in the rural areas.

## Forestry

Forest development activities commenced on a really big scale in Andhra Pradesh. Forestry programmes involve raising of economic plantations and quick growing species, large areas of mixed deciduous forests of poor quality were cleared and planted with Teak, Eucalyptus and Bamboo and more recently high yielding varieties of Cashew are being planted on a large scale.

Species	Area planted hectares
Teak	1,09,610
Eucalyptus	77,204
Cashrina	29,413
Cashew	21,745
Red sander	2,791
Sandal wood	2,872
Bamboo	44,109
Coffee	142
Misc.	3,01,069
Avenue Plantation	11,732

## Water

India's first Industrial Water Supply Scheme was implemented in Visakhapatnam. Government of Andhra Pradesh, sensing the critical need of a reliable source of water supply to cater to the upcoming projects, commissioned the APIIC to augment and implement the Visakhapatnam Industrial Water Supply Project (VIWSP) on a commercial format. The US \$ 144 million VIWSP facilitates bulk supply of 385 million liters per day of water from river Godavari to be conveyed through a 56 km long pipeline and 153 km long Yeluru left main canal.

The State has earmarked allocation of 5 TMC water each from the Yeluru reservoir and Godavari river water for industrial use. Yeluru Left Bank Canal presently supplies water to Visakhapatnam Steel Plant, NTPC. A special purpose vehicle, the Visakhapatnam Industrial Water Supply Company (VISCO) has been formed to design, construct, operate and maintain the project facilities on a BOOT basis. L&T and ECC Group of Chennai have completed the 56 km pipeline to pump 5 TMC of water from river Godavari into Yeluru main Canal.

Government of AP issued orders that 10% of water should be reserved for the industrial use in all irrigation projects in the State.



Sri Sailam Dam

Technical education is one the priority sector of the Government as it aimed to generate quality technical manpower with profound knowledge and skill to ensure building culture and ultimately to ensure efficiency and productivity. Skilled manpower is expected to be globally competitive. Keeping the growing industry, Government have set up adequate no. of technical institutions and related courses.

### State has many other industry focused training institutes

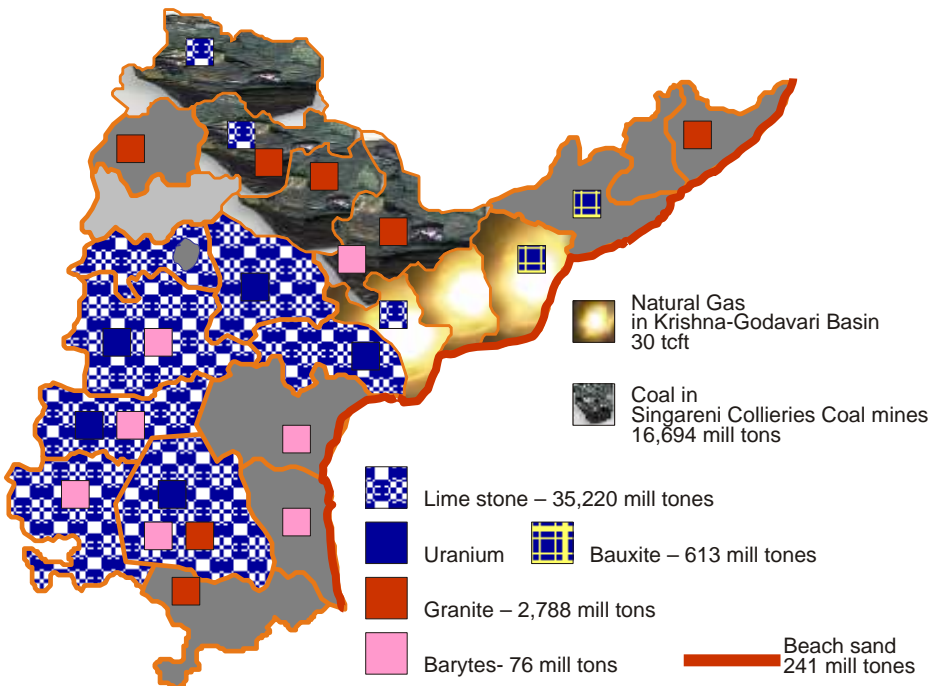
1. National Institute of Fashion Technology
2. Central Institute of Tool Designs
3. National Academy of Legal Studies and Research (NALSAR)
4. National Institute of Small Industry and Extension and Training
5. Central Institute of Plastic Engineering Technology
6. National Academy of Construction
7. GVK Biotech
8. Administrative Staff College of India
9. Centre for Good Governance
10. Dr. MCR HRD Institute
11. Birla Institute of Technology & Science
12. Central Institute of English and Foreign Languages
13. National Institute of Rural Development
14. Andhra Pradesh Academy of Rural Development
15. National Informatics Centre
16. VLSI Design Centre
17. Computer Maintenance Corporation
18. Environment Protection Training and Research Institute
19. Water and Land Management Training and Research Institute

### Centres of Excellence

1. Centre for Cellular and Molecular Biology (CCMB)
2. Centre for DNA Finger Printing and Diagnostics (CDFD)
3. Indian Institute of Chemical Technology (IICT)
4. National Remote Sensing Agency
5. Indian Space Research Organisation (SHAR)
6. ICICI Knowledge park
8. SP Biotech Park
8. Defence Research & development Organisation (DRDO)
9. Defence Electronics Research Institute (DLRL)
10. Defence Metallurgical Research Institute (DMRL)
11. National Institute of Nutrition (NIN)
12. National Geographic Research Institute (NGRI)
13. International Crop Research Institute on Semi Arid Tropics (ICRISAT)
14. Central Power Research Institute
15. Centre for Materials Electronics Technology
16. Directorate of Oil Seeds Research
17. National Fisheries Development Board

## Mineral Strengths

- 1st in granite reserves in the country
- 1st in production and promoting various colours of lime stone slabs for flooring.
- 2nd largest store house of mineral resources in India
- 2nd in value of mineral production - 9-10% of country's mineral revenue.
- 2nd largest Bauxite deposits in the country
- 2nd in occurrence of uranium deposits in the country
- 2nd longest coastline of 974 kms – rich beach sand resources
- 2nd largest producer of cement – 59 plants with 23 million tones p.a.
- World's largest single deposit of Barites in Kadapa





## Coal

Andhra Pradesh is the only producer of Coal in the entire South India. It produces around 35 MT annually. The estimated reserves are around 16,694 MT. Major coal bearing areas fall in Adilabad, Karimnagar, Khammam and Warangal districts.

## Lime Stone

The state contains 34% of the country's limestone reserves with estimated reserves of 35,220 MT and produces about 25,000 MT. Extensively occur in Nalgonda, Kadapa, Kurnool, Anantapur, Mahabubnagar, Rangareddy, Adilabad, Karimnagar, Krishna and Guntur Districts. At present there 14 major and 29 mini cement plants producing about 18 MT which forms largest cement producing states in the country. AP promoting various colours of limestone slabs for flooring and there are more than 2,000 limestone slab cutting and polishing units.

## Uranium

occurs in Nalgonda, Mahabubnagar, Kadapa, Kurnool and Guntur District. AP has a very good scope for producing Uranium for establishment of Atomic Power plant.

## New Uranium Mining Projects

The proposed new uranium project by Uranium Corporation of India Limited (UCIL) proposes to set up the processing plants for new mines in the state of Andhra Pradesh.

Project details

Region Andhra Pradesh

Location Nalgonda

Investment Rs1,030 crores

Total area 879 hectares

The proposed plant can extract 30,000 tonnes ore per day for 30 years.

## Bauxite

Huge reserves of around 613 MT of metal grade bauxite deposit were proven in Visakhapatnam and East Godavari District. There is a scope for establishing 2-3 Alumina and Aluminum projects in the State.

## Marble

in Khammam, Guntur, Kadapa, Anantapur & Kurnool districts.

## Ceramics

largest sources various clays, Feldspar, Quartz, Silica sand, Rare Earths like Titanites, Zirconites in Rangareddy, Mahabubnagar, Nellore, Kadapa, Kurnool, Medak, Anantapur, Nalgonda, Vizianagar, Visakhapatnam and Guntur districts.

Other Mineral resources include **Diamonds** in about 50,000 sq. km with incidence of 3-4 carats / 100 tones in Anantapur, Kurnool, Nalgonda, Mahabubnagar, Krishna and Khammam districts.

## Gold

in Chittoor, Anantapur, Kadapa, Kurnool, Mahabubnagar – incidents of 3-5 gms / tonne

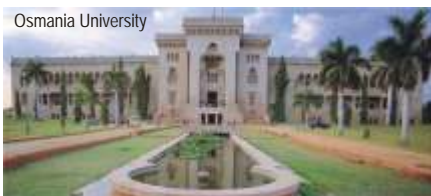


### Human Resources

Andhra Pradesh is the best place for talented pool of skilled manpower at a very competitive prices. 25% of the Software professional in US are from India and among them 25% are from Andhra Pradesh. Andhra Pradesh is known as the best education centre in the country. The state has the globally renowned institutions like Indian School of Business supported by McKinsey & Co and various Fortune 500 major along with captains of Indian industry in partnership with the Wharton School at the University of Pennsylvania and the J.L. Kellogg Graduate School of Manager at the Northwestern University, USA.



International Institute of Information Technology is an autonomous industry-led center of excellence supported by Government of Andhra Pradesh with active participation of Major global IT companies like IBM, Oracle, Microsoft, Satyam and Metamor.



Andhra Pradesh has the following **university** covering various courses.

1. Osmania University
2. Andhra University
3. Sri Venkateswara University
4. Nagarjuna University
5. Kakatiya University
6. Sri Krishnadevaraya University
7. Dr. B.R. Ambedkar Open University
8. University of Hyderabad
9. Maulana Azad National Urdu University
10. AP University of Health Sciences
11. Acharya N.G. Ranga Agricultural University
12. Potti Sreeramulu Telugu University, Hyderabad
13. Sri Padmavathi Mahila Vishwavidyalayam, Tirupati
14. Dravidian University, Chittoor
15. National Academy of Legal Studies & Research University, Hyderabad

The annual output of the skilled manpower from various institutions

Course	No. of colleges	Annual output
MBBS	31	4,100
Dental	17	1,440
B.Pharm	79	4,662
B.Tech	259	96,650
MBA	220	13,565
MCA	320	17,220
BCA	200	23,444
Diploma holders	140	22,635
ITI holders	510	70,350

# Andhra Pradesh

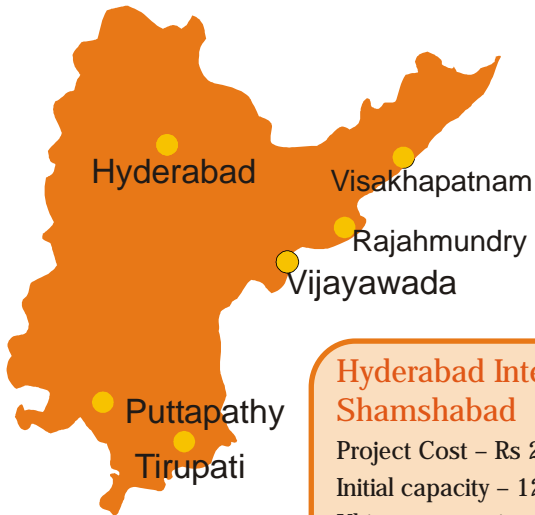
## Infrastructure



Andhra Pradesh has the best infrastructure in India



# Airports



Quick transportation is one of the basic requirements for economic development in any State. Civil aviation and airport provide such a network for safe landing of both passengers and cargo. Hyderabad is centrally located, enabling easy accessibility to the entire South East Asia.

## Hyderabad International Airport at Shamshabad

Project Cost – Rs 2283.12 crs

Initial capacity – 12 million passengers per annum

Ultimate capacity – 40 million passengers per annum

Cargo capacity – 100,000 tons per annum

Runway length – 4260 meters

Air craft parking bays – 42

Rapid exit taxi ways – 2

Fuel Farm

Scheduled to be Operational by March, 2008

## Host of new features

- Terminal that offers an International experience with a local flavour
- Airport village with a shopping arcade
- Domestic and International flights in the same terminal for easy transit
- Hotel facilities at the airport for added comfort
- Conference facilities for the business traveler
- Integrated state-of-art IT systems
- Multi-modal surface connectivity to the city



# Global Air connectivity from Hyderabad



## Global air connectivity from Hyderabad

Amsterdam	Jeddah
Bangkok	Kuala Lumpur
Chicago	Kuwait
Colombo	London
Dammam	Muscat
Doha	Riyadh
Dubai	Sharjah
Frankfurt	Singapore

## Operating Airlines

- Lufthansa Airlines
- KLM Airlines
- Singapore Airlines
- Malaysian Airlines
- Emirates Airlines
- Qatar Airlines
- Oman Airlines
- Indian Airlines
- Air India
- Saudi Airlines
- Srilankan Airlines



## Best Domestic connectivity to all corners of India

### Best domestic Air connectivity from Hyderabad connecting major metros of all corners of India

The State has vast potential for exports of high value perishable cargoes such as fruits, vegetables, dairy products, floriculture as well as high precision sophisticated engineering and electrical goods. These are poised for rapid growth and development.

The existing Hyderabad International Airport is Sixth busiest Airport in India handling 735 international and 3190 domestic movements carrying 3.17 lakh passenger in a month. The airport is suitable to cater up to AB 340, Boeing 777-300 and MD-11 class of Aircraft operation under all weather conditions. The runway length is 10,600 ft. The apron is having 11 bays

Hyderabad is fast emerging as preferred investment destination and is attracting more foreign delegations. In order to support the industrial development and to transform the city into transit hub in the South Asian region, the State Government has initiated the setting up of an international airport at Shamshabad, around 25 Kms from Hyderabad. GMR-MAHB consortium has been selected as the developer.



### Operating Airlines

- Air India
- Indian Airlines
- Jet Airways
- Air Sahara
- Air Deccan
- go Air
- Paramount
- Kingfisher
- Spice Jet

## Expansion of Vishakhapatnam Airport

Emerging as a new industrial and IT hub for the state, Vishakhapatnam, the coastal city of Andhra Pradesh, received additional boost through the proposed expansion of its solitary airport.

### Proposed upgradations and envisaged benefits

The project envisages upgradation of Vishakhapatnam air port in 267 acres of land. The upgradation includes new runway, apron, ground lighting facilities and naval apron. The new terminal building will have facilities such as customs, immigration, three aerobridges, large concourses for arrival and departure and four baggage belts. At present, the airport will be able to take A300, 310, 320, A330 and Boeing 777s. The runway will be upgraded with an Instrument Landing System (ILS) to help pilots during poor visibility, and night-landing facility would become operational after expansion. The system will also have a glide slope to indicate the angle at which the plane can make a safe landing. Vishakhapatnam is connected to Chennai, Mumbai, Hyderabad and New Delhi via Raipur: an increase of passengers of 60% over the previous year. Shortly, direct flights to Port Blair and Bangalore are expected. After the expansion work, the status will be - ten flights a week in the Visakhapatnam-Kolkata-Visakhapatnam sector, 24 flights a week in Visakhapatnam-Chennai-Visakhapatnam sector, 28 a

week on Visakhapatnam-Hyderabad-Visakhapatnam route, 21 flights a week in Visakhapatnam-Mumbai-Visakhapatnam sector, and 14 a week in Visakhapatnam-Delhi-Visakhapatnam sectors. In addition, direct flights to Port Blair and Bangalore from Vishakhapatnam are expected in near future. The increase in number of flights will facilitate the tourists and make Vishakhapatnam one of the favourite beach tourism places like Goa.

The expansion cost, about Rs 3,000m, would be shared by the state government, AAI and the Defence Ministry. The project to expand the runway to facilitate the landing of the bigger aircraft is expected to be completed sometime in 2007 and the new terminal building with facilities such as customs, immigration, three aerobridges, and four baggage belts will be ready by 2008. The Airport Authority of India has proposed the construction of a modern glass and steel terminal with a plinth area of 20,000sq ft at a cost of Rs1,000m



**Visakhapatnam Port** is a prestigious major port in the country for its largest cargo handling of more than 60 million tones per annum mainly POL, Iron Ore & Pellets, Coal, Coke and Fertilisers.

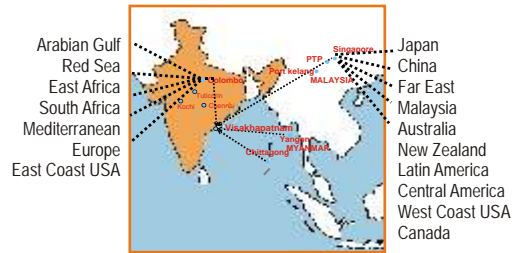


The average pre-berthing detention time is only 1.11 Hours and the average turn round time is 3.2 days.



The port has 13 multipurpose berths, 7 specialised berths and 2 mooring upto the size of 280 M x 48M x 15M (LOAxBeamxDraft).

**Kakinada Anchorage Port** located in East Godavari District is a sheltered port due to location of 17 Kms length of Hope Island. It handles 150-200 see going ships every year. There are 100 private owned steel barges with a total capacity of 3000 tonnes. The maximum cargo handled in this port is 24 lakh tonnes.



**Best Global connectivity**

Kakinada deep sea water Port in East Godavari District is a state port which is presently sharing the cargo load of Visakhapatnam. The port handles 10 million tonnes of cargo per annum mainly vegetable oil.





**Krishnapatnam Port** located in Nellore district is the first green field port and was privatised in 1997. Iron ore cargo from Hospet, Bellary region of 14 million tones per annum for export through this port. The port is expected to be completed soon.

**Nizampatnam Port** located in Guntur district is functioning with more than 250 fishing boats. The hinter land for this port are the cement exports from the districts of Prakasam, Guntur Krishna and Nalgonda.



The Czech Government-owned Skoda Export Co. plans to construct a port complex in Nizampatnam in Guntur district. The project will be implemented by SPV called Nizampatnam Industrial Port Complex Company (NIPCCO). Investment Corporation of AP signed an MoU with Czech company..



The project includes extension and construction of the port into a medium-sized port capable of handling bulk cargo like coal, cement, granite and fertiliser and may also include container terminals and an LNG terminal.

Machilipatnam port is located in Krishna district. A fishing Harbor was constructed to accommodate 250 fishing vessels. M/s. RITES Consultants prepared feasibility report for development of Deep Sea Water Port. M/s. National Ship Design & Research Centre has prepared techno-economical feasibility for revival of Machilipatnam port.

M/s. Ramboll Consultants Engineers Ltd. Prepared detailed feasibility report on cargo traffic. The port is proposed to develop through public private partnership. The projected cargo handling through Machilipatnam port is - Vijayawada Thermal Power Station - 10 mtpa, Cement and Clinker -5 mtpa, Food grains - 0.2 mtpa, Fertilisers-0.1 mtpa and Iron ore and other cargo -1.5 mtpa.

**Bheemunipatnam Port** located in Visakhapatnam district is proposed to develop on Build Operate and Own (BOO) basis for building ships and handling cargoes. M/s. Goodearvh Maritime Ltd., have submitted a report for setting up of ship building facility and a captive jetty. CRISIL Consultants preparing feasibility report and to carry out the bidding process.

# Gangavaram Port

the deepest port in the country

Gangavaram Port is the deepest port in the country is a dedicated port for industries coming in the Coastal Corridor from Visakhapatnam to Kakinada. 21 M water depth for dry bulk and break cargo, 35M depth for liquid cargo. Master Plan with 29 berths to handle 200 tpa. Phase-I with 5 berths capacity to handle 35 MTPA. The port is scheduled to be operational by December 2007.

### Port to be developed as:

- All weather port
- Deepest port in India
- Round the clock port operations
- Most advanced state of the art cargo handling equipments
- Most environmental friendly port
- Truly next generation port



### Economic Benefits

- Reduced ship berth days due to faster loading & unloading
- Reduction in pre-berth detention to vessels
- Reduced ocean freight owing to deeper draft enabling larger vessels
- Reduced cargo loss due to spillage because of mechanised handling
- Low transportation cost because of proximity to anchor customers



Port to Port Distance From Key Markets – In No of Days

	Vizag	Shanghai
Colombo	3	13
Singapore	5	8
Jakarta	7	8
Tokyo	16	4
Penang	4	9
London	26	36
Hamburg	27	37
Dubai	9	20
Cape Town	17	27
Boston	32	41

# Road Network



The State has an excellent road network with backbone of 4-lane roads. All industrially developed areas are well connected with National Highways / State Highways. Golden corridor project of Government of India covered 1014 Kms of NH - 5 in the State. Cabinet Committee on Economic Affairs (CCEA), Government of India approved on 5th October 2006 for six-laning of 6,500 Kms of National Highways comprising of 5,700 Kms of the Golden Quadrilateral project at a cost of Rs 41,210 crores. The six-laning of existing 4-lane will be through PPP on BOT Mode.

Total Road length in the State	-	1,78,747 Km
National Highways	-	4,014 Kms
State Highways	-	9,212 Kms
Major District Road	-	33,499 Kms
Rural Roads	-	1,32,022 Kms
Road Density	-	0.65 Kms / Sq. Kms
	-	244.72 Kms / lakh population



# Railway Network

Secunderabad is the Head Quarters for the South Central Railway network and covers a railway network of 4752 Kms in the State and surroundings. Number of Super fast Trains are operated to all major metro cities in the country. 3754 Kms of Broad Guage, 508 Kms of Meter Guage and total 748 Railway Stations are covered in the state railway network.



South Central Railway has completed 37 years of service since 2 October 1966. In this short period, SCR played a significant role in supplementing the green revolution and rapid industrial growth that have taken place in the Southern Peninsula by effectively meeting the growing transport requirements of the region.

## Railway Network

With the setting up of a number of new Cement plants in this region, a steady increase in Coal production in the Singareni Collieries, the agricultural revolution in the Nagarjuna Sagar and Sri Ram Sagar Ayacut belts and the setting up of a steel plant at Visakhapatnam, the transport potential in the region has gone up tremendously. It has been the constant endeavor of SCR to match the demand by undertaking construction of New Lines, Gauge Conversion, Doubling, Electrification, Computerisation, introduction of higher Axle and high speed Trains and other traffic facility works. In the process the South Central Railway has built a mega, modern enterprise matching international standards

### The Core Business

- Transportation of goods traffic such as Coal, Iron ore, Cement, Food grains, Fertilizers, Minerals, Petroleum products and general merchandise
- Transportation of passengers all over the region, both rural and urban, at a high level of customer satisfaction.

### Key Statistics

### The Objectives

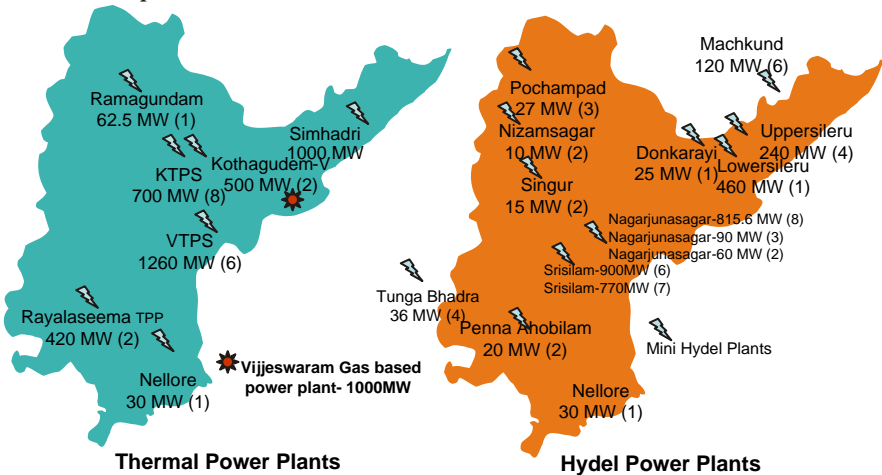
- Modernisation and Technological upgradation of the rail transport network
- Efficient management of rolling stock
- Quality services to passengers
- Optimum utilisation of resources

Division	BG	MG	Total
Secunderabad	1274	--	1274
Vijayawada	890	--	890
Guntakal	1046	373	1420
Hyderabad	443	126	569
Guntur	591	--	591
Nanded	458	544	1002
<b>TOTAL</b>	<b>4704</b>	<b>1044</b>	<b>5749</b>



# Power Sector

- Third Largest Power Utility in India
- APGENCO's Hydel Installed Capacity is highest in India.
- The state achieved highest Plant Load Factor of 89.7% in the country
- AP power sector secured 1st rank in CRISIL ratings
- Installed capacity 11,134 MW – another 4000 MW in the next 4 years
- Energy available – 25,482 MU per annum
- No. of consumers – 1,69,25,194 Nos.
- Industrial consumers – 1,90,000 Nos
- Per capita consumption – 575 kWh
- Implementation of reforms enabled international funding.
- Most competitive power tariff – Rs 2.80 (< US cents 5.5) per unit



**Decreasing Trend of Power Tariffs**

Power tariff to industries is being reduced year after year

Year	Energy charges (per unit)	
	132 KVA	33 KVA
1-4-2003	Rs 3.60	Rs 3.60
1-4-2004	Rs 3.60	Rs 3.60
1-4-2005	Rs 3.25	Rs 3.35
1-4-2006	Rs 2.80	Rs 3.10

**Length of power supply lines (ckm)**

400 KV	-	2,384
220 KV	-	11,463
132 KV	-	13,528
33 LV	-	34,171
11 KV	-	2,06,816
LT	-	4,96,411

**Sub-stations (Nos)**

400 KV	-	4
220 KV	-	79
132 KV	-	233
33 LV	-	2,558

Andhra Pradesh is consistently strong in the power sector in India due to advantageous mix of Thermal, Hydro and Gas power. Availability of huge resources of Coal and perennial rivers with good monsoons, recent huge natural gas findings in Krishna-Godavari basin, are the major advantages for the strong power situation in the State to supply the quality power at most competitive prices.

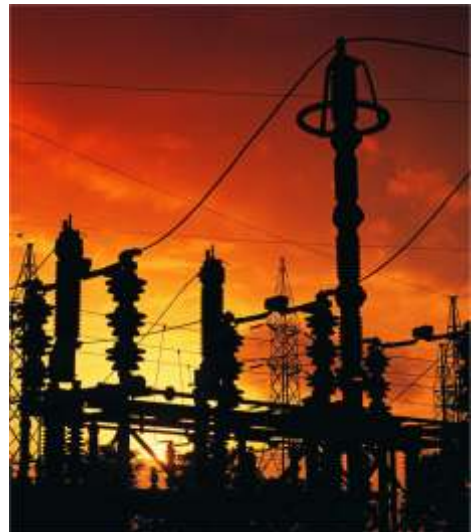
Government of AP is providing power supply at the doorstep of the industry. Due to huge gas findings, the State would ensure supply of uninterrupted quality power of adequate quantity to the prospective investors.

200 Express feeders have been set up for the Major investment projects and are monitored on day to day basis to ensure quality and uninterrupted power supply.

**High Tension Category-I**

Industries (General)

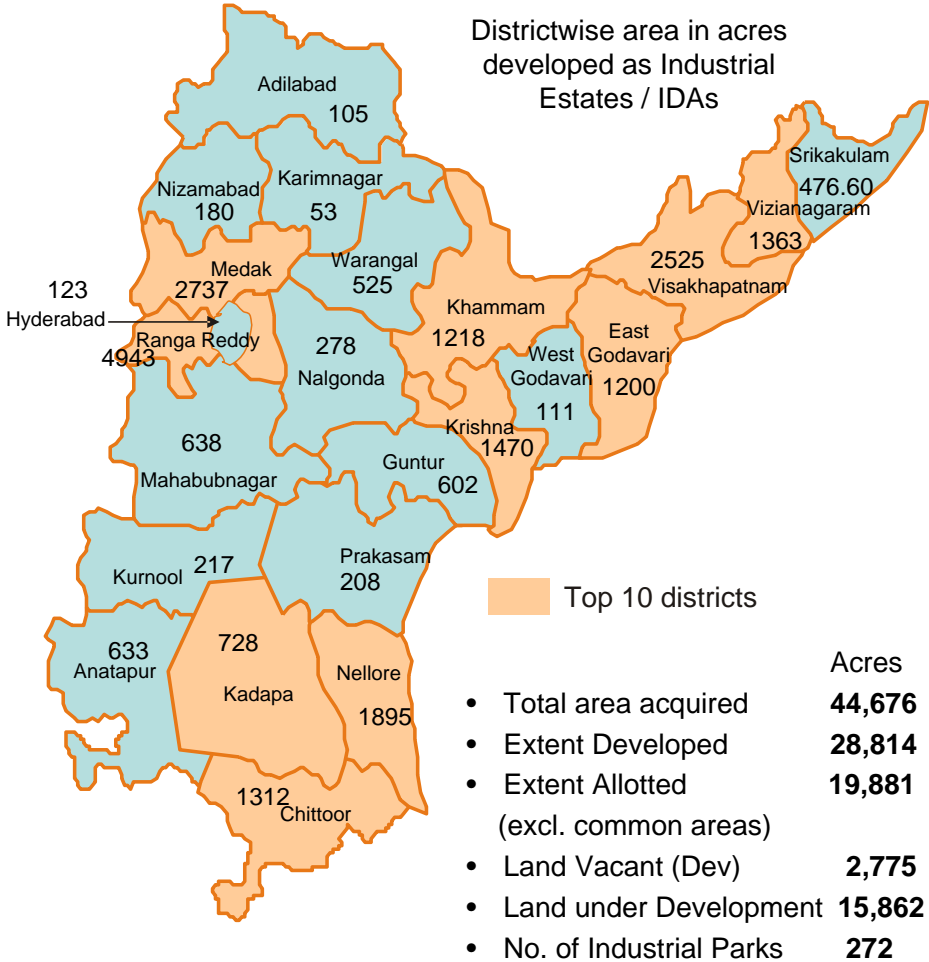
	Demand Charges (Rs/KVA/month of billing demand)	Energy Charges (Ps/Unit)
132 KV and above	250	280
33 KV	230	310
11 KV below	195	330
Ferro Alloy industries	Nil	255
FSA will be extra as applicable		



The following incentives are applicable for HT Category - I (A) Consumers

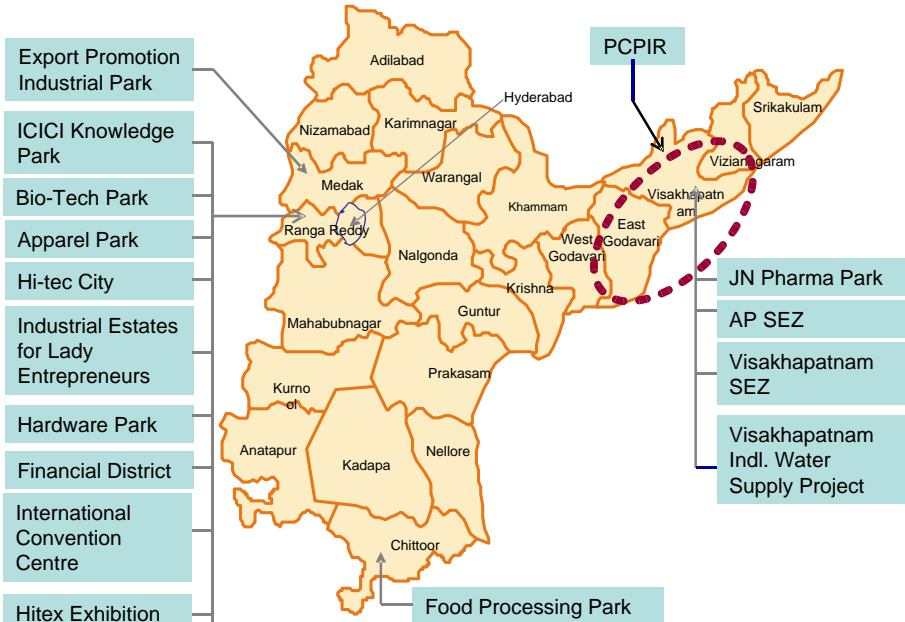
Load Factor (LF)	Discount applicable on the energy rates
>50% upto 70%	25% on the energy above 50% LF
More than 70%	25% on the energy above 40% LF

## Industrial Estates / Industrial Development Areas promoted in Andhra Pradesh





# Existing Sector Specific Parks / Mega business projects



- Export Promotion Industrial Park
- ICICI Knowledge Park
- Bio-Tech Park
- Apparel Park
- Hi-tec City
- Industrial Estates for Lady Entrepreneurs
- Hardware Park
- Financial District
- International Convention Centre
- Hitex Exhibition Centre
- Gems & Jewellery Park
- Mind Space IT Parks
- Agri Biotech Park

**Hitec City Phase-I** : Integrated techno-township offering one-stop IT solutions - 5 million Sq. ft. spread over 6 acres land, Out lay US \$ 375 million – Oracle, Motorola, Ericsson, GE Capital, Citicorp, Baan and HSBC are operating.

**Hitec City Phase – II** : 8.6 million sq.ft , 5-storied building– 6100 KVA DG set (UPS), 2600 TR AC Plant, High speed bandwidth, Centralised building automation.

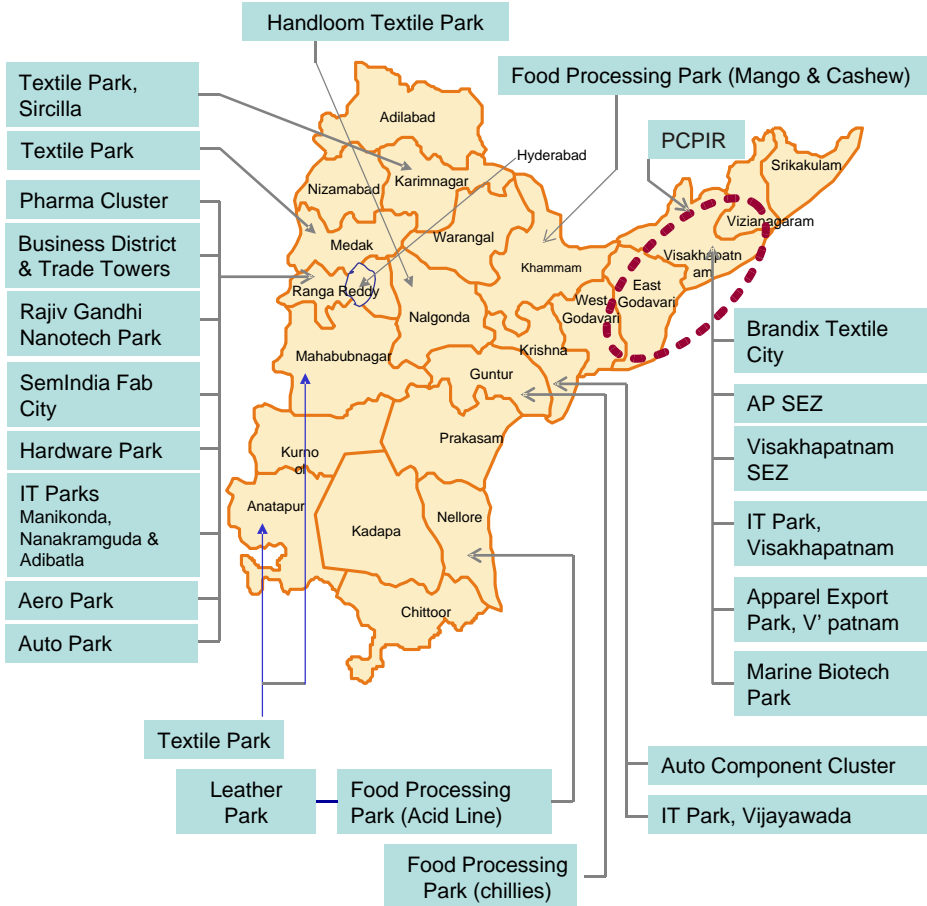
**ICICI Knowledge Park** : Promoted at Turkapally (V), Ranga Reddy Dist, in 200 acres at 18 KMs from Hyderabad - to create world-class R&D facilities for Bio Tech industry. The Park offers ready to use Modular Lab units on lease basis. Excellent infrastructure and support facilities for business driven research by corporate sector.

**Bio Tech Park**: Joint Venture Project of Government of AP & Shapoorji Pallonji Bio Tech Park Ltd. Adjacent to ICICI Knowledge Park to have a complimentary existence at Turkapally (V), Ranga Reddy Dist at 18 KMs from Hyderabad in 150 acres to set up Bio Tech manufacturing units.

**Export Promotion Industrial Park (EPIP)**: Developed in 207 acres in Medak Dist for Export oriented units such as Hardware, Gems & Jewellery, Telecom, Leather products.

**Apparel Export Park** : Developed in 176 acres of land at Gundlapochampalli, Ranga Reddy District 18 kms from Hyderabad for promoting Ready Made Garments.

# Upcoming Specialised Parks



# Special Economic Zones

Government of India have introduced a policy on for setting up of Special Economic Zones in the country with a view to augmenting infrastructure facilities for export production. SEZs are specifically delineated duty-free enclaves treated as a foreign territory for the purpose of industrial service and trade operations (except re-exporting of imported goods). The SEZ Act has been enacted by the Parliament and has received the assent of the President on 23rd June 2005. The SEZ Rules have already been notified. The SEZ Act along with SEZ Rules have become operative w.e.f. 10th February, 2006.

The concept of SEZ is expected to bring large dividends to the State in terms of economic and industrial development and the generation of new employment opportunities. SEZs are expected to be engines for economic growth. Government of India has offered various incentives and facilities both to developer of SEZ as well as the industrial units coming in SEZ. All kind of units namely manufacturing, trading or service activities are permitted in SEZ. All approvals are to be given by the Development Commissioner for establishment of the unit in SEZ. The State Governments are required under the scheme to offer specified facilities and concessions for promotion of units in SEZs.

## Free Trade and Warehousing Zone

A Special Economic Zone wherein mainly trading and warehousing and other activities related thereto are carried on SEZ for FTWZ (either multi product or sector specific) shall have an area of 40 hectares or more with a built-up area of not less than one lakh square meters. In case of a SEZ for a specific sector, FTWZ may be permitted

with minimum area requirements but subject to the condition that maximum area of such FTWZ shall not exceed 20% of the processing area.

## Requirements for establishment of a Special Economic Zone:

SEZ for multiproduct shall have a contiguous area of 1000 hectares or more. In case of SEZ set up exclusively for services may have a contiguous area of 100 hectares or more. At least 25% of the area shall be earmarked for developing processing area. However, As per the decisions of Board of Approval, the Minimum processing area for multi-product SEZs would be increased to 35% with the discretions to the Board of Approval to relax the minimum level upto 25% for the reasons to be recorded in writing. SEZ for specific sector or in a port or airport shall have a contiguous area of 100 hectares or more. In respect of SEZ set up exclusively for electronics hardware and software including ITES, the area shall be 10 hectares or more with a minimum built up processing area of one lakh sq. mts.

In case of SEZ set up exclusively for Biotechnology, non-conventional energy, including solar energy equipments / cell but excluding SEZs for non-conventional energy production and manufacturing the area shall be 10 hectares with built up processing area of 40,000 Sq. mts. In case of Non-conventional energy production and manufacturing the area shall be 100 hectares. In respect of Gem and jewellery sector, the area shall be 10 hectares with built up processing area of 50,000 Sq. Mts. or more. At least 50% of the area shall be earmarked for developing processing area.

SEZ for Free Trade and Warehousing Zone shall have an area of 40 hectares or more with builtup area of not less than one lakh sq. mts. FTWZ may also be set up as a part of SEZ for multiproducts. In a SEZ for specific sector FTWZ may be permitted with no minimum area requirement subject to the condition that the maximum area of such FTWZ shall not exceed 20% of the processing area.

### Setting up of SEZ:

SEZ can be established either jointly or severally by the Central Govt., State Government or any person for manufacture of goods or rendering services or for both or as a FTWZ.

Any person who intends to set up SEZ can make proposal to the State Government. The State Government forward the same with its recommendations to the Board of Approval

Any person who intends to set up SEZ can make proposal directly to the Board of Approval. The Board may grant approval and after receipt of such approval, the person concerned shall obtain the concurrence of the State Government within a period of six months.

In case a State Government intends to set up SEZ forward the proposal directly to the Board of Approval.

### Role of State Government:

Before recommending any proposal for setting up of a Special Economic Zone, the State Government shall endeavor that the following are made available in the State to the proposed Special Economic Zone Units and Developer, namely:

- exemption from the State and local taxes, levies and duties, including stamp duty, and taxes levied by local bodies on goods required for authorized operations

by a Unit or Developer, and the goods sold by a Unit in the Domestic Tariff Area except the goods procured from domestic tariff area and sold as it is;

- exemption from electricity duty or taxes on sale, of self generated or purchased electric power for use in the processing area of a Special Economic Zone;
- allow generation, transmission and distribution of power within a Special Economic Zone subject to the provisions of the Electricity Act, 2003 (No. 36 of 2003);
- providing water, electricity and such other services, as may be required by the developer be provided or caused to be provided;
- Delegation of power to the Development Commissioner under the Industrial Disputes Act, 1947 (No. 14 of 1947) and other related Acts in relation to the Unit;
- Delegation of power to the Development Commissioner under the Industrial Disputes Act, 1947 (No. 14 of 1947) in relation to the workmen employed by the developer.
- Declaration of the Special Economic Zone as a Public Utility Service under the Industrial Disputes Act, 1947 (No.14 of 1947);
- Providing single point clearance system to the Developer and unit under the State Acts and rules;

The State Government shall, while recommending a proposal for setting up of Special Economic Zone to the Board indicate whether the proposed area falls under reserved or ecologically fragile area as may be specified by the concerned authority.

The State Government may, for the purposes of giving effect to the provisions of this Act, notify policies for Developers and Units and take suitable steps for enactment of any law:

Granting exemption from the State taxes, levies and duties to the Developer or the entrepreneur;

Delegating the powers conferred upon any person or authority under any State Act to the Development Commissioner in relation to the Developer or the entrepreneur.

### Role of Development Commissioner

Central Government may appoint any officer not below the rank of Deputy Secretary to the Government of India as the Development Commissioner of one or more SEZs. The Development Commissioner shall

- . Take all steps in order to discharge his functions under this Act to ensure speedy development of the Special Economic Zone and promotion of exports there from.
- . Guide the entrepreneurs for setting up of Units in the Special Economic Zone;
- . Ensure and take suitable steps for effective promotion of exports from the Special Economic Zone
- . Ensure proper co-ordination with the Central Government or State Government Departments concerned or agencies with respect to, or for the purposes, of clauses (a) and (b);
- . Monitor the performance of the Developer and the Units in a Special Economic Zone ;
- . Discharge such other functions as may be assigned to him by the Central Government under this Act or any other

law for the time being in force; and

- . Discharge such other functions as may be delegated to him by the Board.

### Single Window Clearance

The Central Government shall constitute a Committee for every SEZ by notification to be called the approval committee to exercise the powers and perform the following functions.

- Approve the import or procurement of goods from the Domestic Tariff Area, in the Special Economic Zone for carrying on the authorised operations by a Developer;
- Approve the providing of services by a service provider, from outside India, or from the Domestic Tariff Area, for carrying on the authorised operations by the Developer, in the Special Economic Zone;
- Monitor the utilisation of goods or services or warehousing or trading in the Special Economic Zone;
- Approve, modify or reject proposals for setting up Units for manufacturing or rendering services or warehousing or trading in the Special Economic Zone allow, on receipt of approval under clause (c) of sub-section (2) of section 9, foreign collaborations and foreign direct investments including investments by a person outside India) for setting up a Unit; monitor and supervise compliance of conditions subject to which the letter of approval or permission, if any, has been granted to the Developer or entrepreneur; and perform such other functions as may be entrusted to it by the Central Government or the State Government concerned, as the case may be.

### Special Fiscal Provisions for the Developers / Entrepreneurs of Special Economic Zones

- Exemption from any duty of customs, under the Customs Act, 1962 on goods imported into, or service provided in, a Special Economic Zone or a Unit, to carry on the authorised operations by the Developer or entrepreneur;
- Exemption from any duty of customs, under the Customs Act, 1962 on goods exported from, or services provided, from a Special Economic Zone or from a Unit, to any place outside India;
- Exemption from any duty of excise, under the Central Excise Act, 1944 on goods brought from

**Domestic Tariff Area** to a Special Economic Zone or Unit, to carry on the authorised operations by the Developer or entrepreneur

- Exemption from service tax under Chapter-V of the Finance Act, 1994 on taxable services provided to a Developer or Unit to carry on the authorised operations in a Special Economic Zone;
- Exemption from the securities transaction tax leviable under section 98 of the Finance (No. 2) Act, 2004 in case the taxable securities transactions are entered into by a non-resident through the International Financial Services Centre;
- Exemption from the levy of taxes on the sale or purchase of goods other than newspapers under the Central Sales Tax Act, 1956 if such goods are meant to carry on the authorised operations by the Developer or entrepreneur.

### Income tax

- The provisions of the Income-tax Act,

1961, as in force for the time being, shall apply to, or in relation to, the Developer or entrepreneur for carrying on the authorised operations in a Special Economic Zone or Unit subject to the modifications specified in the Second Schedule.

- The Central Government prescribed five years period during which any goods brought into, or services provided in, any Unit or Special Economic Zone without payment of taxes, duties or cess shall remain or continue to be provided in such Unit or Special Economic Zone.
- The transfer of ownership in any goods brought into, or produced or manufactured in, any Unit or Special Economic Zone or removal thereof from such Unit or Zone shall be allowed, subject to such terms and conditions as the Central Government may prescribe.

### Domestic Clearance by Units:

- Any goods removed from a Special Economic Zone to the Domestic Tariff Area shall be chargeable to duties of customs including anti-dumping, countervailing and safeguard duties under the Customs Tariff Act, 1975, where applicable, as leviable on such goods when imported; and
- The rate of duty and tariff valuation, if any, applicable to goods removed from a Special Economic Zone shall be at the rate and tariff valuation in force as on the date of such removal, and where such date is not ascertainable, on the date of payment of duty.

### Incentives of the State Government:

- All incentives covered under the Industrial Investment Promotion Policy 2005-2010 of the Government of AP. The Major incentives include.

## SPECIAL ECONOMIC ZONE AUTHORITY

The Central Government shall, by notification in the Official Gazette, constitute, for every Special Economic Zone established by it before the commencement of this Act or which may be established by it after such commencement by the Central Government, an Authority to exercise the powers conferred on, and discharge the functions assigned to, it under this Act:

### Functions of SEZ Authority

- Development of infrastructure in the Special Economic Zone;
- Promoting exports from the Special Economic Zone;
- Reviewing the functioning and performance of the Special Economic Zone;
- Levy user or service charges or fees or rent for the use of properties belonging to the Authority;
- Performing such other functions as may be prescribed.

### How to set up a unit in SEZ

- Proposal for approval of Unit - A consolidated application seeking permission for setting up of a Unit and other clearances shall be made to the Development Commissioner. Who will be scrutinised and get it placed before the Approval Committee for its consideration.
- The Approval Committee may approve or approve with modification or reject a proposal placed before it, within fifteen days of its receipt:

## Obligation of the Unit under the Scheme

- SEZ units have to achieve positive net foreign exchange earning as per the formula given. For this purpose, a Legal Undertaking is required to be executed by the unit with the Development Commissioner.
- The units are also to execute a bond with the Zone Customs for their operation in the SEZ.
- Any company set up with FDI has to be incorporated under the Indian Companies Act with the Registrar of Companies for undertaking Indian operations.

### Labour laws in SEZs

- Normal Labour Laws are applicable to SEZs, which are enforced by the respective state Governments. The state Government have been requested to simplify the procedures/returns and for introduction of a single window clearance mechanism by delegating appropriate powers to Development Commissioners of SEZs.

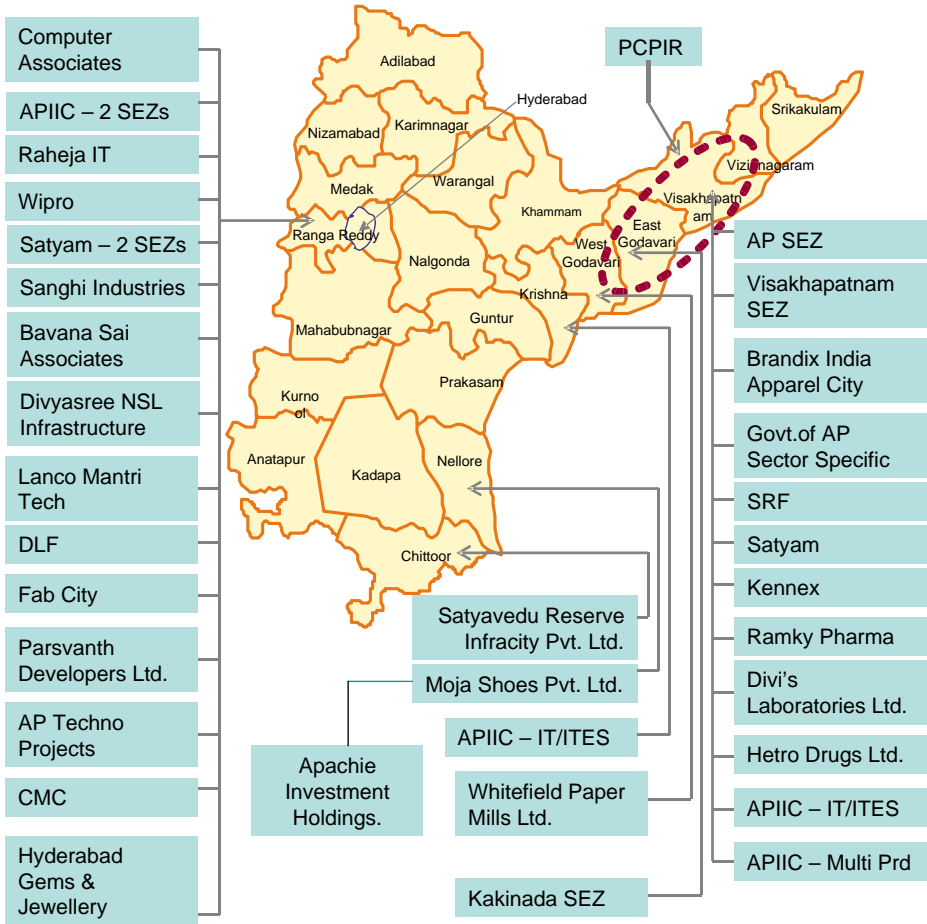
- All the powers of Labour Commissioner and Inspector of Factories are delegated to Development Commissioner covering the following Acts.

- The Workmen's Compensation Act. 1923, The Payment of Wages Act. 1936, The Factories Act. 1948

- The Minimum Wages Act. 1948, The Maternity Benefit Act. 1961, The Payment of Bonus Act. 1965

Such other acts. As the State Government may by notification in the official Gazette.

# Large number of upcoming Special Economic Zones



52 upcoming Special Economic Zones the State

The details of SEZs are available at <http://sezindia.nic.in>



# Committed Government for Infrastructure Development

Government of Andhra Pradesh is committed for development of infrastructure in the State. AP is the only state created a separate department called Department of Infrastructure and Investment at the Secretariat level and Infrastructure Development Corporation of Andhra Pradesh (INCAP) at the Head of the Department level. All crucial identified infrastructure projects are handled by the Department of infrastructure and investment. These projects include development of state ports, Road projects, development of state airports, Hyderabad city outer ring road, State natural gas grid etc. under Public Private Partnership mode with equity participation of INCAP.

## Infrastructure Enabling Act.

Andhra Pradesh is the only state having an act called “The Andhra Pradesh infrastructure Development Enabling Act”

An act to provide for the rapid development of physical and Social infrastructure in the state and attract private Sector participation in the designing, financing, Construction, operation and maintenance of Infrastructure projects in the state and provide a Comprehensive legislation for, reducing administrative and Procedural delays, identifying generic project risks, Detailing various incentives, detailing the project delivery Process, procedures for reconciliation of disputes and also to provide for other ancillary and incidental matters thereto with a view to presenting bankable projects to the Private sector and improving level of infrastructure in the State of Andhra Pradesh and for matters connected therein or incidental thereto.

Under the provisions of the act, Infrastructure Authority has been created for monitoring quick implementation of the infrastructure projects

## APINVEST

APINVEST is a Society Chaired by Honourable Chief Minister to focus on high growth sectors of economy, showcasing the State to attract investments from domestic and international markets in the following sectors

- |                        |                               |
|------------------------|-------------------------------|
| • IT/ITES              | • Textile / Leather           |
| • Hitech Manufacturing | • Education / Health Services |
| • Pharma / Biotech     | • Retail                      |
| • Food Processing      | • Tourism                     |

## APINVEST Objectives

To build a strong value proposition in identified sectors

Facilitate availability of infrastructure and manpower

Develop Investment friendly sector strategies

## Critical Infrastructure Balancing Scheme (CIBS)

In order to improve the infrastructure facilities within the existing Industrial Estates and Industrial Clusters, Government of AP is implementing CIBS. Under the scheme Financial Assistance to local Industrial Associations/Service Societies/NGOs for development of Critical Infrastructure which is considered to be essential to ensure the viability of the infrastructure projects and for the upgradation of the infrastructural facilities such as roads, electricity, water, drainage. The financial assistance will be in the ratio of 50:50 basis by government and implementing agency in case of estates developed by NGO and 50:30:20 basis by Government, Service Society and APIIC in case of estates developed by Andhra Pradesh Industrial Infrastructure Corporation.

## Industrial Infrastructure Development Fund (IIDF)

In order to improve the infrastructure facilities upto the proposed industries in the areas identified as industrial areas and also upto the doorstep of the industrial units located in places other than industrial areas (isolated areas) which are 10 Kms away from the existing Industrial Estates, Financial assistance will be provided for infrastructure facilities such as roads, electricity, water, drainage, etc. Government will share the cost of infrastructure up to 50% or Rs 100.00 lakhs whichever is less, if such a location is otherwise justified. Further, 10% of the IIDF may be spent on Technology Development, Cluster development and market support systems to the SSI and Tiny sectors such as providing corpus for establishment of Technical Institutions, Incubation Centres etc.

## Upcoming Infrastructure Projects

Business District & Trade Towers, Manchirevula (V), Rajendranagar (M) in Ranga Reddy district is a High-rise Buildings of 60 floors in the area of 97 acres with an estimated cost of Rs 5,000 crores. The process of tenders for the project are under active progress

IT Park at Manikonda in Ranga Reddy district. With a project cost of Rs 1158 crores in phases in five years in an area of 100 acres.

IT Park at Rayadurg in Anantapur district. With a project cost of Rs 600 crores in phases in five years in an area of 37.50 acres.

IT SEZ at Nanakramguda, Ranga Reddy in an area of 20.53 acres.

Hardware SEZ at Maheswaram in Ranga Reddy in an area of 275 acres.

IT / Industrial Park at Adibatla in Ranga Reddy in an area of 744 acres.

Fab City Project at Maheswaram in Ranga Reddy in an area of 1200 acres.

Hyderabad Gems & Jewellery Park in the existing Hardware Park in Ranga Reddy in an area of 75 acres with a project cost of Rs 460 crores in three phases



## Petroleum, Chemical, Petro-Chemical Investment Regions (PCPIR)

The Petroleum, Chemical and Petrochemical industry in India is well established and has recorded a steady growth over the years. The industry offers a wide scope for development that contributes positively to economic growth and regional development. The future outlook for the industry is bright with positive developments anticipated in various chemical and sub-sectors.

To promote investment in this sector and make the country an important hub for both domestic and international markets, the Government has decided to attract major investment, both domestic and foreign, by providing a transparent and investment friendly policy and facility regime under which integrated Petroleum, Chemicals & Petrochemical Investment Regions (PCPIRs) may be set up. The PCPIRs would reap the benefits of co-siting, networking and greater efficiency through the use of common infrastructure and support services. They would have high-class infrastructure and provide competitive environment conducive for setting up business. They would thus result in a boost the manufacturing augmentation of export and generation of employment.

A PCPIR would a specifically delineated investment region with an area of around 250 square kilometers planned for the establishment of manufacturing facilities for domestic and export led production in petroleum, chemical & petrochemicals along with the associated services and infrastructure.

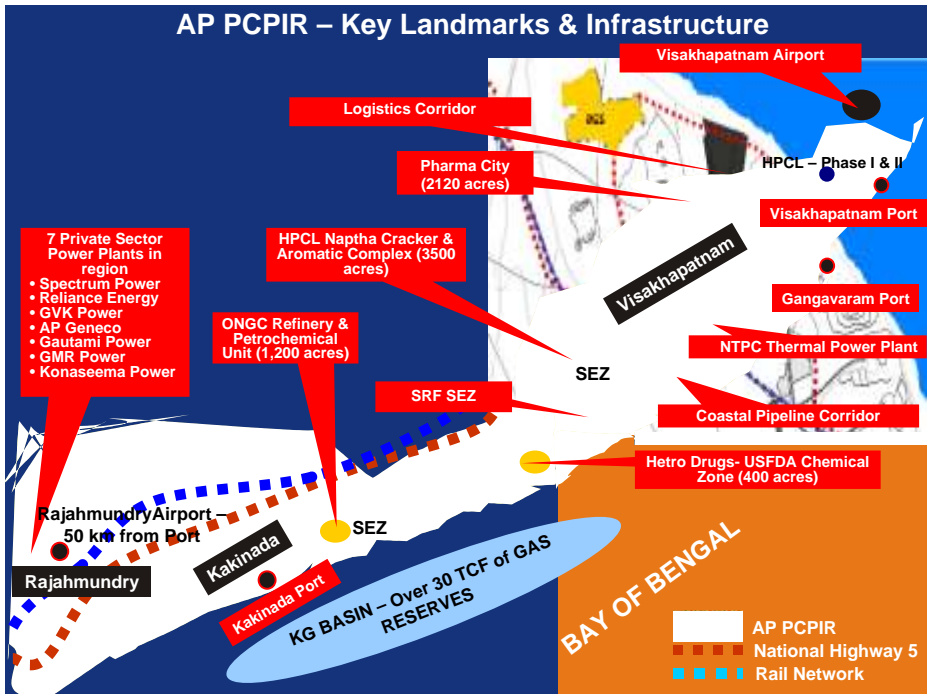
A PCPIR would be a combination of production units, public utilities, logistics, environmental protection mechanisms, residential areas and administrative services. It would have a processing area, where the manufacturing facilities, along with associated logistics and other services, and required infrastructure will be located and non-processing area to include residential commercial and other social and institutional infrastructure. The minimum processing area for the PCPIR will be about 40% of the total designated area, i.e., around 100 sq. km. The processing area may or may not be contiguous.

The PCPIR may include one or more Special Economic Zones, Industrial Parks, Free Trade & Warehousing Zones, Export Oriented Units, or Growth Centres, duly notified under relevant Central or State legislation of policy. All the benefits available under the relevant legislation or policy will continue to remain available to the said zones or parks as the case may be forming part of the PCPIR.

The PCPIR could cover existing settlements / industries & estates / services and would therefore benefit from and be complementary to the region. The concerned State Government may not acquire the entire area comprising the PCPIR, but will notify the same under the relevant Act. for proper planning and zoning to ensure coordinated development.

PCPIR would have a refinery / petrochemical feedstock company as an anchor tenant. The internal infrastructure of the PCPIR will be built and managed by a developer or a group of co-developers. The external linkages will be provided by Government of India and the concerned state government. The users of external as well as internal infrastructure will pay for its use, except to the extent that the government supports the service through budgetary resources.

The benefit of Petroleum, Chemical, Petro-Chemical Investment Regions accrues from the Investment not only in the infrastructure but also Mega Chemical and Petrochemical projects and also in logistics development. The international Petroleum, Chemical, Petro-Chemical Investment Regions (PCPIR) have investment to the tune of US \$ 12 to 18 billion and house major transnational chemical and petrochemical companies.



Ministry of Chemicals & Fertilisers, Department of Chemicals & Petrochemicals, Government of India had prepared the PCPIR policy duly addressing the following issues and policy would be announced very shortly

Feedstock availability and its pricing,

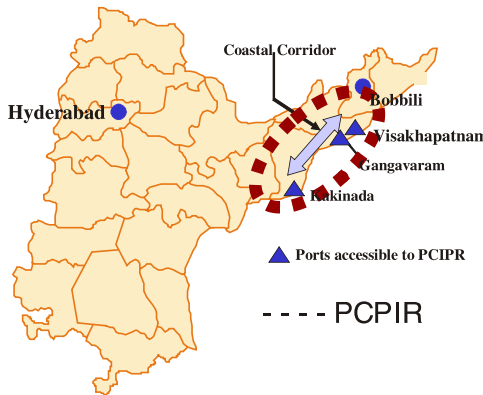
Incentives and package of the Government of India,

Identification of location of PCPIRs,

legal framework for the PCPIR policy,

State's commitment and their incentive packages

Mechanism for inter-action with identified / prospective investor's / developers.



Andhra Pradesh is identified to locate PCPIR near Visakhapatnam in an area of 250 Sq. Kms (62,000 acres).

The major advantages include the following

Ports:

The Upcoming green field best world class port Gangavaram port with the following salient features.

The port is dedicated for the PCPIR  
 5 berths (Iron-ore 1; Coal 1; Other Dry Bulk 1; Multipurpose 1; General Cargo 1) with a capacity of 35 MTPA

Breakwaters to provide tranquility within the harbour

Depth in harbour - 21 m (Deepest draft amongst any Indian Ports)

Design vessel size - 200,000 DWT (Largest that can berth at any Indian Port)

Iron ore and coal berth designed for 200,000 DWT vessel

State-of-the-art cargo handling equipment for speedier evacuation

Operational efficiency to match world standards

Master Plan has provision for 29 berths with a capacity of 200 MTPA



## Gangavaram Port - Economic Advantages

Reduced ship berth days due to faster loading & unloading

Reduction in pre-berth detention to vessels

Reduced ocean freight owing to deeper draft enabling larger vessels

Reduced cargo loss due to spillage because of mechanised handling

Low transportation cost because of proximity to anchor customers

In addition Visakhapatnam port, the largest cargo handling port in the country with handling capacity of more than 60 million tones per annum and Kakinada Port in 120 Kms from Visakhapatnam handling 10 million tones per annum of cargo..

## Land for PCPIR

Andhra Pradesh has acquired 6,000 acres of land and another 20,000 acres was in the process of acquisition. In addition to this ONGC is setting up a 7.5 million tones Refinery project in Kakinada in 1000 acres of land in Kakinada SEZ of 9000 acres

## Airport

The Existing Visakhapatnam Airport is proposed to expand with a project cost of Rs 300 crores in 267 acres of land for new runway measuring 10,000ft in length. Visakhapatnam is connected to Chennai, Mumbai, Hyderabad and New Delhi. Hyderabad International Airport is less than an hour fly from Visakhapatnam.

## Road connectivity

The proposed PCIPR site is 12 Kms from the 4-Lane Golden Quadrilateral Highway of NH 5 and 4 Kms from the State Highway. This will provide best road connectivity to the proposed PCIPR site.

## Rail Connectivity

Proposed site is 15 Kms from the Chennai-Howrah Line. Rail link to Gangavaram port will be 32 Kms. There will be berth connectivity to the Gangavaram port and also to Visakhapatnam port.

## Power Supply

Andhra Pradesh is the 3rd largest power utility state in the country. APGENCO's Hydel Installed Capacity is highest in India. The power installed capacity is 11,134 MW. During the last 3 years the capacity addition of 2080 MW is highest in the Country. The capacity additional in the next 2-3 years is 4000 MW. The state achieved highest Plant Load Factor of 89.7% in the country. NTPC has 1000 MW power plant at Visakhapatnam and proposed to expand. The power cost is very competitive. Government of AP is providing Industrial Express Feeders to mega industries to ensure uninterrupted power supply. There are 990 Industrial Express Feeders in place ranging from 11 KV to 220 KV.

## Water Supply

Visakhapatnam Industrial Water Supply Company Limited (VIWSCO) has set up India's first industrial water supply project in Visakhapatnam, which is having a 15 Kms link from Yeleru Canal. It would facilitate a dedicated water reservoir of 60 MLD at the proposed PCIPR location. An amount of Rs 530 crores have already spent and additional Rs 100 crores is proposed to spend for further development.

### Waste Management

Ramky Group is developing Jawaharlal Nehru Pharma city, 10 Kms from the PCIPR site in 2200 acres of land. The project provides a state of art Common Effluent Treatment Plant to treat effluents before disposal through a marine outfall to sea. There is also a secured land fill facility within 25 Kms from the site.

### Feedstock - Coal

As far as feedstock is concerned, Andhra Pradesh is very strong in the coal deposits. Godavari Valley Coalfield, which is 500 Kms from Visakhapatnam, has the coal deposits of 16926 million tones.

### Natural Gas

There lot of gas findings in Krishna Godavari Basin of Andhra Pradesh by the Reliance, Cairn Energy, Gujarat State Petroleum Co and ONGC. The anticipated gas production by 2008-09 would be about 40 million cubic metric tones per day. Petroleum companies are in the process of setting up Gas grid across Andhra Pradesh. The ONGC is also setting up a 7.5 million tones Refinery in the Kakinada SEZ with a capital outlay of Rs. 7,500 crores. HPCL Visakhapatnam plant is expanding their existing project from 7.50 to 15 MMTPA with a project of Rs 8,000 crores. Recently Ministry of Petroleum and Natural Gas, Government of India has offered 1151 Sq. Kms of shallow offshore and 1689 Sq. Kms of Onland blocks in Krishna Godavari Basin in the New Exploration Licensing Policy-VI. The natural gas findings would provide a major leap for the proposed PCIPR in Andhra Pradesh.

### Naphtha

India is producing adequate quantity of Naphtha and is able to export. As far as Andhra Pradesh is concern, HPCL existing plant at Vizag is production 90,000 MT per month and their expansion project would provide an additional quantity of 3,75,000 MTs per month. The proposed ONGC refinery project in Kakinada is like to produce 6,25,000 MTs per month. Thus total 13 million tones per annum would be available.

### HPCL an anchor industry:

HPCL is proposing to expand their project with a total investment of Rs 23,000 crores and they would like to promote PCIPR in Andhra Pradesh. This will become the first anchor industry for the PCIPR.

### Research, Development and Technical Support:

Indian Institute of Chemical Technology, a world-class R&D institute located in Hyderabad is a constituent laboratory of CSIR is having 400 highly qualified and skilled scientists / technical officers. The institute has promoted 150 technologies and about 50 are under implementation. IICT will be nodal agency for promoting various technologies and providing continuous technical support to the projects in PCIPR, Visakhapatnam. The gas composition in KG basin contains 99.07% of Methane, 0.15% of CO<sub>2</sub> and 0.15% of N<sub>2</sub>. The natural gas prevailing contractual prices of Ravva area in AP are very competitive in the country. Oil as a feed stock, Petrochemicals, polyolefins, Acrylates, Polycondensates, Solvents, Fuels can be produced through cracker route and Natural Gas, Coal as feed stock additionally Fertilisers and Alcohols can be produced through Methanol route. This is very cost effective based on the preliminary estimates.

## Natural Gas the preferred Fuel from Krishna Godavari Basin

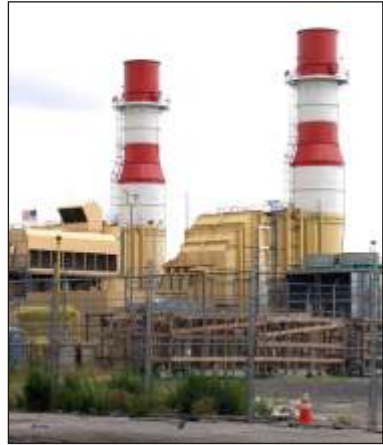
The exploratory work done by the Oil and Natural Gas Commission (ONGC) in Andhra Pradesh established good reserves of gas in the KG basin both onshore and off-shore. The first gas discovery in AP by ONGC dates back to 1979, when presence of natural gas was indicated through a blow-out in the first exploratory well, Narsapur-1, drilled in the KG basin in West Godavari.

With continuous survey and offshore exploration for gas in KG basin, spectacular new discovery of natural gas in October, 2002 by the Reliance Industries Limited (RIL) in D-6 block in the offshore of KG basin of about 7-8 trillion cubic feet. Thereafter it announced discovery of further gas of 1.2 trillion cubic feet in Chirubhai-4 well in April 2003. The confirmed level of gas in place is about 9 trillion cubic feet. Recoverable quantity of gas from this group of wells along is estimated to be 5-6 trillion cubic feet. RIL is hopeful of finding more gas with further drilling in the block as well as in other blocks which they hold in the KG basin. Hence steady availability of 40 MMSCMD gas for the next 20-25 years appears to be assured.

During 2005-- It's India's biggest gas find in 30 years. And it could well turn out to be the world's largest find in recent times. State-owned Gujarat State Petroleum Corporation (GSPC) has struck gas in the Krishna Godavari basin of Andhra Pradesh coast in the Bay of Bengal that will save the foreign exchange reserve by Rs. 10,000 crores annually for the next 20 years. GSPC was allocated the 1,850 sq. km. area on the high seas for exploration during 2004 and in about 300 days it had discovered gas in its KG block which experts estimate was in the range of 20 Trillion Cubic Feet (TCF) worth over Rs. 2 lakh crores

The Krishna-Godavari (KG) yielding results for oil and gas exploration companies such as Reliance Industries Ltd (RIL), Gujarat State Petroleum Corporation (GSPC) and Oil & Natural Gas Corporation (ONGC). ONGC has said that it has discovered gas in the area (KG 98/2).

The Directorate General of Hydrocarbons (DGH) has projected 134 million stand cubic metre per day (MMSCMD) of gas from new exploration licensing policy (NELP) blocks by 2011-12 in Krishna-Godavari basin. Blocks were offered to Reliance Industries Ltd., (RIL) and Gujarat State Petroleum Corporation (GSPC) under different rounds of NELP global bidding rounds.



Natural gas has emerged as the most preferred fuel due to its inherent environmentally benign nature, greater efficiency and cost effectiveness. The demand of natural gas has sharply increased in the last two decades at the global level. In India too, the natural gas sector has gained importance, particularly over the last decade, and is being termed as the Fuel of the 21st Century. The share of gas in the World energy mix is at present 23 percent, while that of oil is 40 percent. Thus 63 percent of world energy comes from hydrocarbons. In India, hydrocarbons account for 44.4 per cent of energy mix, 34 per cent by oil and 10.4 percent by natural gas



DGH has projected gas production of 40 MMSCMD in 2008-09 with progressive increase to 80 MMSCMD by 2011-12 in Dhirubhai field in Krishna-Godavari basin. Reliance Industries has made seven more gas discoveries in the Krishna Godavari Basin. This would take up RIL's production from the KG basin from 40 MMSCMD to 80 MMSCMD.

ONGC indicated that presently, the gas availability in KG Basin is around 6.2 Million Metric Standard Cubic Metres per Day (MMSCMD) and after new gas findings, they would implement Master Plan under which they would take up City Domestic Network in 40 to 50 cities in the country to supply gas through pipeline.

GSPC had said its subsidiary Gujarat State Petronet Limited (GSPL), has signed an agreement for transportation of 11 mmscmd gas of Reliance from Bharuch to Jamnagar for a period of 15 years starting from first quarter of financial year 2008-09.

RIL is laying a 40-inch pipeline between Kakinada and Uran, which is capable of transporting gas discovered by Reliance in the KG basin along with GSPC's gas.

Two 24-inch pipelines will ship gas to the offshore shallow water central receiving platform from where two shallow water pipelines of the same diameter will each transport gas to its proposed onshore terminal at Gadimoga village, about 30 km south of Kakinada where work is already underway.

Gujarat State Petroleum Corporation (GSPC) has decided to utilise the 1385 km long gas pipeline network of Reliance group for transporting gas from Krishna-Godavari basin to Bharuch in Gujarat.

The Infrastructure Corporation of Andhra Pradesh (INCAP) is in the process of incorporating the Krishna Godavari Gas Company Ltd. Being set up as a joint venture between IDFC Private Equity Fund, Gujarat State Petroleum Corporation Ltd

and INCAP, the new company would take care of the infrastructure needed to channelise gas from the KG basin and also to pump, pipe and supply it within the state.

The pipeline infrastructure alone is estimated to cost Rs 3,000 to Rs 3,500 crore. IDFC will hold 50 per cent of the equity in Krishna Godavari Gas Company, and INCAP and GSPC 25 per cent each.

The State Government will set up a gas transmission corporation for laying pipelines for proper utilisation of gas finds in the Krishna-Godavari basins belonging to the ONGC and Reliance and avert diversion to other States. The Government of Andhra Pradesh will enact legislation for this. The pipelines within the State and up to its borders as a network will be implemented through the recently formed Infrastructure Department within a time-frame to serve industries and power projects. The ultimate goal is to ensure supply to the domestic sector for cooking purpose through pipes.

Visakhapatnam has been included in the first phase of connecting seven districts with the gas pipeline from the Krishna-Godavari basin. LPG for domestic purpose and industrial gas would be supplied to the district through a pipeline. Compressed natural gas might also be supplied along with the two gases. Supply of gas from the K-G basin would give a boost to the industrial activity in Visakhapatnam. Reliance agreed to the condition that gas would be supplied to other States from the K-G basin only after meeting Andhra Pradesh's requirements.

Gujarat State Petroleum Corp has short-listed four global oil major to bid for the deepwater Deen Dayal gas field in Krishna-Godavari basin. British Gas, British Petroleum, ENI of Italy and US based Chevron will bid to develop and explore 20 trillion cubic feet and 550 million barrel crude oil. GSPC is expected to finalise the partner for the KG basin.

Gujarat State Petronet Ltd (GSPL), the gas distribution subsidiary of Gujarat State Petroleum Corporation (GSPC) has signed an agreement with Reliance Industries Ltd (RIL) to transport natural gas that RIL plans to get from its Krishna-Godavari basin to Gujarat.

Reliance has already begun work on laying pipelines from the Krishna-Godavari basin to Gujarat for gas transportation. RIL has begun working on 48 inch - 1,400 km East West Pipeline (EWP) across Andhra Pradesh, Karnataka, Maharashtra and Gujarat to provide access to potential gas markets in its corridor.

RIL is expected to begin commercial production of its 14 TCF of natural gas from the KG Basin by 2008. Natural gas extracted from Ravva satellite fields in K-G basin is being sold at a rate of \$3.3 per million British Thermal Unit and proposed to increase to \$4.5 MBTU

Cairn Energy has been in production of oil in the Ravva Oil Field in KG Basin for the last 10 years. Initial production was 3,700 barrels of oil per day has been increased to 35,000 barrels by 1997 and present production is 50,000 bpd. Presently the drilling operations are on and production of 50,000 bpd will continue till the end of 2007

### National Gas Grid



### Feed stock based Petro-chemical products

Fed Stock	Route	Product
Oil	Cracker	Petro-chemicals, Polyolefins, Acrylates, Polycondensates, Solvents, Fuels
Natural Gas	Methanol	Petro-chemicals, Polyolefins, Acrylates, Polycondensates, Solvents, Fuels, Fertilisers, Alcohols

### Land Marks of Natural Gas discoveries in Andhra Pradesh

2001 – Oil & Gas in Miocene / Pliocene in Deep Waters of Krishna-Godavari by Cairn

2002 – World’s biggest deep water gas discovery in KG basin by RIL

2005 – World’s biggest gas discovery in Shallow Water in KG basin by GSPCL

2005 – Oil in Pliocene in Shallow Waters of KG Basin by RIL

As per the estimates, expected production of Natural Gas in the Krishna-Godavari basin by 2010 is 95 MMSCMD

# Andhra Pradesh

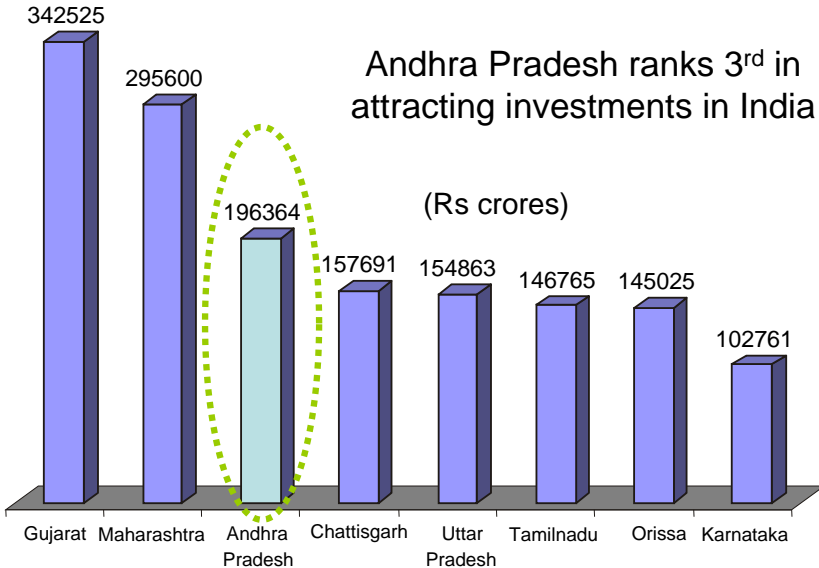
## Manufacturing



**Andhra Pradesh ranks third in attracting investments in India and Second in Committed Investments**



## Investments attracted and investments implemented



Investments attracted from 1992-2006 (June)

### Exports from A.P. during the last 6 years (Rs crores)

PRODUCT GROUP	99-00	2000-01	2001-02	2002-03	2003-04	2004-05
AGRICULTURE & AGROBASED AND FOREST PRODUCTS	2575.36	2728.00	2891.00	3035.00	1805.00	1152.00
LEATHER, ANIMAL & MARINE PRODUCTS	1231.40	1130.00	2188.00	1931.29	1785.00	1715.00
MINERAL & MINERAL PRODUCTS	474.80	498.00	634.00	729.00	862.00	910.00
HANDLOOMS & TEXTILES	395.71	395.00	406.00	426.30	447.00	477.00
HANDICRAFTS & CARPETS	41.00	45.00	191.00	200.55	252.00	270.00
DRUGS & PHARMACEUTICALS, ALLIED CHEMICALS PLASTICS	1251.00	1751.00	2105.00	2420.00	3753.00	3900.00
ENGINEERING ITEMS	1231.81	1305.00	1045.00	1149.50	1368.00	1320.00
ELECTRICAL & ELECTRONICS PARTS	54.92	60.50	45.00	55.00	84.00	130.00
SOFTWARE	1059.00	2001.00	2895.00	3668.00	5025.00	8100.00
<b>TOTAL</b>	<b>8315.00</b>	<b>9913.50</b>	<b>12400.00</b>	<b>13614.64</b>	<b>15381.00</b>	<b>17974.00*</b>

Exports from Andhra Pradesh is growing at any average of 20% per annum

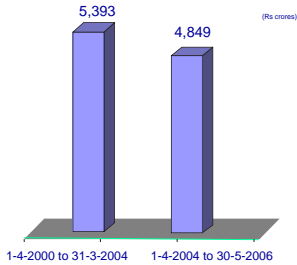
# Andhra Pradesh Industrial Base



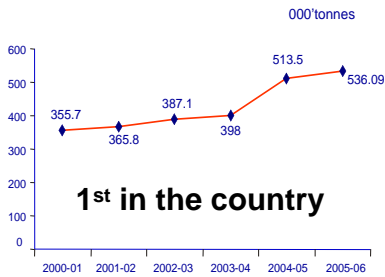
**Total Existing investments in the manufacturing sector**  
**Rs 60,000 crores**

# Andhra Pradesh Performance of Manufacturing Sector

Investments implemented

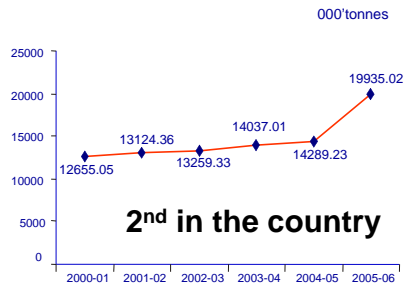


Production of Paper

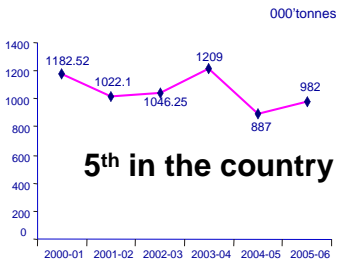


Source: CMIE

Production of Cement

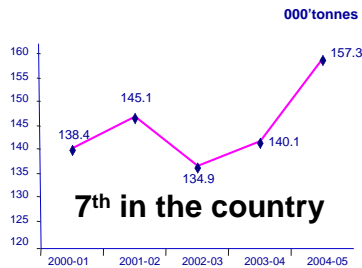


Production of Sugar



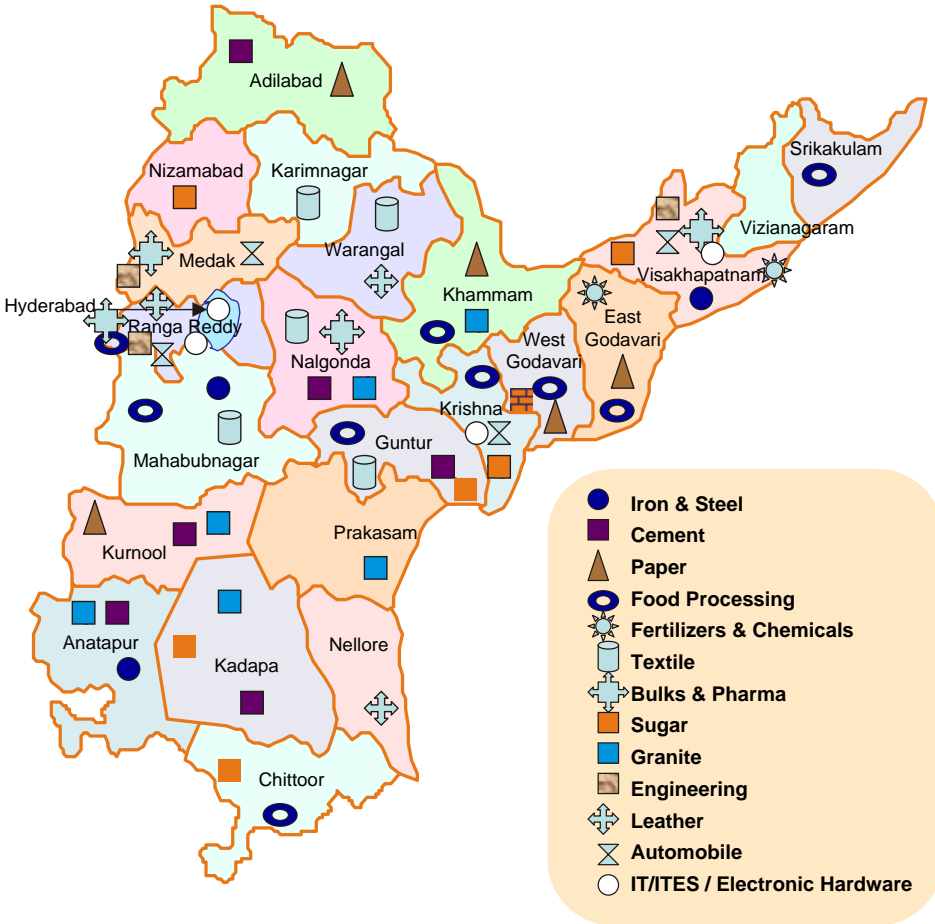
Source: CMIE

Production of Spun Yarn



Source: CMIE

# Andhra Pradesh Manufacturing Sector



# Manufacturing Sector in Andhra Pradesh

## Existing investments size

Sector	Investment Rs Crs
Food products	4688.01
Beverages & tobacco	435.10
Cotton & Jute Textiles	3819.80
Electrical & Electronics	4465.63
Power	1701.00
Glass products	92.00
Wood products	90.84
Paper products	2762.09
Leather Products	80.16
Chemical products	8498.66
Rubber, Plastic, petroleum & Coal products	3577.15
Non-metallic mineral products	8309.48
Basic metals	14404.42
Metal products & Auto components	511.87
Machinery & equipments	1081.94
Transportation equipment	48.67
Miscellaneous industries	3870.77
<b>Total</b>	<b>58437.59</b>





## Presence of Multinationals in Andhra Pradesh in Manufacturing Sector

Country	Foreign Company
USA	CIBC Oppenheimer Corporation, Wartsila NSD Corporation, Tecumseh INC, GILLETTE SOUTH ASIA INC, COADE KACO INTERNATIONAL, OST/AUTOWEIGH, OPTO -SENSOPS INO. Vertex Communication Corpn., MICACRAFT PRODUCTS, GREENVILLE MACHINERY CORP/MARUBENI CORP, Hercules Tyre & Rubber Company, B.F.GOODRICH SPECIALITY, Congra, Schein Pharmaceuticals Inc, CONAGRA, Esst Technology INC, Flexo Semiconductors, General Electrical International, INDUSTRIAL TECHNOLOGY INC, General Electric International.
U.K	Peter Robin Bloom, Cardiff Chemicals Ltd., Odlings Ltd, Std Commercial Tobacco Co, ASSOCIATE COFFEE MERCHANTS, Inter Continental Business Dev. Ltd
TAIWAN	Hwa Lin Electronic Company Ltd, J.V.Marine Enterprises Co.Ltd
SWITZERLAND	Krebs & Company Ltd
SWEDEN	Telia Ab
SINGAPORE	Wearnes Pvt.Ltd. Photochem Technologies Pte.Ltd, Euro Capital And Equity Pte Ltd., Sunshine Allied Investments Ltd., EURO ASIA CAPITAL&EQUITY PTS, Sunace Kakoh(pte) Ltd, ASIAN FINANCE & INVESTMENT CORPORATION
RUSSIA	Lugansk Trans Accumulator, Owimex Ltd.,
PHILLIPPINES	Asian Aqua Culture Corporation
OMAN	Poly Products Ltd, H.B Excellency Yusuf Bir Alawi
NETHERLANDS	SHV Energy NV, The Netherlands Dev. Finance, NEDERLANDSE INDUSTRIE VAN EIPRODUKTEN
MAURITIUS	Spartek Emerging Opportunity, INDIA PVT EQUITY FUND, NANDL INVESTMENTS LTD, Alghanim (Mauritius) Ltd, Johnson Controls
MALAYSIA	SUBRAMANIYA PILLAI, Technology Resources Industries, RICHTER HI -TECH SDN BHD, Pekelting Business Centre, Premium Vegetable Oils, Berhad , KUMPULAN EMAS BERHAD, Premium Vegetable Oils, Berhad,
LUXEMBOURG	Millinium Diamond Holding S.A, International Development Consulting

## Presence of Multinationals in Andhra Pradesh in Manufacturing Sector

Country	Foreign Company
KUWAIT	Kuwait Industries Co.Holding
KOREA (SOUTH)	LG Chemicals Ltd. ,Big Star Trading Corporation Ltd., Boin Medic a Company Ltd., D, Onswon Trading Co.Ltd, Mida Optical Co.Ltd, Seung Han Ind.Co.Ltd
JAPAN	Aquaconoult B.V Berkenlantje -ii/Showa Trading, Matsushita Electric Industrial Company Ltd., Marubeni Corpn., Fimatec Ltd.,Sumtomo Fudosan
ITALY	Tropical Food Engineering.S.R.L., Lampcmacchine International S. R, Chementechno S.R.L.
ITALY	Finchimica, CHEMEN TECHNO SRL ,REDAELLI TECNA MECCANICA, MANJINI COMACO SPA
ISRAEL	Star Flower Group Ltd, Palma India Ltd.,
HONGKONG	Brigitte Anne'yvonne Reneema'
GERMANY	Hemut Vetter, MVT -MASCHINEN-UND-VERFASREHNSTEC, Solidur Gesellschaft, LOHMAN TIERZUCHT Gmbh, SUNPOWER SOLARTECHNIC Gmbh, SOLIDUR GESELLSCHAFT, SALZGITTER HYDRAULIKSTEMPEL, MS.RHEIN BIO TECH GMBH, RETHMBIER GMBH, Rhein Biotech GMBH, Tesuco Group Of Companies
FRANCE	Cothorn S.A, Dr.Norman Westbrook
DENMARK	Ovotee International
CYPRUS	Institute Of Field & Vegetable
CANADA	LAZER TECH LTD, Bell Canada Intl INC
BRITISH VIRGINIA	Peroxygen Technologies Ltd.,
BELGIUM	Siat, ASIA VENTURES INTERNATIONAL LTD.,
AUSTRIA	Natex Process Technologies, Chemet Systems, Rfi Industries Pvt. Ltd.,, Chemet Systems Pty Ltd.

## Global IT giants operating in Andhra Pradesh

Microsoft  
Oracle  
Computer Associates  
Convergys  
Keane  
Cordys-(Vanenburg)  
Motorola  
Nokia  
Intergraph  
Kanbay  
CSC  
Analog Devices  
Cognizant Tech  
SSA Global-(Baan)  
Cypress Semiconductors  
Satyam  
Infosys



TCS  
Wipro  
Visualsoft  
Infotech  
Intelligroup  
Sierra Atlantic  
Polaris  
Mentor Graphics  
Qualcomm  
NCR  
Invensys  
Synopsis  
Patni  
Sonata



### ITES

GE Capital  
Deloitte  
24/7 Customer  
Dell  
Bank of America  
ADP  
HSBC  
Accenture  
General Motors Holdings  
Corp (Capmark)  
IBM  
Google  
Franklin Templeton  
McGraw Hill

### IT Hardware

FAB  
HCL Infosystems  
Celetronix



# Andhra Pradesh

## Growth Sectors



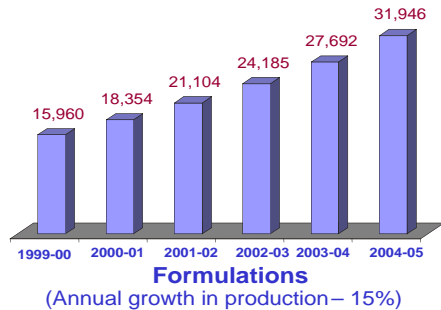
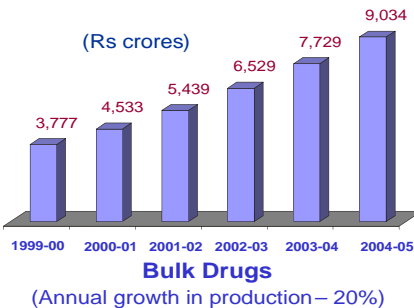
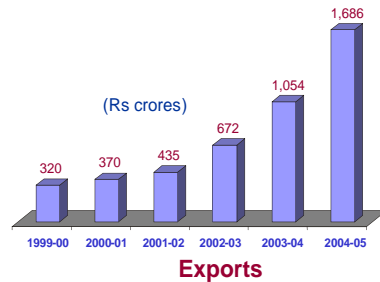
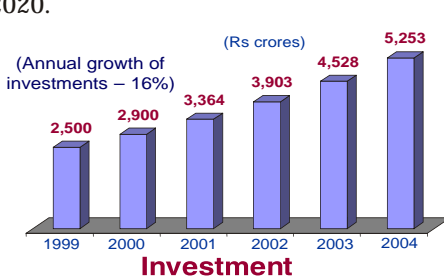
Pharmaceutical India is expected to grow from \$5.5 bn to \$25 bn by 2010 and \$75 bn by 2020



# Pharmaceuticals and Bulk Drugs

## Bulk drugs and pharmaceuticals

Hyderabad, which accounts for around one third of India's total bulk drug production, is considered as the bulk drug capital of the country. A large number of bulk drug units are located in and around Hyderabad with good infrastructure and trained manpower. The Indian pharmaceutical industry is large and rapidly growing. The pharmaceutical industry in India is expected to grow from \$ 5.5 bn to \$ 25 bn by 2010 and \$ 75 bn by 2020.



## Indian Pharma Policy

- To ensure availability of good quality medicines at reasonable prices
- To improve accessibility of essential medicines to the poorer sections
- Higher investments to increase production of good quality medicines
- To promote greater research and development in the pharmaceuticals sector by providing suitable incentives in this regard
- Pharma companies to become internationally competitive by implementing cGMP, GLP, GCP & other international guidelines
- To facilitate higher growth in exports of APIs and formulations by reducing the barriers to international trade
- India as the preferred global destination for Pharma industry
- To facilitate implementation of the Health Policy of the country

## Pharma Future in India

- Growth rate of bulk drugs in this country is 12% as against 10% of China
- Technological manpower in this area is more than in China and other countries
- Increased purchasing power will increase the demand for better healthcare facilities and pharmaceuticals
- The increase in urban population from 18% to 30% is key determinant to market demand
- The recent privatization of health insurance sector will accelerate the per capita drug expenditure

## Why to invest in India

- Expiration of patents of many of the best selling drugs within the next decade
- Managed care, cost containment in US and international markets influence the demand for generic drugs
- IPR related obligations forcing the companies abroad to explore the markets for survival and growth
- Low manufacturing cost, well nurtured process development skills in research
- Expertise in legal issues related to patents
- Manufacturing cost structure

## Andhra Pradesh Advantage

Andhra Pradesh has a dominant position in this sector with a market size of \$ 1.6 bn presently growing upto \$ 8 bn to 10 bn by 2010, and is well known internationally for its skill in chemical synthesis and process engineering and its speed to market. The State intends capitalizing on these strengths, acting quickly in the window of opportunity provided by global regulatory change to build a strong and globally competitive pharmaceutical industry.

- 1/3rd of the national Bulk Drugs production from A.P
- Hyderabad predominantly Bulk Drugs manufacturing hub
- Hyderabad is a centre for institutes of excellence, chemical synthesis and for invention of new molecules
- Hyderabad is connected to major international destinations by air
- Visakhapatnam a strategic location is just 600 kms away from capital city Hyderabad
- Visakhapatnam is well connected by air, road, rail and seaways – Visakhapatnam port, Gangavaram port
- The State produces a majority of 500 basic drugs produced in India
- The half-year net sales of the pharmaceutical industry the State is Rs 4700 crores
- The half-year net profits of the Pharma industry in the State is Rs 503.26 crores with a growth of 11.69%
- Pharma production in the State will reach US\$ 8 billion by the end of 2010

## Skilled Human Resources

The State offers excellent opportunities for the growth of the pharmaceutical industry in the country due to availability of trained and skilled manpower research and development facilities, including the Indian Institute of Chemical Technology (IICT), Centre for Cellular and Molecular Biology (CCMB), National Institute of Nutrition (NIN), Centre for DNA Fingerprinting and Diagnostics (CDFD), Indian Immunological Ltd (IIL), S.P. Biotech Park, ICICI Knowledge Park, and many universities. In addition to this, to develop human resources required for the innovation led growth, Indian Institute of Life Sciences (IILS) was set up in Hyderabad in collaboration the industry, the Government and research institute to provide the following:

- Post-Graduate and Ph.D Programmes in Pharmaceutical Sciences and Drug Discovery.
- Train the students and researchers to cater to the needs of the industry.
- Do collaborative research in association with international research institutes.
- Collaborate with the Indian industry.

## Jawaharlal Nehru Pharma City at Parwada, Visakhapatnam

Realising the potential scope and imminent challenges in Pharma sector post 2005, the Government of Andhra Pradesh has developed Jawaharlal Nehru Pharma City at Parwada near Visakhapatnam in 2200 acres of land with world class infrastructure to support efficient and environment-friendly Pharma manufacturing. The Pharma City is being developed on a commercial format with private sector participation. M/s Ramky Pharma City (India Ltd) with the equity participation of Ramky and APIIC with 89%, 11% equity respectively. A Special Purpose Company in the name & style of Ramky Pharma City (India) Limited incorporated has entered into concession agreement with the Government of Andhra Pradesh to build, operate and maintain the Pharma city infrastructure and amenities. Environmental clearance was accorded by the Ministry of Environment and Forest, GOI in March,2005 Construction of CETP and marine outfall facility for letting out the effluents into sea and Hazardous Waste Management are certain important infrastructure components. The other facilities in the Pharma City are Storm water Discharge, Effluent Conveyance, Sewage Conveyance, Hazardous Waste discharge, Parwada Balancing Reservoir (Yeleru Canal), Underground & Overhead Reservoir.

- 450 acres were offered allotments to 41 Major and Medium Companies through BDMA.
- 100 acres was allotted to 3 Major and Medium Companies of non-BDMA





# Jawaharlal Nehru Pharma City

Parwada, Visakhapatnam



# Biotechnology

The Government of Andhra Pradesh has identified the biotechnology sector as engine of economic growth and one of the thrust areas that has the potential to make a positive contribution to the life of the common man. The Government has consistently pursued proactive policies and undertaken several initiatives to support and promote the biotechnology sector in the State. Government of Andhra Pradesh has several firsts to its credits in the area of Biosector.



## Genome Valley – India's First Biotech Cluster

Genome Valley is India's first state-of-the-art biotech cluster providing world class infrastructure to over 100 biotech companies. Genome Valley occupies an area of 600 sq. km in the city of Hyderabad. It comprises of the India's first knowledge park called ICICI Knowledge Park and India's first Biotech Park called Shapoorji Pallonji Biotech Park. These parks lie adjacent to each other and offer world-class facilities to the occupants.

Genome Valley in Andhra Pradesh has emerged as a natural cluster and location of choice for biotechnology research, training and manufacturing activities. The State has especially emerged as a hub for Biopharma companies with Biopharmaceutical companies comprising more than 50% of the State's Biotechnology industry and considered as "Biotech Hub of India".

Over 14 international biotech companies have established their operations in the cluster over the last one year and several others such as Nektar Therapeutics listed on the NASDAQ and United States Pharmacopeia have established their operation in the Genome Valley. Some of the world's fastest growing entrepreneurial companies that have begun operations in Genome Valley include Albany Molecular Research Inc, Mithros Chemicals, Chanelle Pharmaceuticals and NND Biomedical Data Systems Pvt. Ltd. Further, India's leading biopharmaceutical companies which include Shantha Biotech, Bharat Biotech, Biological-e-Ltd., GVK Biosciences and Dr. Reddy's amongst several others are based in Andhra Pradesh.

The presence of world-class research institutes, a large pool of scientific talent private healthcare institutes and corporate hospitals contribute to making the State an ideal location for successful in biotechnology related pursuits.

A testimony to this is the fact that Andhra Pradesh has bagged the prestigious "Biospectrum Bio State of the Year in 2003, the first ever biotech industry award in the country. Since drafting the State Biotech Policy in 2001, the sector has witnessed significant growth in terms of attaining critical mass and infrastructure development, which was a result of the perennial and combined efforts of the Government, the industry and the academia in State.

## Key Highlights of the Policy

- Single Window Clearance System
- Sales tax of 1%
- Provision of rebate based on the employment opportunity created
- To support the various initiatives being undertaken, the Government proposes to redraft the biotech policy and introduce positive changes that would enable an investor friendly environment.

**ICICI Knowledge Park** – The cluster houses a world class centre for leading edge business driven research and is India’s first knowledge park for collaboration between research community and industry. A Life Sciences Incubation Centre has been set up at ICICI Knowledge Park with an investment of Rs 300 million. It has three phases and a total of 14 companies are located in knowledge park. It also has IPR & Patent facilitating cell.



**Shapoorji Pallonji (SP) Biotech Park** – is Rs 1.00 billion project spread over 400 acres in the valley with recorded occupation of over 100% of space in the first phase spanning over 140 acres and 100 acres in the second phase. There are about 23 companies located in SP Biotech Park in two phases. The third phase of SP Biotech park in 300 acres is under development.

**Agri-Science Park** – Genome Valley signed a MoU with ICRISAT (International Crop Research Institute for the Semi-Arid Tropics), to jointly promote an Agri-Science Park based at the ICRISAT campus. The State Government has set up an Agri-Science Park in collaboration with ICRISAT in their campus.

**Biotech Venture Capital Fund** – The Andhra Pradesh Industrial Development Corporation (APIDC) Venture Capital Limited has launched India’s first Biotech focused Venture Capital Fund with a seed capital of Rs 10 crores from Government of Andhra Pradesh.

## Biotechnology promotion on the roadmap

- Preparation of compendium of State Biotech Resources to facilitate dissemination of information regarding the biotechnology players in the state to industry, academia, R&D institutions and society large. The compendium will as a ready reckoning of biotech resources in the state and it would enable B2B interaction in the state.
- Dedicated Township for employees of Genome Valley including integrated township, residential units, recreation facilities, library, super markets and schools in the identified area of 37 acres.
- It is proposed to set up International Animal Resource Facility in collaboration with Indian Council for Medical Research (ICMR) & National Institute of Nutrition (NIN) in Genome Valley in earmarked area of 100 acres of land to assist Genome Valley in attracting drug discovery companies to pursue preclinical research in the state.
- Setting up of Biotechnology Incubation Centre in SP Biotech park in collaboration of Department of Biotechnology, Government of India and with the technical inputs from Indian Institute of Chemical Technology to foster the growth of start-up companies through provision of specialized facilities for technical and business need at par with international standards.
- International Life Sciences – in collaboration with Dr. Reddy's Laboratory in Genome Valley proposed to be promoted jointly by industry & Government to provide training and research facilities in highly specialized areas of pharmaceutical sciences and in drug discovery sector to cater to the needs of the industry in meeting global challenges
- Marine Biotech Park is being set up at Parwada, Visakhapatnam covering 218 acres of land. A Marine Biotech Complex is also proposed in the Marine Biotech Park in association with the Andhra University to focus on marine resources apart from research on marine foods, nutraceuticals and fisheries.



## Mines and Minerals

Andhra Pradesh will have a strong mining sector, growing at 10-12 per cent a year. The state have ample Mineral resources & strong mineral based industries like cement, steel and granite and healthy growing exports of minerals. Andhra Pradesh will be India's cement and granite powerhouse and continue to be a dominant producer of coal in South India. The State's mineral potential will be utilized in an environmentally and socially sustainable manner.

Andhra Pradesh is the second largest storehouse of mineral resources in India. A total of 48 minerals were located with vast explored resources of coal, limestone, bauxite, barites, mica, beach sands, granite, limestone slabs etc., and good resources of oil and natural gas, manganese, asbestos, iron ore, ball clay, fireclay gold, diamond, graphite, dolomite, quartz, tungsten, steatite, feldspar, silica sand, Uranium, beach sands minerals. etc. The state stands First in value of mineral production, contributing 9 to 10 per cent (Rs. 6583 crores) of the country's mineral value production and approximately Rs.800 crores by way of foreign exchange. It produces about 80 million tonnes of industrial minerals and 8 million cubic meters of dimensional stones and building material, contributing nearly 865 crores to the State exchequer.

### Estimated reserve

- Mineral reserves (in million tones)
- Coal 16584
- Limestone 33150
- Bauxite 613
- Barites 81
- Diamond (carats) 1817490 (carats)
- Granite 2788 (in million Cu. Meters)
- Gold (ore) 8.96
- Beach sands 241



### Fuelling Growth

The state has identified the mining sector as one of the growth engines for the overall development of the industry and infrastructure. With its vast explored mineral potential and natural infrastructure, it forms a natural opportunity for investment and development of mineral and mining projects. The State envisages mineral projects with the participation and investment from the private sector. There are six coal based thermal plants with a generating capacity of 5000 MW power. The present production of 35 million tones of coal is being mostly consumed in the power plants of South India.

The Government intends to augment the coal production with private participation. It has identified coal blocks for exclusive mining under private sector and captive purpose. There is ample scope to tap 16584 million tonnes of coal reserves for development of coal based thermal plants, Washeries, gasification and carbonization plants.

## Second Largest Producer

Andhra Pradesh is the second largest producer of cement in the country. There are 59 major and mini cement plants with an installed capacity of 23 million tonnes per annum. The state has vast resources of 33150 million tones of various grades of limestone in 14 districts, constituting about 34 per cent of entire country.

## Opportunities

Opportunities exist by way of mineral exploration projects in some of the most lucrative fields like diamonds, gold, beach sand, base metals, limestone, granite etc. Reconnaissance permits were granted over an area of 56400 square Km. for exploration of diamond, gold, base metals etc.

## Diamonds

Diamonds occur over wide areas covering about 50,000 square Km. in nine districts with an average incidence of 3 to 4 carats/100 tonnes of source material. Diamond bearing Lamproite & Kimberlite occur wide areas in Anantapur, Kurnool, Kadapa, Mahabubnagar, Nalgonda, Krishna & Khammam districts.

## Gold

The number of gold-bearing areas occur in Chittoor, Anantapur, Kadapa, Kurnool & Mahabubnagar districts of the State with an average incidence of 3 to 5 grams/tonne of source material.

## Beach Sands

Number of Beach sands occur all along the East Coast right from Srikakulam in the north to Nellore district in the south and extend over a stretch of 950 kilometers. They contain 15-20 per cent of Illmenite, Rutile and Monazite with a proved reserves of 241 million tonnes, majority of Illmenite (116 million tonnes) of Heavy Mineral Beach Sand deposits and occupies top position with 36 % of Heavy Mineral Beach sand reserves of the country. Andhra Pradesh have large scope for establishing Beach Sand Separation Plant, Production of Titanium & Establishment of downstream industries.

## Bauxite

Huge reserves of around 613 million tonnes of metal grade Bauxite deposits were proven in Visakhapatnam and East Godavari districts. Andhra Pradesh is endowed with 2nd largest Bauxite deposits in the country next to Orissa and there is a scope for establishing 2 to 3 Alumina & Aluminum Industries.

## Barites

The single largest deposit occurring at one place is located at Mangampet in Kadapa district of the State, with a reserve of over 80 million tonnes. It also occur in Kurnool, Anantapur, Mahabubnagar, Khammam, Prakasam & Nellore districts.



## Granite

Andhra Pradesh is known for wide variety of Granites and having an estimated reserves of 2788 million cubic meters. World renowned Chimakurthy Black Galaxy Granite, Srikakulam Blue & White, Warangal and Khammam Black, Tan Brown of Karimnagar, Indian Aurora of Nizamabad, Tiger Skin and Madanapalli white of Chittoor etc., occur in plentiful quantities. The state produces about 535370 Cu.Meters for processing and polishing. Presently, Granite worth about Rs.400 to 450 Crores is being exported, a large quantity of which goes to USA, China, Japan European market etc. Plenty of opportunity exists for making novelty and artifact products with polished Granite, which have a good demand in the international market.

## Marble

Andhra Pradesh also have large scope in promoting Marble deposits of variegated colour from Khammam, Guntur, Kadapa, Kurnool & Anantapur districts.

## Ceramics

Andhra Pradesh is the largest source of various Clays, Feldspar, Quartz, Silica Sand, Rare Earths like Titanites, Zirconites, etc. Major deposits of clay occur in East Godavari, West Godavari, Adilabad, Kadapa, Kurnool, Ranga Reddy, Visakapatnam & Srikakulam districts. The Conventional Ceramic Industry in the State provides a strong base for development of advanced ceramics with sophisticated processing technology transfer. The Government of Andhra Pradesh invites offers for

development of advanced ceramics like Electro and Mechano ceramics under private sector investment.

## Quartz & Feldspar

These minerals extensively occur in Ranga Reddy, Mahabubnagar, Nellore, Kadapa, Kurnool, Medak, Anantapur, Nalgonda, Vizianagaram, Visakapatnam & Guntur districts.

## Coal

Andhra Pradesh is the only producer of coal in the entire South India. It produces around 35 million tonnes annually. The estimated reserves are around 16584 million tonnes. Major coal bearing areas fall in Adilabad, Karimnagar, Khammam & Warangal districts. Six blocks were identified for privatization in Adilabad & Khammam.

## Limestone

The State contains 34% of the Country's Limestone reserves with estimated reserves of 33150 million tonnes and produces about 28 million tonnes. Extensively occur in Nalgonda, Kadapa, Kurnool, Anantapur, Mahabubnagar, Ranga Reddy, Adilabad, Karimnagar, Krishna & Guntur districts. At present, there are 14 major & 29 mini cement plants.



Producing about 18 million tonnes which forms largest cement producing state in the country. Exploitation of Limestone for Cement manufacture can form a strong base for the establishment of many Cement Plants to cater to the needs of the construction industry. A.P stands 1st in the country in production & promoting various colours of Limestone Slabs for flooring & there are more than 2000 Limestone Slab cutting & polishing units. Limestone Slab quarrying & processing industry is one of the major employment generating industries in the State.

### Uranium

A.P. stands 2nd in occurrence of Uranium deposits. Uranium occur in Nalgonda, Mahabubnagar Kadapa, Kurnool & Guntur districts. At present Uranium is being produced only from Jaduguda Mines of Jharkhand State. Andhra Pradesh have a very good scope for producing Uranium & establishment of Atomic Power Plant.

### Oil and Natural Gas

Rich reserves of Oil and Natural Gas occur over 45,000 Square Kilometers in the Krishna – Godavari basin. M/s. Oil & Natural Gas Corporation Ltd. produces about 213227 tonnes of crude oil and 1657 Million Cubic meters of Gas from the state. Recent finds of large reserves of gas in the On shore & Off shore areas of Krishna & Godavari basin has created scope to increase the production by intensive exploration and development of infrastructure to cater to the needs of the growing demand in the domestic and industrial sector. The Krishna Godavari basin of Andhra Pradesh

account for 6% of the country's reserves. In addition to this, Reliance Industries Limited (RIL) struck 9 trillion cubic feet (tcft) of gas reserves in Krishna Godavari basin which was found the biggest gas find in the country constituting 50% in the country. RIL is proposed to produce 40 MMSCMD gas by 2009.

### Tungsten ore

Tungsten Ore occurs around Tapsikonda and Burugubanda in the East and West Godavari districts. Proven reserves of around 11 million tonnes exist in the State. Tungsten plays a very useful role in Defence components, Super alloys and electronics.

### A Mega Investment Opportunity

The Government of India has approved foreign Direct Investment upto 74 percent (and more in exceptional cases) in integrated projects in the mining sector. Private sector participation in joint ventures with the Andhra Pradesh Mineral Development Corporation (APMDC), a fully owned Government undertaking, for investment of mineral exploration, exploitation and development of mineral resources, in envisaged for this sector. The APMDC has already initiated investment proposals in bauxite, beach sand, granite etc.





In next coming years, Andhra Pradesh is likely to open up Diamond mines after the 1st Diamond Mines of Panna in Madhya Pradesh with the participation of National & International companies. Similarly there is a good scope for reviving the old Gold Mines & opening a World Class Gold Mine in Kurnool district in next coming years. With the demand of steel in the Country and available technology, in coming years more than 50 Sponge Iron Plants are expected to be established with the available Iron Ore deposits in Anantapur, Kurnool, Krishna, Karimnagar, Warangal, Nalgonda, Prakasam & Khammam districts.

Since recent past, Andhra Pradesh stands 1st in Granite Production & Processing in the Country, promoting wide varieties of granite in the Country. Among the granite deposits,

Cheemakurthy Galaxy Granite stands unique & world class deposits. Andhra Pradesh is the biggest promoter of Processing of Granite in the Country & there are about 50 large scale and more than 1000 small scale granite cutting & polishing units in various districts of Andhra Pradesh. The granite industry is significantly contributing to the exports & employment in the State, next to Agriculture.

### Speeding up the process

Decentralization, speedy clearance and follow up with the Central Government, are some of the services provided by the State for promoting investment in the mining sector. The Government will also focus on developing infrastructure, training personnel and creating institutions that support the development of Mining.



## Food & Agro Processing

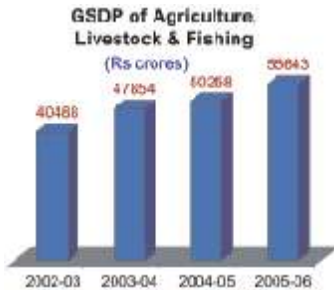
India is among the world's major producer of food, producing over 600 million tons of food products every year. India ranks first in the world in production of cereals, livestock population and milk. It is the second largest fruit and vegetable producer and is among the top five producers of Rice, Wheat, Groundnuts, Tea, Coffee, Tobacco, Spices, Sugar, and Oilseeds. Food processing industry includes fruit and vegetable processing, fish processing, milk processing, meat and poultry processing, packaged/convenience foods, alcoholic beverages and soft drinks and grain processing. Milk processed foods like chocolates and ice creams were much in demand in India. Agri products like coconut has multiple values in the market from coconut water to oil, fibre and leaves are economically valuable.

The agricultural sector's performance has direct impact on the processing industry and its exports. The raw agricultural and horticultural yield into human consumption is called processed foods such as fruit jam, jelly, milk products. The performance of the agri-processed foods industry essentially depends upon the general performance of the economy and the performance of agriculture and industry sectors in particular. The processed foods are slowly capturing the rural market also. In urban areas the processed foods become one of essential items due to change of life style and long working hours, many urban families are depending upon these processed ready to eat foods. The market is growing considerably due to rapid urbanization. It is expected to continue to some more years. The government support for processed food industry by reduction of excise duty from 16% to

8% on ready to eat packaged foods and instant food mixes. Import duty reduction from 15% to 5% on processed food packaging machines. Special window in NABARD for refinancing infrastructure and market development of processed foods industry, proposed 100% excise duty exemption for condensed milk, ice cream, preparations of meat, fish & poultry, pectin, pasta and yeast industry.

Around 19 percent (average contribution) of AP's GDP comes from agriculture and it provides employment to around 65 per cent of the state's population. The state enjoys a position of preeminence in respect of crop production. Andhra Pradesh is endowed with bountiful natural resources with good soil and a diversified cropping pattern. The edge comes from major irrigation systems fed by rivers like Godavari, Krishna, Thungabhadra, Penna, Nagavali, Vamsadhara etc. Agriculture in the State has made rapid strides taking the annual food grains production from 56.20 lakh tons in 1955-56 to 160.28 lakh tons in 2000-01. The new emphasis on agriculture will be on identifying and developing sectors with high potential for growth; building strong agro based industries, developing agriculture in rain-fed areas; and spurring growth through policy reforms. The major growth engine in agriculture, rice, is a large contributor to Andhra Pradesh's economy (Contributing a quarter of agricultural GSDP) that even small improvements in the sector will create a large impact. Since rice growing is the primary occupation of a large proportion of the state's agricultural labor, its further development will increase rural incomes and reduce poverty. To achieve this vision, the State of Andhra Pradesh will aggressively pursue strong agricultural growth, including employment generation, and target levels of investment needed.

Andhra Pradesh is the second largest producer of horticulture products in India and it is expected that the production will reach 22.90 million tonnes by the year 2020. The State's 970 kilometer coastline, 8,577 kilometer river length and 102 reservoirs spread over an area of 2.34 lakh hectare have been the principal sources of its marine foods, fresh water foods, including fish and prawn. Andhra Pradesh is the largest egg producer in India. As per the Agro Climatic Zones the following Major Crops are grown in Andhra Pradesh



S.No	Resources	Districts
1	Mango, Coconut, Cashew, Oil Palm, Bhendi, Chillies, Mushrooms, etc.	Krishna, East Godavari & West Godavari
2	Mango, Banana, Cashew, Coconut, Oil Palm, Tapioca, Sweet Potato etc	Srikakulam, Vizianagaram & Vizag
3	Mango, Oranges, Acid Lime, Banana Oil Palm, Coconut, Potato, Flowers, Coriander, Tamarind, etc.	Chittoor, Prakasam & Anantapur
4	Mango, Oranges, Guava, papaya, Flowers, Chillies, Turmeric, Coriander, etc.	Nizamabad, Karimnagar & Adilabad
5	Grapes, Guava, papaya, Oranges, Acid Lime, Tomato, Flowers, Chillies etc.,	Medak, Rangareddy & Mahabubnagar
6	Mango, Oranges, Banana, Guava, Pomegranate, Bhendi, Tomato, Onion, Flowers, Chillies, Turmeric.	Kadapa, Kurnool & Anantapur
7	Pine Apple, Black Pepper, Hill Banana, Guava, Mango, Cole Crops, Tomato, Aromatic Plants.	High Altitude Tribal Areas

### Growth

The state has about Rs 5,000 crores investment in the food processing sector contributing 20% of the total existing investments in the state. The annual production in this sector is about Rs.9260 crores contributing 20% of the total industrial production in the state. Agriculture will experience a quantum leap in growth, achieving an average annual growth rate of 6 per cent in real terms over the next 20 years.

### Strengths for promotion of Food and Agro Processing Industry

Andhra Pradesh ranks first in productivity of crops like coarse cereals, Jowar, Maize and Bengal gram.

- Andhra Pradesh ranks 2nd in producing Value Added food products and beverages with country 10% share. Per worker output in the food-processing sector in Andhra Pradesh is very high.

- The State is pioneer in Oil palm cultivation – 4.1 lakh hectares
- The State is 1st in sheep production
- The State ranks 1st in area and production in Mango, Oil palm, Chillies and turmeric
- The State ranks 1st in egg (1,505 crores p.a) and broiler production
- The State ranks 1st in production of brackish water shrimp and fresh water prawn
- 2nd in production of fresh water fish
- 2nd longest coastline of 974 kms
- 2nd in area and production in Citrus and Coriander

The state is very strong in the crops like Rice, Groundnut, Pulses and Bajra. The industries in food products contribute 19.36 per cent to total industrial production in the state. The major segments in the Food & Agro Processing sector are - Rice Mills, Sugar, Dal Mills, Dairy units, Milk Products & Confectioneries, Palm Oil and other Oil Mills, Biscuits, Mushrooms, Cold Storages.

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**Investment** - Achieving the growth

envisaged for the agricultural sector will require significant investment. The State will need promote investment around Rs.70,000 crore until 2010, while the total investment until 2020 will be roughly Rs.1,60,000 crore.

**Policy Support** - The Government provides reimbursement of power costs @ Rs.1 per unit up to 2010.

### Agri Export Zone

**Rice** : There is scope for establishing an Agri Export Zone (AEZ) for Rice in East Godavari and West Godavari. · Price-wise AP can compete with several other countries. · Higher Nutrient content of certain varieties like brown rice, purple and black varieties are preferred in many developed countries and can also be promoted in developing countries. · The main focus for Andhra Pradesh is on Non- Basmati rice varieties, which include Sona Masuri, Samba Masuri, HR-47, IR-64, Krishnaveni and Kavya.

### Agro Processing - Agro processing has avenues in:

**Rice** : Value addition in rice based products like rice flakes, puffed rice, rice noodles, rice cakes, fermented products, bakery products etc. · Rice beverages, rice barren oil. · IICT has developed technologies for value-added products. · FAO declared 2003 as “International year of Rice” recognizing the importance of rice in the food basket.

**Maize** : The requirement of maize by the major consuming agency i.e. poultry is around 15 lakh MT and is to be exported outside the state. · To avoid exploitation by traders, processing of maize can be promoted in starch making, maize granules etc. on the lines of Karnataka which has a separate body called “CORNFED”. · Ethanol made from maize is being blended with petrol and provides scope for utilizing the marketable surplus in the state.

**Jowar** : Similarly from jowar, alcohol can be extracted and made use of efficiently.

## Apparel & Textile Industry

Andhra Pradesh is a frontline State in gearing up for Post-MFA era effective from Jan'2005. Chances are abound for creation of employment avenues and earning foreign exchange through Textile Industry. New vistas are laid towards realizing this goal and strategy evolution. Moves are afoot to implement Apparel Export Parks and Textile Parks across the State as envisaged in the Strategy.

The State of Andhra Pradesh has well developed spinning and processing Sectors in the Textile industry. Today the infrastructure of the State is well developed. It has a good number of 100% EOUs along with 10759 weaving units with a production capacity of 28,381 million meters of fabric. Processing centers are equipped with a capacity to process on an average over 54 units, which adds up to 15 million meters of cloth per annum. The State is leading producer of Cotton with an annual production base of about 2.6 million bales per year. The State aims to emerge as a major player in the production and exports of textiles by 2010. Apparels, fabrics, made-ups and furnishings have been identified as growth engines by the State. The State has a target of achieving exports to a level of US \$ 2 billion in handloom and textiles per annum by 2010.

The State also aims to increase its domestic contributions for apparels and textile products to Rs 20,000 crores. (US \$ 4000 million). The domestic sales of the state are expected to be around Rs 12,000 crores (US \$ 240 million) per annum by 2010. Exports of apparels from the State are expected to grow steadily to the level of US \$ 2 billion by 2010. In order

to achieve these goals, Government of Andhra Pradesh have come with a strategy evolution.

Opportunities exist for setting up modern weaving and Apparel units in the State. All infrastructural facilities are already provided in the Apparel Export Park, Gundlapochampally (Ranga Reddy), Textile Park, Pochampally (Nalgonda) and Sircilla (Karimnagar). Textile Parks are being developed in Pamidi and Rayadurg (Anatapur), Pashamylaram (Medak), Kothur ( Mahabubnagar) and Warangal. Further one more Apparel Export Park is coming up in APSEZ Visakhapatnam. There are plans/ proposals to set up Textile Parks in Mylavaram (Kadapa) Mangalagiri ( Guntur) Nagari ( Chittoor) Yemmiganoor (Kurnool), Chirala ( Prakasham) and Rajam (Srikakulam).

The number of Powerlooms in Andhra Pradesh aggregates to around 44,000 employing approximately 1.10 lakh workers.

### Stitch your way to global market through Apparel Park for Exports

Garmenting is being considered as one of the sectors where India has competitive advantage and supposed to gain from phasing out of MFA. Andhra Pradesh has recognized the Garmenting Industry as one of the Growth Engines.



## Apparel Export Park, Gundlapochampally, Ranga Reddy District

Apparel Export Park, Gundlapochampally is the flagship of Apparel Industry in the country. It is a Rs 14 crore project lies 18 KM to Hyderabad, spread in 176 acres. It is heading for 2nd phase expansion. Chermas, Pokarna and host of other units are exporting to US, UK and several other countries and their clientele include Wall mart (US), JC Penny etc. The Park is equipped with the State-of-the-art facilities such as Uninterrupted power supply from a dedicated Power station, Roads, Drinking water, Drainage, Effluent discharge, Sewage system, Telecommunication, Transportation facility etc, Fire station, Truck terminals, Training institute, Bank, Post office, Crèche, Canteen and other facilities are coming up. 15 units have started commercial production creating employment to 6000 persons. Rs 100 crores worth garments produced during 2004-05 and 60% of the products are exported to UK, USA and EU. ATDC, NIFT and HIFT are catering to the needs of design and skill up gradation.

## Apparel Export Park, Vizag

As a sequel to the success story of Apparel Export Park, Gundlapochampally, Hyderabad the Apparel Export Park, in Gajuwaka, in Visakhapatnam is a Rs 26.42 crore project in 146 acres of land and has taken shape to add to the momentum of the growth engine.

To facilitate growth of powerloom sector,

Government of India have introduced three schemes to address the basic problems.

For modernization by offering 20% subsidy on modern looms up to a cost of Rs 100.00 lakhs under Technology Upgradation funds scheme and making available a wider credit net work including non-banking financial companies

For creating environment by giving 25% subsidy up to a limit of Rs 11.52 lakhs for beneficiary for construction of powerloom work sheds, Under the Powerloom workers Group work shed scheme.

For developing infrastructure for enabling cauterization of new work sheds permitting access to subsidy up to Rs 20.00 Crores for proposal under the Textile Centre Infrastructure Development Scheme

The Entrepreneurs are welcome to invest in Andhra Pradesh and avail the benefits of the above schemes along with the incentives being provided by GOAP for their prosperity and growth.



### Textile Park, Sircilla, Karimnagar District:

Government of India have approved with an outlay of Rs.773.39 lakhs. Park is fully developed in a sprawling 60 acre and it is 40 kms from Karimnagar and 130 Kms from Hyderabad. The park provides infrastructure like Common facilities such as Training center, Business Resource center already completed and Textile process unit, Testing Lab, CAD center and Common Effluent Treatment Plant, 33/11 KV substation with uninterrupted power supply, Assured water supply with internal water distribution system, Single window clearance for all approvals.

### Handloom Apparel Park, Pochampally, Nalgonda District

Government identified 50 acre land at Malkapur (V), Choutuppal (M) on the National High way No.9 at a distance of 40 Kms from Hyderabad and 12 Kms from Pochampally silk city. State Government have approved the project with an out lay of Rs.331.03 lakhs.

### Textile park, Pashamylaram, Medak District:

Government of India have approved the project with an outlay of Rs.11.03 Cr. under Textile Center Infrastructure Development Scheme. 100 acres land identified in IDA Pashamylaram for weaving activity and another 48 acre in Indrakaran (V), Patancheru (M) for process House and CETP and it is close to Hyderabad. So far 50 acres of land developed. Plots are available at affordable price. Single window clearance facilities provided for all industrial approvals.

### Hi- Tech Park, Kothur, Mahaboob Nagar District:

100 entrepreneurs have purchased 150 acres of private land for Rs 3.00 crores. The project cost is Rs 28.18 crores. SPV has been formed along with stake holders, Government of Andhra Pradesh IL&FS for

implementing the project Stake holders have already constituted a company under section 25 of Companies Act, 1956.

### Textile Park, Pamidi, Anantapur District:

It is a natural Garment cluster proposed to develop a park with an outlay of Rs.1.76 Cr. to upgrade Garment skills and promote export from the area. Government land to an extent of 2.77 acre identified. All infrastructures such as Water, Electricity, Roads, Storm water drains, Design Center, Common Facility Center building, Business Resource Center, Testing center and Crèche are proposed. Skilled manpower available. As it is close to Bellary and Bangalore, enormous scope for Garment exports.

### Apparel City, Visakhapatnam

Rs 2500 crore project for setting up apparel city by Brandix Lanka Limited in 1000 acres of land to create employment to 60,000 persons.

The textile industry is contributing nearly 9-10% to the GDP. It is also improving its performance in the recent years. The state textile production registered a growth rate of 3.3% during the year 2005-06. The state has advantage of good crop and the cheap labour, which has improved the production capacity since the past two years. The state fiber production has increased to 874.4m kg from 849.6m kg during the year 2006 as compared to the last year. While the spun yarn production showed a significant growth during the year 2006. It has increased from 628m kg to 653mkg during this period. There is a large scope for investment of Rs 45,000 crores in spinning to improve the spun yarn production in the coming 3-4 years. The state has a dominant position in the textile industry. The increased textile export apparel parks and SEZ will help the state in reaching the export target of US\$5 billion by 2012.

## A.P. Automobile Industry

### The State of Andhra Pradesh – Racing for the Future

The Government of Andhra Pradesh (GoAP) has made several reforms to usher in industrialization in the past liberalization era. The GoAP is determined to excel on all fronts to transform Andhra Pradesh (AP) into most-preferred investment destination in India.

AP, a politically stable and vibrant state with strong support of seaports and international airport is on the way of emerging as a major hub of the region. The areas which are being improved for the impetus of industry are assured and reliable power, abundant water, broad marketing base, export possibilities, manpower pool and strong IT network and developing high intensity industrial parks – which undoubtedly establishes AP as an undoubted destination for investment.

### Economic Benefits of Automotive Industry

AP recognizes the enormous economic potential of automotive industry for the future development of the state. The economic benefits of the automobile industry to a host economy are legion. The immediate tangible benefits of the automotive industry are:

- Employment generation
- Fast development of key linkage industries like steel, plastics, paints etc.
- Improvement in the technological and related skill levels in various supporting industries
- Increased exports
- Increased revenues
- Other multiplier benefits of improved infrastructural set-up
- Scaling up of the component industry players from the level of unorganised replacement sector to Tier III, II and I suppliers to OEMs





## Advantage Andhra Pradesh

Indian passenger car industry has reached the phase of rapid growth. The mid and luxury segments growing exponentially, riding the favourable demand drivers. The new global entrants achieved appreciable market present. Estimated growth rate of passenger car industry in India is 13% per annum and likely to reach 1.5 million by 2010. It is the right time for Global majors to enter into Indian car industry.

Andhra Pradesh is emerging as a more potential location for setting up of automobile industry. Mahindra & Mahindra is already in Andhra Pradesh manufacturing utility vehicles and mini buses in Zaheerabad in Medak district. Sunku Automobile Limited is manufacturing three-wheeler autos. In addition to these units there more than 52 automobile parts, spares and components units in the state. These units are very strong and producing quality products like engine valves, cylinder liners, pistons pins & rings, steel forgings, axel shafts and gears, CNC machine components, castings precision / High precisions etc. and supplying to many global OEMs.

Andhra Pradesh is an ideal location for setting up of Automobile industry. The advantages include

- ◆ Land is readily available at very reasonable prices
- ◆ Dedicated Gangavaram port with capacity of 35 MTPA initially and 200 MTPA ultimately for the Visakhapatnam Industrial Hub in addition to Visakhapatnam and Kakinda ports with container terminal facilities for easy exports.
- ◆ Visakhapatnam Steel Plant provides the required steel which is useful for the raw material for the auto industry
- ◆ Availability of uninterrupted quality power at very competitive price
- ◆ Dedicated Visakhapatnam Industrial Water supply scheme to provide sufficient water for the auto industry.
- ◆ Availability of skilled man power at competitive prices
- ◆ Availability of large consumer market
- ◆ Large Road Network with 4-lane roads connecting all important cities in the country
- ◆ Head quarters of the South Central Railway connecting to many cities in the country through railway network by operating super fast trains
- ◆ Strong base of ancillary industries
- ◆ Sales of passenger cars are growing very fast
- ◆ Investor friendly Government policies with number of incentives and concessions
- ◆ Committed Government for project facilitation with escort services
- ◆ Single Window clearances through enabled Act for quick implementation of the project
- ◆ International Airport Facilities in Hyderabad
- ◆ Existing Visakhapatnam airport will be upgraded to International Airport shortly

## Advantage Andhra Pradesh

- ◆ Best Social infrastructure – Health, Education, Recreation, Housing, Tourism, Entertainment and Accommodation
- ◆ Best R&D and Training Institutions – Indian School of Business, Central Institute of Tool Designs etc.
- ◆ AP is IT hub and provide best software services like CAD/ CAM and others
- ◆ Best Communication network facilities by BSNL, AIRTEL, RELIANCE, IDEA, TATA INDICOM

and HUTCH and broad band facilities.

- ◆ Special concessions in the Special Economic Zone

The state has as many as 40 important auto component manufacturing companies manufacturing the products like Engines, Engine parts, transmission parts, machine tools, Chassis and suspension Parts, Body Parts, Special Components, Design engineering Services (CAD/CAM/CAE) and other related activities and supplying to Major Global auto players like



- VW - Germany
- Deutz AG-Germany
- MTU Aero Engines (Germany)
- Ford Motor Co, US
- Pratt & Whitney (US)
- Copeland, USA
- Ourway, USA
- Schhumberger (US)
- Briggs & Stratton Corn. USA
- Delphi, Eichlin, TR&W(US & Europe)
- General Electric, (US & Europe)
- General Motors (US & Europe)

- Bombardier Transportation (Canada)
- Wartsila (Finland / France)
- aCL Piston Products, Australia
- New Holland – UK
- Iveco, Italy
- Piaggio vE., Italy
- Tecumseh Europe-Italy
- Lombardi SRL, Italy
- David Piers Motor Co.Ltd., Sri Lanka
- PD Omar Khayyam, Indonesia

## Engineering Industries

Andhra Pradesh is one of the preferred destinations for investments in India. This achievement is underpinned by the commitment of the State Government to industrial development. It has taken wide ranging measures to nurture its industries and as a part of it, Government of Andhra Pradesh has identified Engineering manufacturing as one of the Thrust Sectors.

Traditionally known as rice bowl of India, AP has made rapid strides in building Hi-Technology manufacturing base in the last 4 decades. AP is home to many large Public and Private Sector companies manufacturing diverse products like ship building, fertilisers, Hi-precision machine tools, drugs and pharmaceuticals, cement, paper, large power generating equipment, electronic hardware, long range missiles, castings & forgings, defence electronics etc.

AP is home to a large number of internationally renowned civil and defence research establishments, which include Defence Metallurgical Research Laboratory, Defence Electronics Research Laboratory, Defence Research and Development Laboratory, Indian Institute. of Chemical Technology, Centre for Cellular and Molecular Biology, National Remote Sensing Agency, National Geo-physical Research Institute, Central Institute of Tool Design, ICRISAT, National Institute of Nutrition, Nuclear Fuel Complex.

AP is perhaps the only state in the country in post independence India to have consciously developed local technocrat entrepreneurial base and with this support only that large Public Sector Units like Defence Research Complex, Defence Research and Development Laboratory (DRDL), Bharat Dynamics Limited [BDL], Defence Metallurgical Research Laboratory

[DMRL], Mishra Dhatu Nigam Ltd. (MIDHANI), Nuclear Fuel Complex, Electronics Corporation Of India Limited [ECIL], Bharat Heavy Electrical Limited, Hindhustan Machine Tools, Hindhustan Aeronautics Limited, Bharat Electrical Limited, Hindhustan Cables Limited, Hindhustan Ship Yard, Bharat Heavy Plates and Vessels, Visakhapatnam Steel Plant, Praga Tools etc. could build up their ancillary (vendor) network and has laid the foundation for development of special purpose machines and precision machine tools & machining and led to development of a host of small & medium industries catering to the needs of defence, atomic energy, space. Leading companies have set their base in the State include MTAR, MARC, Lokesh Machine tools to name a few.

MTAR produces assemblies and precision components for use in space and nuclear applications. The MARC subsidiary of MTAR produces high precision indigenous manufactured ball screw assemblies for machine tool applications and nuclear applications. Apart from ball screws MARC is also engaged in manufacturing of Coolant channel assemblies and other intricate assemblies for nuclear reactors.

Precisely for this effort, the World Bank had chosen AP (APIDC) for promoting the first venture capital organisation in India at the state level for commercialisation of home grown technologies and for further development of technocrat entrepreneurial base in the state.

Engineering Manufacturing include special purpose machines and high precision machined components and parts used in defence and space industries; Bio-technology; IT; knowledge based industries; Automation; Nano-technology etc.

## Electronic Industry in A.P.

Electronic Hardware is one of the fastest growing sector of economy in the world. Electronic Industry is in existence in Andhra Pradesh since 1960. Most of the electronic industries are in the SME segment and have highly specialized product lines. Government of India owned Public Sector – Electronic Corporation of India Limited was set up in the year 1967 which has given a boost to electronic industries in the State. The major segment of electronic hardware industries existing in AP are

- ◆ Telecommunications
- ◆ Components
- ◆ Industrial Electronics
- ◆ Test & Measuring Equipments
- ◆ Computer & Consumer Electronic
- ◆ Strategic Electronics

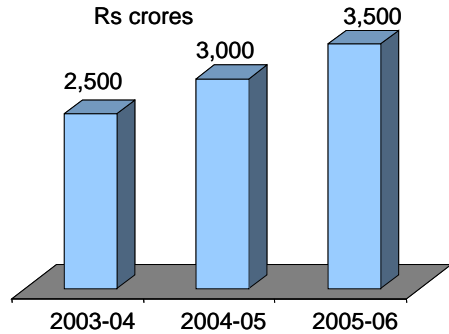
### Indian Hardware estimated by 2006

- ◆ 25 million personal computers
- ◆ 10 million networking devices
- ◆ 250 million components
- ◆ Export potential of US \$ 10 billion by 2008

SMEs are the back bone of the Country contributing 45% in the country's economic. 40,000 employees work directly in Electronics segment and 40,000 more employees work with supporting ancillary industry. Electronic Hardware Industry can create employment for technical professionals.

In order to tune the growing electronic industry, the State is taking several initiatives in creating world-class

### AP Electronic Industry Production



infrastructure facilities for promotion of electronic hardware Industry in the State and for the rapid economic growth as well as to create more employment in this sector. The State is striving to match the best in the world in terms of innovation, quality, price and agility of manufacture and by doing so, become the leader of the industry in the country and achieve atleast 15% market share in the country by 2009-2010.

Government of AP as promoted a Hardware Park in 1109 acres adjacent to Hyderabad-Srisailam Highway near Raviryal Village in Ranga Reddy District. The major electronic industries like Catalytic Software, Millennium Appliances India Limited (Videocon), Astra Microwave Products, JT Holdings Pvt. Ltd. Agakhan Foundation, Hyderabad Gems SEZ Ltd, Anantha Technologies Ltd. Tibrewala Electronics Ltd, HCL Infosystems, Kennex Micro systems, Zen Technologies Ltd., Vem Technologies Pvt. Ltd. are setting up their projects in the Hardware park.

Semlnida proposed to set up of semiconductor manufacturing fab city project with an ultimate investment of US \$ 1.5 to 3 bn. Over a period of five years. The project will be in area of 1200 acres of land. Initially project will be implemented in the area of 300 acres of land.

In addition to the existing Hardware Park, Government of AP is promoting Hardware SEZ in 275 acres near Maheswaram in Ranga Reddy for promoting more electronic industries

### Road Map of AP Electronic Industry.

- ◆ Developing benchmarks for the electronic industry in respect of global practices.
- ◆ Identifying key drivers of growth and gap analysis
- ◆ Assessment of market size and segments for the domestic and export market
- ◆ Global and domestic competitive analysis
- ◆ To provide world class facilities to attract major domestic and multinational Hardware Manufacturers to set up their operation
- ◆ Be a base to manufacture both

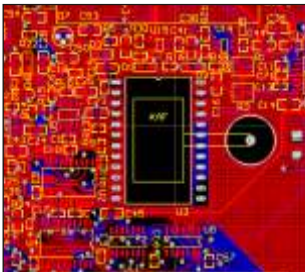
conventional and futuristic hardware products

- ◆ To serve as hub to cater to the increasing demand both in India as well as other markets in Europe, Africa and the Asia Pacific region Established companies in AP gearing for increased exports by creating world class manufacturing facilities.

### Scope for investment

Nano Technology, Semi conductors, computer peripherals, appliances, precision engineering, ICs, LSICs, VLSICs.

**Embedded Systems** – Disk drives, Modems, MPEG decoders, Network cards, Network switches / routers, Electronic card readers,, Camcorders, Battery charges, Automatic Teller Machines, Automatic Toll systems, Cruise control, Curbside Check-in systems, Anti-lock brakes Auto-focus cameras, Finger print identifiers, Home security systems, Life-support system, Medical testing system, Printers, Photocopiers, Scanners, Fax machines, Digital cameras, Cell Phones, Satellite Phones, Cordless phones, DVD Players, Teleconferencing system, Temperature controllers, Video phones,





# Tourism

# Tourism

The Vision of the Government of Andhra Pradesh, as declared in its policy, is to make it a destination state, given the array of natural resources and the traditional hospitality of its people. Taking Andhra Pradesh to the world, and bringing the world to Andhra Pradesh is the ultimate aim.

AP Tourism, has kept abreast of the rapid developments and with the searing pace set by the State Government to make it the ideal destination in the country. Over the past 4 years, by which time the 1998 Tourism Policy of the State Government started showing results, faster growth in the tourism sector has been achieved. Andhra Pradesh is among the first in the country to have an exclusive policy for tourism, a sphere that can generate overall growth and create employment opportunities.

Creation of a multi-disciplined Project Monitoring Unit (PMU) is another first for Andhra Pradesh. This unit acts as a catalyst in the fast-changing scenario of tourism. It is the generator of ideas, identifier of projects, selector of investors and monitor of the implementation process. As of now, 49 projects are being set up in the State by private entrepreneurs with an investment of Rs.592 crore. Another 14 projects are in the process of evaluation for an investment of Rs.524 crore. Under MoU category, the PMU has facilitated 11 projects with a cost of Rs.430 crore. Thus, during the last 4 years the Government has facilitated the launch of 68 projects with a total investment of Rs.1510 crore. In addition 88 projects costing Rs.810 crore have been set up exclusively by the Private Sector due to the state's pro-active role.



Detailed studies were also made by reputed consultants like WTO, EDAW and KPMG for identifying the areas for tourism development and the strategies to be adopted. The Tourism Development and Management Plan, prepared on behalf of the State by the World Tourism Organization (WTO), coordinates the diverse elements of tourism activity and provides direction for tourism policy formulations and Industry planning all through to the year 2020. With the involvement of the private sector being an accepted and inevitable component in tourism promotion and development, Andhra Pradesh Tourism has responded with alacrity and grounded several projects with the involvement of this sector. To bring in more investment and projects, Andhra Pradesh Tourism has gone a step further to identify government vacant government land in order to develop major tourist attractions on these locations.

### Achievements

Hotel occupancy rate in 2002 was higher than the national average of 53. Andhra Pradesh shares about 23 per cent of national tourist arrivals. A beginning has been made and a bright future awaits tourism. Endowed bountifully by nature, Andhra Pradesh has vast potential for

tourism development with a priceless asset - a friendly and hospitable people. Andhra Pradesh bagged 6 National Awards including the Best Performing State for the year ending 2001-02.

Andhra Pradesh offers attractive investment opportunities to private developers and investors. The State has picturesque beaches, hills, wildlife and forests, forts, temples, a large number of Buddhist sites, bird sanctuaries etc. In order to attract private investment, the policy provides a number of incentives and concessions with a liberal organizational set-up for one-stop policy decisions and inter-departmental coordination. Introduction of a Single Window Clearance System is yet another latest step in this direction. Land is the basic requisite for any infrastructure development Government is also inclined to lease Government lands for important Tourism Projects.

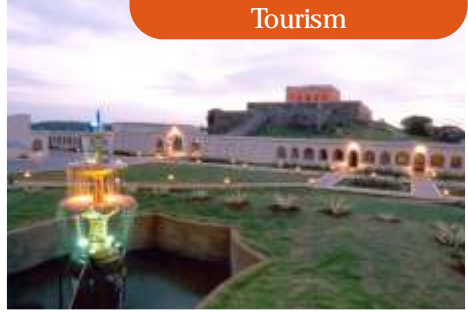
The Regulations of Master Plans of concerned UDA also provide for automatic conversion of land use (for Tourism Related Projects and also exemption from conversion charges. Andhra Pradesh accounts for around 23 per cent of the domestic tourist arrivals in the country and 2.7 per cent of international tourists coming to India to visit Andhra Pradesh.





### Investment Opportunities

The State offers attractive investment opportunities to developers and investors. It also offers tourists, both international and domestic, an opportunity to partake in the experience, the Government has embarked on a series of steps that will promote tourism and result in increased tourist inflow in terms of value. Hence, the Government of Andhra Pradesh has adopted a proactive, investor-friendly, open-door policy for the investors. Investors are assured of a cooperative Government and transparent administration. Andhra Pradesh will soon be transformed into a tourism destination. This can be achieved only with active participation from the private sector. Immense opportunities exist in tourism development in the State. The identified clusters for tourism development, include Hyderabad, Visakhapatnam, Tirupati, Vijayawada, Nagarjunasagar and Warangal, which need to be linked by transportation corridors.





# Information Technology



With the erosion of old barriers and the clamor for competitive pricing, there isn't a major company on the planet that can ignore the power of IT to build competitive advantage. What remained was to find a hallowed ground. Someplace where IT was worshipped and the revolution could grow and nourish itself. AP has answered the summons and offered the revolution a home. The industry has accepted in resounding chorus turning the State into a hotbed of IT activity.

The state has emerged as the back office to the world, and the preferred Investment Destination for the Global ICT Industry. BPO to KPO, Services to Application, Technology to R&D, Design to FAB, EMS to Telecom, Animation to Gaming are all present and voting in Andhra Pradesh. The roster of companies who have made the state their home include: Microsoft, Oracle, Computer Associates, IBM, Dell, Computer Sciences Corporation (CSC), GE, HSBC, Bank of America, Deloitte, Motorola, Nokia, Qualcomm, Convergys, Cypress Semiconductor, Google, UBS, Amazon, Satyam, Infosys, Wipro, HCL Infosystems, Celetonix and Dataquest. The Government's Vision

The Government of Andhra Pradesh aspires to transform the state into a knowledge society and make available the benefits of information technology to all its citizens, especially those in rural areas and living in poverty. The State wishes to become a leading destination for investments in Information & Communications Technology

(ICT) and a major player in the information economy. The State will leverage ICT for achieving an Info age (inclusive, networked, fast, open, accountable, globally benchmarked and efficient) government.

The NASSCOM-KPMG report of 2004 projects India's exports in IT&ITES/BPO sector at US\$49 billion by 2009 with direct employment opportunity for 2 million graduates. Andhra Pradesh aims to achieve US\$15 billion in IT/ITES exports and seeks to create as much employment.



McKinsey's report projects India's electronics manufacturing opportunities to be a US\$47 billion industry by 2009. Andhra Pradesh is building a \$12 billion IT hardware and Electronics manufacturing industry. Viewpoints National Geographic, in its article on Emerging Global Cities of the World, has rated Hyderabad as the "Next Silicon Valley" and Andhra Pradesh as the "Hitech Capital of the Subcontinent" in its Nov 2002 issue. Gartner, in its report says "Hyderabad to be IT Hotspot by 2010". Hyderabad tops the ratings in the infrastructure category, scores high on 'cost of life' and 'quality of living' parameters and availability of skilled labor with lower attrition rates.

IT Industry Investment Promotions Andhra Pradesh aims to attain leadership in the information economy by developing local enterprise (business organization) and by attracting best-in-class ICT companies and institutions. The ICT sector today faces new challenges that need to be addressed. The key drivers for deciding the location of ICT companies are the availability of skilled talent, apart from high quality infrastructure and a supportive Government. The present ICT policy seeks to focus on development of Human Resources, Infrastructure, Capital and Incentives.

### Salient Features of the ICT Policy

The four key areas for providing the right ambience for attracting investments into the state are:

- ◆ The organizational structures and arrangements for attracting investments in ICT.
- ◆ The incentives regime for the ICT sector.
- ◆ Facilitation for potential investors.
- ◆ Provision of aftercare services to existing ICT players within the state.
- ◆ Institutional Mechanisms

### AP Invest

The Government of Andhra Pradesh will aggressively identify potential investors as part of a targeted approach and will present AP's value proposition in the specific context of their businesses. Success-fee based partnerships with leading global consultants to attract investments. Promotion of Infrastructure and incentives · Hyderabad Knowledge Corridor to be set up over 80 sq.kms covering 20,000 acres.

Creation of IT Corridors in Hyderabad along the outer ring road.



- ◆ Vijayawada from Ibrahimpatnam to Kankipadu. · Visakhapatnam between Anakapalli and Anandapuram. · Urban land ceiling exemption for private landowners to develop IT Parks 25 acres and above on the periphery and 5 acres and above on core city limits on payment of necessary fees.
- ◆ 100% Reimbursement of Stamp Duty · Rebate on Cost of Land for IT companies establishing own facilities on clear Government land.
- ◆ 5% of space created for ICT purposes in the IT Parks reserved for Incubation.

### Highlights and Objectives of the ICT Policy

- ◆ AP aims to achieve Rs.69,000 crore in software exports and create employment for 300,000 people directly.
- ◆ The Government arrived at this Policy by including and involving all stakeholders and academia in the framing of the same.
- ◆ Small and Medium Enterprises are offered special packages in the Policy. These include rebates and reimbursements, cheaper power and recruitment assistance.
- ◆ Special packages for mega projects (> 50 crore or 1000-1500 employees) are on offer.
- ◆ A nano-technology park will be set up to encourage R&D and semiconductor manufacturing.

- ◆ An IT Infrastructure Fund will meet the cost of servicing the interest on the loans raised by APTRANSCO and Water & Sewerage Board for development of IT Parks.
- ◆ [www.apit.gov.in](http://www.apit.gov.in) has all the specifics on the ICT Policy.

### Rajiv Gandhi Nanotech Park

A mega fab-semiconductor manufacturing company, the first in India in the private sector is to be set up by Intellect Inc., South Korea in association with the Government of Andhra Pradesh under the name Nano-Tech Silicon India Pvt Ltd. Commercial production is expected to start in early 2007. With a total proposed investment of US\$1.6 billion and a production capacity of 30,000 wafers per month it would give a fillip to hardware manufacturing in Andhra Pradesh. It will attract end-product manufacturing companies and shall provide direct employment to 10,000 people and will facilitate around 250 ancillary industries. It is expected to manufacture logic chips for Cellphone chips, Automotive ICs, Microprocessor Cores, RF Power devices etc.



## eGovernance

The Government of Andhra Pradesh is committed to build a people-centered, inclusive and development-oriented Information Society, where everyone can create, access, utilize and share information and knowledge, enabling individuals, communities and people to achieve their full potential in promoting sustainable development and improving their quality of life. The Government intends bridging the digital divide and creating an inclusive Information Society.

## AP Broadband

The AP Broadband Network will connect the State HQ with 10 Gpbs to each of the District HQs; 1 Gbps to each of the 1127 Mandal Headquarters and 100 Mbps to each of the villages. The network will have fiber optic connectivity right up to the village level.



AP Broadband will provide broadband services with a minimum bandwidth of 2 Mbps, at a base tariff of Rs.300 per quarter. The broadband network will provide broadband services to 40,000 Government offices. This will enable all Government Departments to deliver convenient citizen services through

eSeva Centres, Rajiv Internet Village Kiosks and web-based online services. Widespread availability of broadband services at affordable rates is expected to take not just Government services to the doorsteps of the citizens but also trigger significant economic activity in every sector. Rajiv Internet Village (RAJiv) program The Rajiv Internet Village program aims at bringing Government closer to people in the rural areas. The main objectives of the program are:

- (i) Delivering needed Information and services to citizens in rural areas.
- (ii) Imparting Computer literacy to at least one member from each family in rural areas.
- (iii) Providing broadband connectivity to rural areas.

It provides easy access to information on Agriculture, Education, Health, Market Prices, Cropping Pattern, Weather Forecast, Agriculture Extension, and Utility services of the Government, Insurance etc.

## eProcurement

Andhra Pradesh is the pioneering state in India to implement electronic procurement by adopting the Information Technology tools in public procurements. The prime objectives of eProcurement are demand aggregation, transparency, accountability, fiscal savings, standardization of procurement processes across government entities to bring in administrative efficiency.

The eProcurement system offers a superior level of security with Secure Socket Layer (SSL)

encryption, strong authentication with digital certificates and speed to conduct real time bidding over the Internet. Currently eProcurement is implemented successfully in 7 government departments, 9 PSUs, 25 Municipalities spread across length and breadth of the state. Since the inception, the portal has processed 6394 transactions worth Rs.34,493 crore i.e. US\$7 billion.

### SAPNET

Society for Andhra Pradesh Network (SAPNET) is a major infrastructure project of the IT and Communication Department. It is a unique network of five television channels and a data channel dedicated to education, e-governance and development. Fourteen departments of the government of AP covering the entire spectrum of education and development activity generate programs for over 2000 user institutions spread across the state. The project is a pioneer and is being replicated in other states in India by ISRO as EDUSAT.

### eSeva

Looking at 'service' from the citizens' point of view, the Government of Andhra Pradesh seeks to redefine citizen services through eSeva, using state-of-the-art technologies. It's a pioneering initiative of the Government of Andhra Pradesh, which offers a wide spectrum of citizen-friendly services that saves citizens the bother of running around various departments. It provides services like utility bills/tax payments, issue of certificates, issue of licenses/permits, reservations and more on a one-stop basis.

### CARD (Computer-aided Administration of Registration Department)

Computer-Aided Administration of Registration Department is an e-governance initiative of the Registrations Department of the State Government providing end-to-end automated solution of registration process. Its services includes Registration of deeds like Sale, Mortgage, Lease, and Gift completed in 1 hour and Search of title deeds of last 20 years in 15 minutes.

### e-COPS

eCOPS is an Online Police Network, conceptualized by Andhra Pradesh Police to computerize the total policing by utilizing State of Art technology. It enables speedy processing, increased efficiency, transparent policing and better interaction with the citizens of Andhra Pradesh.

### AP Portal

One-stop-shop on the Internet & Single window online services for Citizens & Businesses AP Portal is an e-governance gateway for the Government of Andhra Pradesh offering multiple services through a single window, to its citizens. The portal redefines governance and the government-citizen interface. AP Online offers over 200 informative, interactive and payment services to citizens and it is easily accessible through multiple delivery channels, homes and offices, anytime, anywhere.

### CFST - Citizen Friendly Services of Transport Department

CFST - Citizen Friendly Services of Transport Department aims at providing all Transport related services to citizens in shortest possible time. The entire process of the Transport Department has been automated for the delivery of services.

### CaringGov

Automates the functions of the Government bodies at all administrative levels. The Secretariat is being computerized to provide electronic file system in 30 departments involving over 2,000 employees at all levels.

### GO Places & IC

The Government will set up an electronic employment exchange (GO Places) & obtain Ideas from Citizens (IC) for giving suggestions to improve the quality of governance.

### m-Government

The Government of Andhra Pradesh will launch mobile communications for delivery of e-government applications by making available to begin with few of the services of eSeva.

### Website Policy

All Departments and Agencies of the government will host and design websites uniformly. All websites are to be bilingual i.e., in Telugu and English. Local Language Development Government will support in standardization of representation and processing local language for effective usage of computers and eLiteracy programmes.

### Call Center

Integrating with departments and mirroring with AP Online for handling all citizens related queries by strengthening the existing call center.

### Software Piracy

The Government is keen in protecting the Intellectual Property Rights and Copyrights of IT Products and will encourage usage of only legal or authorized products.

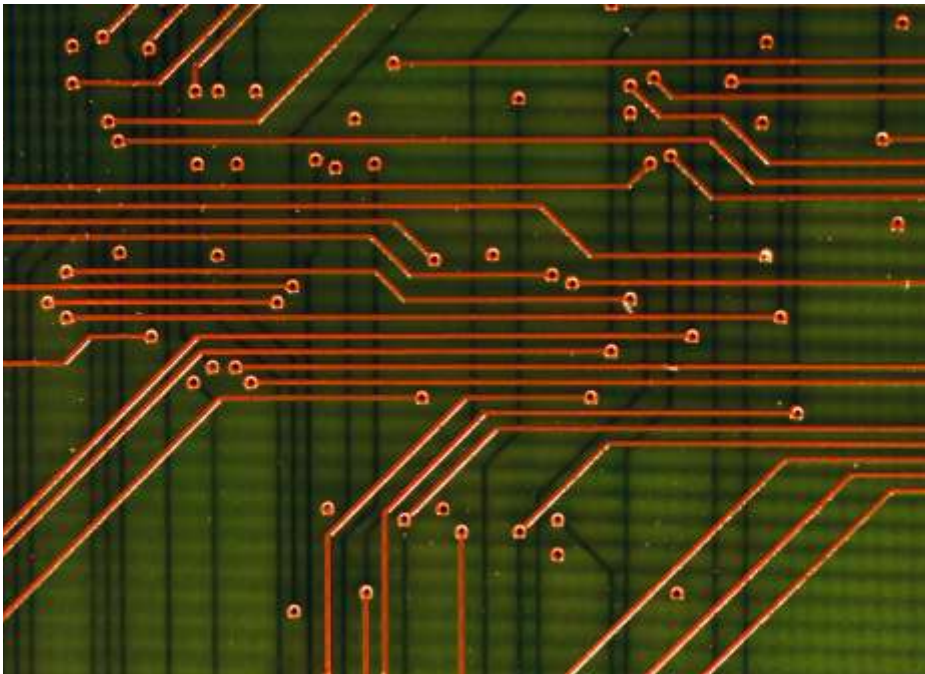
### Institutions of Governance

The Centre for Good Governance (CGG) – Institution coordinates on designing and implementing the governance program of the Government of Andhra Pradesh. CGG undertakes action research, provides professional advice to and conducts change management programs for government departments and agencies to help them implement their reform agenda successfully. CGG works closely with policy-makers like Ministers, officials, experts and other stakeholders, especially citizens, to promote Simple, Moral, Accountable, Responsive and Transparent (SMART) government. National Institute for Smart Government (NISG), Hyderabad is a non-profit company incorporated in 2002 with NASSCOM (National Association of Software and Service Companies), Central and State governments being the principal promoters.

NISG is being shaped as an institution of excellence in the area of e-Governance with focus on developing appropriate architectures and standards, providing high-level consultancy services and capacity building at the national level. NISG is constituted under a Public Private Partnership model with a view to combine the immense potential and resources of the private sector with the principles of accountability and transparency of the public sector. The goal of NISG is to lead the nation to a preeminent position in providing integrated online services to the citizens and businesses.

### IEG

Institute for Electronic Governance (IEG) is a 'not for profit' Institute established as a special purpose institutional mechanism that works in close collaboration with the National Institute for Smart Government (NISG), International Institute of Information Technology (IIIT), a Consortium of Institution of Higher Learning (CIHL), Information Technology & Communication Department (IT&C), Higher/Technical Education Departments (HE/TE) & a large number of engineering colleges and other technology institutions in the State. A number of steps have been taken to transform the state into a knowledge society.



## Leather Industry

Andhra Pradesh has nearly seven per cent of the country's livestock population, which is over 470 million. The State is a major producer of hides and skins in India, contributing about 19 million pieces per annum, which constitutes about 10 per cent of the country's raw material. Most of this raw material goes to states like Tamil Nadu and West Bengal for processing. There are about 34 large and medium tanneries in the State producing about 40 million square feet of processed hides and skins per annum. There are 15 garment-manufacturing units and 12 leather goods and footwear manufacturing units in the large and medium-scale sectors in the State, through a concentrated effort combining strategy, policy incentives and infrastructure development.

The action plan provides for capacity building at all levels to have a comprehensive skills-base in the target artisan and worker groups. To that effect Leather Industries Development Corporation of Andhra Pradesh (LIDCAP) is the nodal agency for the leather program in Andhra Pradesh. It has established a number of strategic alliances and partnerships to bring technology and knowledge base to the leather industry.

## Leather Industrial Parks

The government is setting up the following requirement-specific infrastructure parks for promotion and development of the leather industries:

- ◆ 72 Mini leather Industrial Parks of 25 acres each for processing quality Raw Material.
- ◆ 16 Medium Leather Industrial Parks

of 100 acres each for processing semi-finished leather to finished leather.

- ◆ 6 Mega Leather Industrial Parks of 300 acres each for conversion of all intermediate products to export quality. Duddeda, Medak - Dandempalli, Nalgonda - Rachepalli, Anantapur- Vennelavalasa, Srikakulam - Jinkunta, Mahabubnagar Medium Parks - Rampur, Warangal - Kunoor, Nalgonda - Varadayapalem, Chittoor

## Integrated Development of Leather Sector Scheme of Government of India.

The financial assistance under the Scheme will be investment grant to the extent of 30% of cost of plant and machinery for SSI and 20% of cost of plant and machinery for other units (i.e. non SSI units) subject to a ceiling of Rs. 50 lakh for technology up gradation /modernisation and/or expansion. Investment grant would also be available to units investing their own resources.

All existing units in leather and leather products including tanneries, leather goods, saddler, leather footwear and footwear component sector undertaking viable and bankable programmes on technology up-gradation are eligible for this scheme





## Mega Parks

### Mega Park, Gangadhar Nellore

This proposed park is located at Gangadhar, Nellore, 11 Kms from Chittoor town and 30 kms from Ranipet (nerve-center of Leather Industry) to be developed over 300 acres of land for non-polluting industries especially for the exporters of leather goods/articles to set up their prestigious units. The park has been set up through public-private partnership initiative. Its advantages are:

A Friendly industrial policy.

Captive power generation with support services such as banking, trade, finance, foreign exchange, conference and exhibition halls etc. · Training, research and skill building. · Common research, testing and quality control facilities.

Availability of abundant finished leather from tanneries located around Ranipet, Tamil Nadu and also from Medium Parks in AP.

For Investment exceeding Rs. 100 crore the Government may consider a special package of incentives.

### International Leather Complex, Nellore

This is a Government of India project being set up on 500 acres of land under the supervision of LIDCAP. Land has been identified and the Government is to transfer the land to LIDCAP. The complex will suit the requirements of tanning and footwear units of international standards. It is near the seacoast and located at a distance of 150 kms from Chennai.

### Leather Export Park, Hyderabad

This park is ideally located in the heart of Hyderabad and is well connected by road, rail and air. It is equipped with state-of-the-art infrastructure and modern imported footwear machinery to manufacture all types of leather footwear and articles of exportable quality.





# Andhra Pradesh

## Government Policies



Most attractive investor friendly  
Industrial Investment Promotion Policy



## Most attractive investor friendly Industrial Investment Promotion Policy 2005-10

The Policy to drive industrial growth by clearly spelling out various components of incentives being offered, supply of quality power, improved infrastructure facilities, etc., and To remove existing barriers and creating a congenial and hassle-free investment climate and also to boost investor confidence, a series of proactive measures have been proposed:

- ◆ To make Andhra Pradesh a strong base for manufacturing sector
- ◆ To increase industrial investment by 10% every year with an objective to reach Rs.170 billions by 2010 by promoting rapid growth of market driven, knowledge based, efficient and competitive industrial environment.
- ◆ Contribution to the State GDP (GSDP) from industrial sector to be increased from 12.9% to 15%.
- ◆ Creation of additional employment opportunities
- ◆ To improve exports from the State by increasing the present share of exports in India from 4.39% to 10% by 2010
- ◆ Rural Industrialization with emphasis for promoting cottage and micro enterprises

### The Objectives:

Promote Andhra Pradesh as an attractive destination for industrial investments

- ◆ To market Andhra Pradesh as competitive investment destination for Foreign Investments
- ◆ To create enabling environment for ensuring maximum value addition

to the abundant locally available resources

- ◆ To enhance quality of life in the State to suit to the needs of the investors
- ◆ To attract and develop appropriate entrepreneurial leadership, management and HRD systems
- ◆ Alleviate regional disparities in economic growth

### Polices

- ◆ Improving infrastructure by facilitating investment in industrial infrastructure in private sector.
- ◆ To encourage establishment of New Tiny and Small Scale Industries particularly in rural areas to achieve the twin objectives of employment generation and utilization of local resources
- ◆ To encourage, attract and involve women entrepreneurs in industrial capacity building
- ◆ To withstand global competition, Special Emphasis on qualitative competitiveness through Technology upgradation and protecting Intellectual Property Rights



To increase contribution of manufacturing to the State Gross Domestic Product from 12.9 % to 15 %

- To arrest environmental degradation
- Encourage cluster concept to make the industries in the Clusters Globally Competitive
- To develop effective regulatory mechanism for entry and operation of firms
- Create a market driven environment with the private sector being the primary engine for growth.
- Special Emphasis for restructuring and consolidation of sick industrial units

### Policy Initiatives under Industrial Investment Promotion Policy 2005-2010

#### *Small Enterprises*

- 15% subsidy on fixed capital Investment limited to Rs.15 lakhs
- 100% reimbursement of Stamp duty and transfer duty paid by the industry for lands meant for industrial use
- 100% reimbursement of stamp duty for lease of land/shed/buildings

#### Strategy

- Creation of quality infrastructure
- Incentivising investments
- Building industrial competency in women
- Quality competitiveness
- Export promotion
- Environmental friendly climate
- Attracting mega investments
- Attracting foreign direct investment
- Access to market
- Intellectual property rights
- Fostering industrial clusters
- Prevention of industrial sickness
- Preventing migration
- Permitting industries to exit.
- Towards better regulation
- Policy measures- thrust sectors



## Polices

- ◆ 25% of the tax paid during one financial year will be ploughed back as a grant for a period of 5 years.
- ◆ Power cost will be reimbursed @ Rs.0.75 per unit during the first year of the policy and thereafter for the remaining four years the rate of reimbursement would be so regulated on yearly basis keeping in view of the changes in the tariff structures to ensure that the power cost to the industry is pegged down to the first years level.
- ◆ Reimbursement of cost of power for eligible food processing units shall be allowed @ Rs.1.00 per unit as against Rs 0.75 ps per unit as provided for the other eligible industries under IIPP.
- ◆ 3% interest rebate on term loan limited Rs.5 Lakhs per year for 5 years
- ◆ 25% rebate in land cost in Industrial Estates/ Industrial Development Areas of APIIC limited to Rs.5 lakhs
- ◆ 50% subsidy for patent registration limited to Rs. 5 Lakh
- ◆ 8% subsidy on capital equipment for technology up gradation limited to Rs 20 lakhs
- ◆ 50% subsidy for quality certification limited to Rs. 1 Lakh
- ◆ 25% subsidy limited to Rs.5 Lakhs on cleaner production measures

*To increase industrial investment by 10% every year with an objective to reach Rs.170 billions by 2010 by promoting rapid growth of market driven, knowledge based, efficient and competitive industrial environment.*

## Large & Medium Enterprises

- ◆ Infrastructure assistance to stand alone units by contributing 50% of the cost of infrastructure from IIDF subject to a maximum of Rs.1 Cr.
- ◆ For mega projects with investment above Rs.100cr. Tailor made benefits will be extended on case to case basis to suit the particular investment
- ◆ Power cost will be reimbursed @ Rs.0.75 per unit during the first year of the policy and thereafter for the remaining four years the rate of reimbursement would be so regulated on yearly basis keeping in view of the changes in the tariff structures to ensure that the power cost to the industry is pegged down to the first years level.



## Polices

- ◆ Reimbursement of cost of power for eligible food processing units shall be allowed @ Rs.1.00 per unit as against Rs 0.75 per unit as provided for the other eligible industries under IPP.
- ◆ 50% subsidy for quality certification limited to Rs. 1 Lakh
- ◆ 25% subsidy limited to Rs.5 Lakhs on cleaner production measures
- ◆ 50% subsidy for patent registration limited to Rs. 5 Lakhs
- ◆ 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use
- ◆ 100% reimbursement of Stamp duty for lease of land/shed/buildings
- ◆ 100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages etc.
- ◆ 25% rebate in land cost in Industrial Estates/ Industrial Development Areas of APIIC limited to Rs.5 lakhs
- ◆ 25% of the tax paid during one financial year will be ploughed back as a grant for a period of 5 years.

Tailor Made Special Incentive Package for Mega Projects with investment more than Rs.1000 Million

## Special incentives for women entrepreneurs

- ◆ 5% Additional Investment Subsidy on fixed capital investment limited to Rs 5.00 lakhs in additional to the 15% investment subsidy (limited Rs 15 lakhs) to SSI/ Tiny units

- ◆ Another 5% investment subsidy limited Rs. 5 lakhs for women belongs to SC/ST community
- ◆ 5% of Project will be provided as a seed capital assistance (limited Rs. 5 lakhs) as a grant for National Equity Fund Scheme sanctioned cases.
- ◆ 5% interest subsidy (limited to Rs 5 lakhs per year) on PLR will be given on term loan for a period of 5 years. (for other than women it is only 3%)
- ◆ 8% subsidy on capital equipment for technology up gradation limited to Rs 25 lakhs

## Special incentives for SC/ST entrepreneurs

- ◆ 5% Additional Investment Subsidy on fixed capital investment limited to Rs 5.00 lakhs in additional to the 15% investment subsidy (limited Rs 15 lakhs) to SSI/ Tiny units
- ◆ 5% of Project will be provided as a seed capital assistance (limited Rs 5 lakhs) as a grant for National Equity Fund Scheme sanctioned cases.
- ◆ 8% subsidy on capital equipment for technology up gradation limited to Rs 25 lakhs
- ◆ Incentives will be sanctioned for the ineligible line of activities also.



## Tourism Policy 2006

- A Unique Selling Proposition (USP) and brand image – It is important that the Unique Selling Proposition of the State is defined and branding done accordingly to ensure proper positioning and focus for the State in the Indian and world tourism map.
- Development and differentiation of tourism products – Attention will be focused on creating and differentiating tourism products in all sectors such as pilgrimage, heritage, business, sports, spiritualism, eco-tourism, health, leisure and rural tourism. Government shall work closely with all the stake-holders including private players in this regard.
- To devise well concerted publicity campaigns to popularize the State's tourism products both in domestic and international markets.
- Capacity building and institutionalization – Staffing pattern, duty charts of the three operational wings of Tourism Department i.e., Project Monitoring Unit (PMU), Department of Tourism (DOT) and Andhra Pradesh Tourism Development Corporation (APTDC) shall be rationalized.
- Involvement of Gram Panchayat and Municipality in tourism promotion as planning and implementing agencies – Local bodies should play crucial role in planning and development of tourism products especially in the Notified Tourism Areas (NTAs)
- Incentives and Concessions shall be extended for tourism projects of international standards to be set up in Special Tourism Areas and Notified Tourism Areas in such circumstances that
  - Assured employment generation (direct and indirect) on sustainable basis in various regions cross the state
  - Promoting rural tourism in the State across various regions
  - Promoting desirable projects that are otherwise commercially unviable
  - To ensure level playing field between public and private sector tourism units
  - Priority for tourism project such as wayside amenities, budget hotels, urban entertainment centres health resorts and leisure resorts etc.
  - Special incentives to mega tourism projects costing Rs 100 crores or more on case to case basis.
  - Availability of land with clear and often in the limiting factor for setting up of useful tourism projects on long lease. Considering the employment potential and income generating capacity of the sectors.
  - Providing basic infrastructure by the concerned Government departments and agencies is vital to make any tourist place viable and popular. Government considers it a top priority to formulate Tourism Sub Plans (TSP) by all related Government Departments.



- ◆ Tourism Development through Public Private Partnership (PPP): PPP mode of planning and development of new tourism projects in the State. Government shall consider making land available wherever it is feasible and expect the private entrepreneurs to plan, execute and operate the tourist infrastructure projects.
- ◆ Building infrastructure: Land / Buildings
  - ◆ Encourage private investment in tourism infrastructure
  - ◆ Identify land and buildings in other departments and utilize them by creating facilities
  - ◆ Intra-department MoU to define subsisting rights, payment of lease sharing of profits.
- ◆ Comprehensive development of stake-holders involved in tourism
- ◆ Human Resources Development in tourism sector is an integral part of attracting tourist and raising their satisfaction level.
- ◆ Single Window Clearance system  
Tourism Marketing – to step up tourist arrivals and to arrive at a happy compromise between number and quality.
- ◆ Tourism Development & Management Plan – Preparation of comprehensive plan for development of all urban and rural tourist spots / Government projects.

### Incentives and Concessions

- ◆ Concessional allotment of land on long lease of 33 years at the first instance. For mega projects, longer initial lease period exceeding 33 years and the lease rent shall be 10% of market value

and can be reviewed every five years.

- ◆ Investment subsidy of 20% of the project cost limited to Rs 20 lakhs to all notified tourism projects.
- ◆ Investment subsidy of 15% of the project cost limited to Rs 20 lakhs for Upgradation of existing hotels to International 3 star standards
- ◆ 100% reimbursement of stamp duty and transfer fee paid by the units on purchase of land or lease of land/buildings meant for the project
- ◆ Reimbursement of 25% of Value Added Tax paid for a period of 5 years
- ◆ Reimbursement of 25% of Luxury Tax by new hotels for a period of 5 years. The base tariff per room for levying luxury tax will be raised from Rs 300 to Rs 500 per day. The rate of tax shall remain unchanged @ 5%.
- ◆ Reimbursement of 25% of Entertainment tax for multiplexes in theme parks and urban entertainment centres for a period of 5 years limited to 100% of the project cost for the projects more Rs 5.00 crores and located in Notified Tourism Areas or Special Tourism Areas



- ◆ Floor Area Index relaxation – The liberalized building rules notified by the Government of Andhra Pradesh and as amended from time to time shall apply
- ◆ Automatic conversion / exemption from land use zoning regulations for the purpose of location, subject to pollution clearances and precautions.
- ◆ Capacity development of key stake-holders – to extend suitable incentives and concessions to incoming travel agents, tour operators located in the Notified Tourism Areas and Special Tourism Areas (NTAs and STAs). Investment subsidy of 15% of total capital investment shall be granted for establishment of online reservations systems, hoisting of web pages in case of travel agents and tour operators.
- ◆ Treating hotels as industry for purpose of power tariff and reimbursement of power cost to an extent of Rs 0.75 per unit in the first year of the policy and thereafter for four years as regulated from time to time on yearly basis.
- ◆ Investment subsidy of 15% of the project cost subject to a maximum of Rs 20 lakhs for the Heritage Hotels set up in NTAs and STAs
- ◆ In case of tourism projects set up in backward areas, 50% of the tax concessions and incentives will be granted wherever 25% of tax concessions are granted for the units in other areas.
- ◆ Separate fund in Tourism

Department with sufficient budget allocation for sanction of incentives.

### Incentives offered for the entrepreneurs in Apparel Export Parks and Textile Parks:

- ◆ 25% of the tax paid during one financial year will be ploughed back to industries as a grant towards payment of tax during next year. This benefit will be available for 5 years from the date of commencement of production.
- ◆ Special incentives of Power tariff concession @ Rs 0.25 Ps. Per unit in addition to concession of power tariff Rs.1.00 per unit for all garment units during the 1st year of the policy and there after for the remaining four years, the rate of reimbursement would be so regulated on yearly basis, keeping in view of the changes in the tariff structures to ensure that power cost to the industry is pegged down to the first year's level.
- ◆ 100% reimbursement of stamp duty and transfer duty paid by the industry or for lease of land / shed / buildings  
Other concessions for quality certification, cleaner production, patent registration and for technology upgradation.



## IT Policy

**Power:** IT industry is classified as industrial units for the purpose of levying the industrial power tariff.

**Rebate on Cost of Land:** IT/ITES units/ companies establishing their own facilities on clear Government land are eligible for a rebate in cost of land calculated at the rate of Rs.20,000/- per job created. This rebate is not available on acquired lands. The eligibility criteria, procedure for allotment of land and for availing of the rebate, are specified in.

**Stamp Duty:** 100% reimbursement of stamp duty, transfer duty and Registration fee paid by IT Industry & Telecommunication companies. This incentive shall be allowed onetime on the first transaction only. It will not be available if the incentive, Rebate on cost of land is being availed and is subject to the criteria laid down in.

**Zoning regulations & Special Stipulations for IT Parks on Private lands and IT Campus :** IT/ITES units/ companies will be exempt from the zoning regulations and from the payment of conversion fee.

**Urban Land Ceiling Exemption:** Private land owners will be allowed exemption under ULC for development of IT parks with a minimum extent of 25 acres in the periphery of city limits & beyond and with a minimum of 5 acres within city limits subject to payment of prescribed fee.

**Training Incentive :** Incentive of Rs.2,000/- per candidate will be provided to training centers, which successfully trained the candidates in communication/soft skills and employ in reputed IT & ITES companies. Eligible only to accredited training institutions

and for accredited training programmes provided the training institution is able to place a minimum of:

- A.) 200 candidates per center per annum for Training Institutes located in Hyderabad.
- B.) 100 candidates per center per annum for Training Institutes located elsewhere in Andhra Pradesh.

## Tier-II locations:

A. subsidy of Rs.50 lakhs to the first five anchor IT / ITES companies employing more than 250 employees in IT or 500 employees in ITES in any Tier-II location.

B. Rs.15 Lakhs as recruitment assistance for employing minimum 100 employees in IT & 200 employees in ITES within two years of commencement of commercial operations in the Tier-II city.

- ◆ IT/ITES units/ companies can avail any one of the above incentives only.
- ◆ This incentive is not available for the IT/ITES units/ companies availing Rebate on the Cost of Land.
- ◆ A company in Hyderabad should start new operations 100 Kms., away from the present location but within the state. The distance between two units should be 100 Kms., for being considered as a new unit.



- ◆ New IT companies commencing operations for the first time in AP should be 100 kms., away from Hyderabad for availing the incentive.
- ◆ This incentive will not be available if the incentive Rebate on cost of land is being Availed.

### Special package for Small & Medium Enterprises (SMEs)

Definition of SMEs: IT Industry units/companies with turnover less than Rs.10 crores and above Rs.1 crore per annum.

- A. Power: 25% rebate on power tariff in the first three years of the operations and conversion to Industrial Power Tariff. This incentive shall be allowed subject to the criteria laid down in.
- b. Reimbursement of 50% Exhibition subsidy for participating in the international exhibitions limited to 9 sq. mts., of space, in respect of the stall rent payable for participation in international events notified by the IT&C Department.
- c. Allotment of land: Government will endeavor to reserving land for preferred allotment to SMEs in the IT Corridor proposed near Hyderabad and land for SMEs in other locations. Criteria for allotment will be prepared separately.
- d. Government will support IT Exporters Associations, HYSEA, NASSCOM, STPI, IEG, or any such organisation (as decided by the committee) in the creation of

Library for making available material on trends in technology, market intelligence, research reports and analysis etc by contributing Rs.10 lakhs per annum for development of the SME sector by making such material available at these libraries.

- e. Rs.10 Lakhs as recruitment assistance for employing minimum 100 employees in IT & 200 employees in ITES within one year of commencement of commercial operations in Hyderabad and around upto 50 kms. This incentive will not be available if the incentive Rebate on cost of land is availed.

### Mega Projects:

A special package of incentives will be offered for mega projects. Such projects will be defined as projects creating employment of more than 1000 in the case of IT and 1500 in the case of ITES. Alternatively an investment of Rs.50 crores and above will be considered as a mega project.



## Single Window Clearance Act.

In the liberalized economy, Government of Andhra Pradesh have taken up number of reforms to simplify the procedures, laws, rules and documentation to attract more investments into the State. Even in the post liberalization, an investor needs to approach number of departments for the various licenses or approvals or clearances for setting up of an industrial venture. Investors found very cumbersome, time taking and hefty documentation, thereby the growth rate of investments was moving in a very slow pace. The entry level barriers also cause delays in implementing project and lead to cost escalation. The entrepreneurs wanted a system with zero transaction costs, predictable time frames and streamlined regulatory processes at a single access point for all start-up services

In order to encourage the investors for quick implementation of their projects, Government of Andhra Pradesh has introduced Andhra Pradesh Industrial Single Window Clearance Act, 2002 with effect on and from the 22nd June, 2002. Andhra Pradesh is the first state in the country to enact single window clearances both for the pre and post operation of the industrial venture. So far Rs. 22,000 crores worth investments implemented through Single window Clearances system.

Under the single window system, the investors need to file Common Application Forms (CAF) for obtaining all approvals / clearances, Allotments, permissions, licenses required for setting up of the industrial unit. Most of the clearances will be provided within 30

days to the investors ;under single window clearances state. It is made compulsory for all the industrial units to file the application form for various Clearances /Approvals through Nodal Agencies and no individual department or agency receive any application from the entrepreneur directly.

### Clearances, Permissions & Licenses for Establishment of Industrial Undertakings under State Acts

- ◆ Permission from Gram Panchayat
- ◆ Permission from Municipality or Urban Development or Town & Country Planning
- ◆ Alienation of land
- ◆ Approval from Factories
- ◆ CFE from APPCB
- ◆ Registration of Firms
- ◆ Acquisition of land other than IDA / IE
- ◆ Allotment of land in IE / IDA
- ◆ Water from HMWS & SB / Other sources.
- ◆ Change of land use for industrial purpose
- ◆ Power Feasibility certificate / Sanction of Power.
- ◆ Storage of Petroleum products and Naphtha
- ◆ Registration under APGST / CST
- ◆ NOC from Fire Services Department
- ◆ Drug Licence
- ◆ Letter of Intent for Distillery
- ◆ Sanction of Terms Loan and Equity by AP Industries Development Corporation

**Clearances, Permissions & Licenses for operation of industrial undertakings under Central Acts**

- ◆ License from Factories
- ◆ CFO from APCCB (Air & Water Act.)
- ◆ Registration under Boiler Act.
- ◆ License for possession & Use of RS & DS

District Level Single Window Committee (DLSWC) functions under the chairmanship of the District Collector and members from various industry related departments at district level shall Process unit applications with investment not exceeding Rs 500 lakhs in Plant & Machinery. Application forms are available in the office of the General Manager, District Industries Centre of the respective district or in the office of the Commissioner of Industries, Chirag Ali Lane, Abids, Hyderabad-500 001, Andhra Pradesh or in the website [www.apind.gov.in](http://www.apind.gov.in)

State Investment Promotion Committee functions under the chairmanship of Chief Secretary to Government and Principal Secretaries of Finance & Planning, Irrigation & CAD, Revenue, Municipal Administration and Urban Development, Transport, Roads & Building, Energy, GAD (coordination), Industries and Commerce and Commissioner of Industries as members. SIPC meets once in a month to review the functioning of the Single Window clearances system and to sort-out Interdepartmental issues relating to promotion of investments in the State.

State Investment Promotion Board functions under the chairmanship of the

Hon'ble Chief Minister and Hon'ble Ministers of Major Industries, Small Scale Industries, Finance, Energy, Revenue, Commercial Taxes, Special Invitee Hon'ble Ministers and Chief Secretary as convener. The SIPB meets every month to review the promotion of investments in the states, functioning of the Single Window system and major policy decisions on mega investments to promote industrial investments in the state.

Government of AP will escort services to the mega projects for speedy implementation of the project and also to create a hassle free environment for investors.

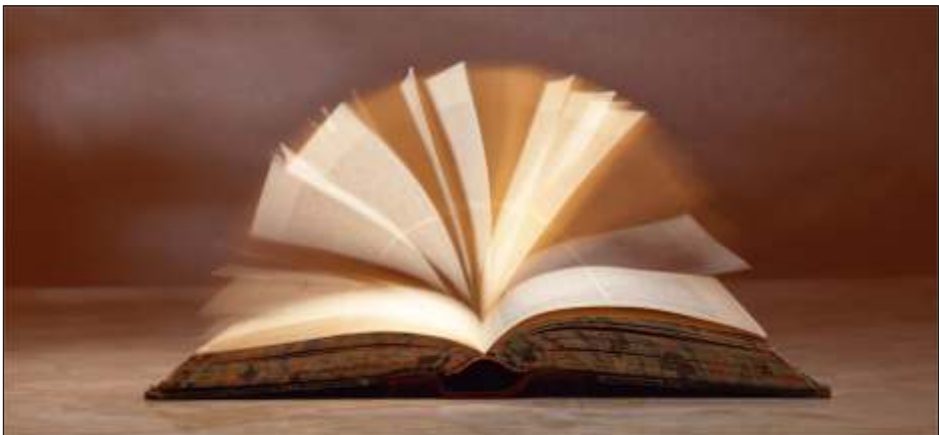


## Time schedules under S.W. Act

Sl. No	Department / Agency	Service	Time limit prescribed Under SW Act No.17 of 2002
1	Panchayat Raj Department	Site and Building Plan Approval	7 days
2	Urban Development Authority	Site and Building Plan Approval Change of Land use	7 days 45 days
3	Town & Country Planning	Site and Building Plan Approval Change of Land use	7 days 45 days
4	Municipality	Site and Building Plan Approval Change of Land use	7 days 45 days
5	Factories Department	Approval of Factory plans Factory Licence	7 days 7 days
6	Chief Commissioner of Land Administration (CCLA)	Acquisition / Alienation of Govt. Lands	45 days
7	Distribution Companies	Power feasibility and connections	7 days & 23 days
8	Hyderabad Metro Water Supply & Sewerage Board	Sanction of Water supply and connection	7 days & 23 days
9	Irrigation Department	Permission to draw water from rivers / Public tanks	30 days
10	Commercial Taxes Dept.	VAT / CST registration	7 days
11	AP Industrial Infrastructure Development Corporation	Allotment of land / Shed in Industrial Estates or Industrial Areas	7 days upto 1000 Sq. Mts. 21 days above 1000 Sq. Mts.
12	Registrar of Firms	Firm Registration	7 days
13	AP Pollution Control Board	Consent for Establishment Green Orange Red Consent for Operation Green Orange Red	7 days 21 days 45 days 7 days 21 days 45 days

## Time schedules under S.W Act

Sl. No	Department / Agency	Service	Time limit prescribed Under SW Act No. 17 of 2002
14	Fire Services Department	No Objection Certificate	15 days
15	Excise Department	Permission for establishment of distillery	30 days
		Licence for possession and use of RS	7 days
		Licence for possession and use of DS	7 days
16	District Collector	Licence for use of chlorate of potash	7 days
17	Drug Control Administration Department	Licence for manufacturing bulk drugs / formulations / cosmetics	-
18	Commissioner of Indian Medicines and Homeopathy	Licence to manufacture Ayurvedic / Homeo / Siddha / Unani	-
19	Boiler Department	Registration under Boilers Act.	-
20	Civil Supplies Department	Licence to import and storage of Petroleum / Diesel / Naptha	-





## The Micro, Small and Medium Enterprises Development Act, 2006

The Indian industrial environment was traditionally identified by its regulative and protective characteristics. Till, 1990, the Indian economy was inward looking and protected from internal and external competition. In the absence of competition, firms did not develop the technological capability needed for penetrating the global market. Indian industry is facing tough competition from imports in the domestic markets also. This competition is in terms of new designs, new usages, reduced cost, improved quality, products with higher performance and variety, better services, all delivered simultaneously to enhance values to the customers. The problems faced by the SMEs, particularly in accessing technology and maintaining competitiveness have been formidable.

The small-scale industries (SSI) sector plays a vital role in the growth of the country. It contributes almost 40% of the gross industrial value added in the Indian economy, producing over 8000 value-added products. They contribute nearly 35% in direct export and 45% in the overall export from the country. It has been estimated that a million Rs. of investment in fixed assets in the small scale sector produces Rs 46.20 Lakh worth of goods or services with an approximate value addition of ten percentage points. They are one of the biggest employment-providing sectors after agriculture, providing employment to 28.28 million people.

India has nearly 3 million SMEs, which produce a diverse range of products from very basic to highly sophisticated products. Despite their strength, SMEs

are facing tough challenges in the present scenario of liberalization and globalization. Indian SMEs are finding it difficult to sell their products in the domestic and international markets because of increasing competition.

SMEs have to learn and imbibe the process of innovation, in their day to day working, to remain competitive. Instead of looking for support from other agencies, they have to find their own ways of overcoming barriers. Despite all the barriers and gaps which I have stated before, Indian SMEs have continued on their path of progress. In fact, their rate of growth is higher than the rate of growth of the industry sector as a whole, their contribution to our GDP is almost 7%. In the past also, our SMEs have shown enough strength, vigour and resilience and in current situation they will not only survive but win also. We have our examples of Hero Honda, Ranbaxy, Infosys, WIPRO, Bharti Telecom and many more SMEs who have shown to the world the path of success.

Indian Government has introduced THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 with the following objectives.

- ◆ To provide for facilitating the promotion and development and enhancing the competitiveness of small and medium enterprises and for matters connected therewith or incidental thereto
- ◆ A declaration as to expediency of control of certain industries by the Union was made.

### Classification of Enterprises:

In the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as

- (i) a micro enterprise, where the investment in plant and machinery does not exceed twenty five lakh rupees;
  - (ii) a small enterprise, where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; or
  - (iii) a medium enterprise, where the investment in plant and machinery is more than five crore rupees but does not exceed ten crore rupees;
- (b) In the case of the enterprises engaged in providing or rendering of services, as
- a micro enterprise, where the investment in equipment does not exceed ten lakh rupees;
  - (ii) a small enterprise, where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; or
  - (iii) a medium enterprise, where the investment in equipment is more than two crore rupees but does not exceed five crore rupees

### Any person who intends to establish,-

- (a) a micro or small enterprise, may, at his discretion; or
- (b) a medium enterprise engaged in providing or rendering of services

may, at his discretion; or

- c) a medium enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, shall file the memorandum of micro, small or, as the case may be, of medium enterprise with such authority as may be specified by the State Government under sub-section (4) or the Central Government under sub-section

Provided that any person who, before the commencement of this Act, established—

a small scale industry and obtained a registration certificate, may, at his discretion; and

an industry engaged in the manufacture or production of goods pertaining to any industry, having investment in plant and machinery or more than one crore rupees but not exceeding ten crore rupees, file an Industrial Entrepreneurs' Memorandum, shall within one hundred and eighty days from the commencement of this Act,



# Andhra Pradesh

## Project Implementation



Andhra Pradesh, the Business State is  
the most preferred investment destination in the country



## Steps in implementation of the Project

**Pre-Implementation Steps**

Project Identification  
 Project feasibility study  
 Constitution  
 Proprietary  
 Partnership  
 Private Limited  
 Public Limited  
 Cooperatives  
 Selection of Location  
 Registrations  
 EM/IEM/EOU/IL  
 Selection of Land  
     IEs/ IDA/EPZ/SEZ  
     Private Lands  
     Government Lands  
 Application to Financial  
 Institutions

**Implementation Steps**

Building Plans and designs  
 Selection of Machinery and placing  
 order  
 Panchayat/Municipality/Local Body  
 NOC/CFE from DIC/ APPCB  
 Approval from Inspector of  
 Factories  
 Approval from UDA/ T& CP  
 Power feasibility from APTRANSCO  
 Drug License from Drug Inspector  
 Approval from Forest Department  
 Approval from District Magistrate  
 Food Product Order (FPO)  
 NOC from Fire Department  
 Approval from Inspector of Boilers  
 Building Construction  
 Placing order for machinery  
 Power connection  
 Installation of Machinery

**Post Implementation Steps**

Recruitment of Personnel  
 Procurement of Raw Material  
 Licenses and Approvals  
 Consent for Operation from APPCB  
 Factory License under Factories act  
 Trial Production  
 Commercial Production  
 EM Part-II  
 Submission of Part-B under IEM

## Setting up of a Micro, Small & Medium Enterprise

### Classification of Enterprises:

Manufacturing or production of goods pertaining to any industry

- ◆ Micro enterprise – investment in Plant and Machinery not exceeding Rs 25 lakhs
- ◆ Small Enterprise – Investment in Plant and Machinery more than Rs 25 lakhs but not exceeding Rs. 5.00 crores
- ◆ Medium Enterprise – Investment in Plant and Machinery more than Rs 5.00 crores but not exceeding Rs. 10.00 crores

Enterprises engaged in providing or rendering service

- ◆ Micro enterprise – investment not exceeding Rs 10 lakhs
- ◆ Small Enterprise – Investment more than Rs 10 lakhs but not exceeding Rs. 2.00 crores
- ◆ Medium Enterprise – Investment more than Rs 2.00 crores but not exceeding Rs. 5.00 crores

Any person who intends to establish Micro, Small Enterprise and Medium enterprise shall file a Entrepreneurs Memorandum with the concerned District Industries Centre working under the administrative control of Commissioner of Industries. The application of Memorandum is available at [www.apind.gov.in](http://www.apind.gov.in) or [www.smallindustryindia.com](http://www.smallindustryindia.com) or [www.laghu-udyog.com](http://www.laghu-udyog.com). All existing Medium Enterprises till 1-10-2006 and becoming a small enterprise due to

introduction of MSME Act. from 2-10-2006 shall file a Memorandum with District Industries Centre. For any further details please visit website:



[www.apind.gov.in](http://www.apind.gov.in) or  
[www.smallindustryindia.com](http://www.smallindustryindia.com)

A Commissioner of Industries is the nodal agency for facilitating the investors in the manufacturing sector like identification of location of the industry, guidance for documentation, arranging various industrial clearances/ approvals from different Government Departments / Agencies through Single window clearances, process applications for sanction of incentives under the existing industrial policies of Government of Andhra Pradesh etc.

Commissioner of Industries  
Chirag Ali Lane, Abids,  
Hyderabad – 500 001  
Tel. No : 91-40-23441600-06  
Fax: 91-40-23441611  
e-mail: [comm\\_inds@ap.gov.in](mailto:comm_inds@ap.gov.in)  
Web: [www.apind.gov.in](http://www.apind.gov.in)

## Setting up of a Large Scale Industry

All investments exceeding Rs 10.00 crore in plant and machinery is categorised as large scale industry.

Industrial policy for setting up of Large Scale Industry

- ◆ At present industrial licence for manufacturing is required only for the following :
- ◆ Industries retained under compulsory licensing,
- ◆ Manufacture of items reserved for small scale sector by non-SSI units; and
- ◆ When the proposed location attracts locational restriction

Industries requiring compulsory licensing

- ◆ Distillation and brewing of alcoholic drinks.
- ◆ Cigars and cigarettes of tobacco and manufactured tobacco substitutes;
- ◆ Electronic Aerospace and defence equipment: all types;
- ◆ Industrial explosives, including detonating fuses, safety fuses, gun powder, nitrocellulose and matches;
- ◆ Hazardous chemicals;
  - ◆ Hydrocyanic acid and its derivatives
  - ◆ Phosgene and its derivatives
  - ◆ Isocyanates and di-isocyanates of hydrocarbon, not elsewhere specified (example: Methyl Isocyanate).

Industries reserved exclusively for

public sector undertakings

- ◆ Railways
- ◆ Atomic Energy

Small and medium sector

An industrial undertaking is defined as a small-scale unit if the capital investment in plant and machinery does not exceed Rs 50 million, The Government has reserved certain items for exclusive manufacture in the small-scale sector. (List available at [www.apind.com](http://www.apind.com) or [www.smallindustryindia.com](http://www.smallindustryindia.com))

Manufacture of items reserved for small & medium sector

Non small-scale units can manufacture items reserved for the small-scale sector only after obtaining an industrial license. In such cases, the non-small scale unit is required to undertake an obligation to export 50 per cent of the production of SSI reserved items.

Locational Restrictions

Industrial undertakings are free to select the location of their projects. Industrial License is required if the proposed location is within 25 KM of the Standard Urban Area limits of cities having population of 1 million as per 1991 census. (In Andhra Pradesh such cities are Hyderabad and Visakhapatnam). Locational restriction does not apply : If the unit were to be located in an area designated as an "industrial area" before the 25th July, 1991 or In the case of Electronics, Computer software and Printing and any other industry, which may be notified in future as "non polluting industry". The location of industrial units is subject to applicable local zoning and land use regulations and environmental regulations.

## Procedure for Obtaining Industrial License :

Industrial License is granted by the Secretariat for Industrial Assistance (SIA) on the recommendation of the Licensing Committee. Application for industrial license is required to be submitted in the prescribed form (Form FC-IL) accompanied with a crossed demand draft of Rs. 2500/- (appr. US\$ 55) to PR&C Section, SIA, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Udyog Bhavan, New Delhi -11. India. This form is available in the Public Relation and Complaint Section (PR&C) of the SIA, all outlets dealing in Government Publications, Indian Embassies, and can be downloaded from the web site <http://www.dipp.gov.in>. Decisions are usually taken within 4-6 weeks of filing the application.

## Policy for Industries Exempt from Licensing - Industrial Entrepreneurs Memorandum (IEM)

Industrial undertakings exempt from industrial license are only required to file an Industrial Entrepreneur Memorandum (IEM) in Part 'A', in the prescribed format to PR&C Section, SIA, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Udyog Bhavan, New Delhi -11. India

### Procedure for IEM

The form for filing an IEM is available at Public Relation and Complaint Section (PR&C), all outlets dealing in Government publications, Indian Embassies, and can also be downloaded

from the web site [www.dipp.gov.in](http://www.dipp.gov.in). The IEM can be filed with the PR&C section in SIA either in person or by post. The IEM should be submitted along with a crossed demand draft of Rs.1000/- (appr. US\$ 22) for up to 10 items proposed to be manufactured. For more than 10 items, an additional fee of Rs. 250 (appr. US\$ 6) for up to 10 additional items needs to be paid. On filing the IEM, an acknowledgement containing the SIA Registration Number, for future reference, is issued. In case IEM is sent by post, the acknowledgement is sent by post & no further approval is required.



An IEM would stand cancelled if the proposal requires compulsory license.

Upon commencement of commercial production, Industrial undertakings need to file information in Part 'B' of the IEM to PR&C Section in SIA. No fee is to be paid for filing Part B. All industrial undertakings whether or not exempt from compulsory industrial licensing, are statutorily required to submit monthly production return in the prescribed proforma every month. This should reach the Industrial Statistics Unit (ISU) of the Department positively by the 10th of the following month.

## Secretariat for Industrial Assistance (SIA)

Secretariat for Industrial Assistance (SIA) has been set up in the Department of Industrial Policy and Promotion (DIPP) in the Ministry of Commerce and Industry to provide a single window for entrepreneurial assistance, investor facilitation, conveying Government decisions on applications filed, assisting entrepreneurs and investors in setting up projects, (including liaison with other organisations and State Governments) and in monitoring implementation of projects. It also notifies all Government policy relating to investment and technology.

## Foreign Direct Investments (FDIs)

The Government of India has recently undertaken a comprehensive review of the FDI policy and associated procedures. As a result, a number of rationalisation measures have been undertaken which, inter alia include, dispensing with the need of multiple approvals from Government and/or regulatory agencies that exist in certain sectors, extending the automatic route to more sectors, and allowing FDI in new sectors.



As per the extant policy, FDI up to 100%

is allowed, under the automatic route, in most sectors/activities (see the sectors and percentage allowed at [www.dipp.gov.in](http://www.dipp.gov.in)). FDI under the automatic route does not require prior approval either by the Government of India or the Reserve Bank of India (RBI). Investors are only required to notify the concerned Regional office of RBI within 30 days of receipt of inward remittances and file required documents with that office within 30 days of issue of shares to foreign investors.

Equity participation by international financial institutions such as ADB, IFC, CDC, DEG, etc., in domestic companies is permitted through automatic route, subject to SEBI/RBI regulations and sector specific cap on FDI.

FDI up to 100% is permitted under the automatic route for setting up of Special Economic Zone (SEZ). FDI up to 100% is permitted under automatic route for setting up of Industrial Park. Proposals not covered under the automatic route require approval by FIPB.

Under the Government approval route, applications for FDI proposals, other than by Non-Resident Indians, and proposals for FDI in 'Single Brand' product retailing, are received in the Department of Economic Affairs, North Block, New Delhi. Proposals for FDI in 'Single Brand' product retailing and by NRIs are received in the Department of Industrial Policy & Promotion, Udyog Bhavan, and New Delhi. Application for NRI and 100% EOU cases should be presented to PR&C Section, SIA, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Udyog Bhavan, New Delhi - 11. India.



## Foreign Investment Promotion Board (FIPB)

The Government has set up the Foreign Investment Promotion Board (FIPB) to consider Foreign Direct Investment (FDI) proposals requiring prior Government approval.

## Foreign Investment Implementation Authority (FIIA)

Foreign Investment Implementation Authority (FIIA) has been established to facilitate quick implementation of FDI approvals and assist foreign investors in getting necessary approvals. Fast Track Committees have been set up in 30 Ministries/Departments for regular review of FDI mega projects (with proposed investment of Rs. 1 billion and above), and resolution of any difficulties. Details of the fast track committees set up in various ministries is available at <http://dipp.gov.in>. Investors can approach FIIA through website <http://dipp.gov.in>.

## Foreign Technology Agreements - General Policy

For promoting technological capability and competitiveness of the Indian industry, acquisition of foreign technology is encouraged through foreign technology collaboration agreements. Induction of know-how through such collaborations is permitted either through automatic route or with prior Government approval.

## Scope of Technology Collaboration

The terms of payment under foreign

technology collaboration, which are eligible for approval through the automatic route and by the Government approval route, includes technical know how fees, payment for design and drawing, payment for engineering service and royalty. Payments for hiring of foreign technicians, deputation of Indian technicians abroad, and testing of indigenous raw material, products, indigenously developed technology in foreign countries are governed by separate RBI procedures and rules pertaining to current account transactions and are not covered by the foreign technology collaboration approval. For details please refer to the website of the RBI.

## Automatic Route

Payment for foreign technology collaboration by Indian companies are allowed under the automatic route subject to the following limits :

- (i) the lump sum payments not exceeding US\$2 million;
- (ii) royalty payable being limited to 5 per cent for domestic sales and 8 per cent for exports, without any restriction on the duration of the royalty payments.

The royalty limits are net of taxes and are calculated according to standard conditions. The royalty will be calculated on the basis of the net ex-factory sale price of the product, exclusive of excise duties, minus the cost of the standard bought-out components and the landed cost of imported components, irrespective of the source of procurement, including ocean freight, insurance, custom duties, etc.

## Strengths of Andhra Pradesh

- Globally recognized and fastest growing base for IT, IT Enabled Services and Bio-Technology
- Bulk Drug Capital of the Country with 1/3rd of India's Production
- Leading state in several Agro-based industries – Rice, Sugar, Edible Oil, Sea foods with strong agro, horti bases
- Second largest store house of mineral resources in India
- Cement and granite power house of India
- Leading Producer of Paper
- Exports from A.P are growing @ 20% every year
- Second longest coastline of 970 kms
- Water Resources – Krishna, Godavari & Penna major rivers
- Availability of Huge Natural Gas resources

## Investment opportunities

- Agro and Food Processing
- Bulk Drugs, Pharmaceuticals and Chemicals
- Biotechnology
- Mining & Mineral
- IT, ITES
- Electronic Hardware
- Automobile and Auto components
- Iron & Steel
- Precision Machine Tools
- Leather & Textile Products
- Paper products
- Petro-chemicals & Refinery



# Andhra Pradesh

## Key Contacts



Andhra Pradesh, the Business State is  
the most preferred investment destination in the country



Sector / Area	Key Contact
<p>1. Industrial Investment Policies, General Guidance for investments in the manufacturing sector Bulk Drugs &amp; Pharmaceuticals Food Processing Mineral based industries like Cement, Granite, Steel, Ceramics etc. Leather Automobile Hitech &amp; Precision Tools Electronic Hardware</p>	<p>Principal Secretary &amp; CIP Industries and Commerce, Government Of Andhra Pradesh, 2nd Floor, D Block, Secretariat, Hyderabad-500002 Ph:91-40-23454449 Tele Fax:91-40-23452985 Email: <a href="mailto:Prlsecy_cip_inds@ap.gov.in">Prlsecy_cip_inds@ap.gov.in</a></p> <p>Chief Executive Officer, AP Invest, Room # 201, A-Block, Secretariat, Hyderabad- 500 022 Phone: +91-40-23453977, 23451092 (Fax) e-mail: <a href="mailto:ceo_apinvest@ap.gov.in">ceo_apinvest@ap.gov.in</a>, <a href="mailto:advisor_it@ap.gov.in">advisor_it@ap.gov.in</a> web: <a href="http://www.apinvest.co.in">www.apinvest.co.in</a>, <a href="http://www.apit.gov.in">www.apit.gov.in</a></p> <p>Commissioner of Industries, Chirag Ali Lane, Abids, Hyderabad-500001 Ph:91-40-23441666 Fax:91-40-23441666 Email: <a href="mailto:comm_inds@ap.gov.in">comm_inds@ap.gov.in</a> <a href="http://www.apind.gov.in">www.apind.gov.in</a></p>
<p>2. Land &amp; Infrastructure facilities</p>	<p>Vice Chairman and Managing Director, Andhra Pradesh Industrial Infrastructure Corporation 'Parisrama Bhavan', 6th Floor, 5-9-58/B, Fateh Maidan Road, Basheerbagh, Hyderabad-500004 Ph:91-40-23230234/23233596 Email: <a href="mailto:apiic@hd1.vsnl.net.in">apiic@hd1.vsnl.net.in</a></p>
<p>3. Roads, Ports, Airports</p>	<p>Principal Secretary to the Government, Transport, Roads &amp; Buildings Government of Andhra Pradesh 5th Floor, J Block Secretariat, Hyderabad-500-022 Ph:91-40-23453237 Fax:-91-40-23450104</p> <p>Managing Director, Andhra Pradesh Road Development Corporation Erra Manzil, Hyderabad-500-081 Ph:91-40-23391155 Fax:91-40-23323556</p>

Sector / Area	Key Contact
4. Food Processing	Principal Secretary & CIP Industries and Commerce, Government Of Andhra Pradesh, 2nd Floor, D Block, Secretariat, Hyderabad-500002 Ph:91-40-23454449 Tele Fax:91-40-23452985 Email: Prlsecy_cip_inds@ap.gov.in
5. Information on Agriculture	Commissioner of Agriculture, Fathemaidan, Abids, Hyderabad – 500 001 Phone: +91-40-23232107 Fax: +91-40-23383514 E-mail: comag@apsu.ap.nic.in  Agriculture Production Commissioner Government of Andhra Pradesh, 1st Floor,D Block,Secretariat,Hyderabad-500022 Ph:91-40-23452263, Fax:91-4023457086
6. Information on Horticulture	Commissioner of Horticulture Public Gardens, Hyderabad.
7. Textiles	Commissioner of Handlooms & Textiles and Development Commissioner 4th Floor C-Block,BK Building, Hyderabad Ph:91-40-23224542/ 23225005 Fax:91-40-23224542 Email: dir_ht@ap.gov.in
8. Leather	Vice Chairman & Managing Director, LIDCAP, Dargha Hussainia Hawalia, Old Bombay Road, Gachibowli, Hyderabad Ph:91-40-23568979 Fax:91-40-23568690
9. Tourism	Secretary to the Government, Tourism & Culture Department, Government of Andhra Pradesh, Secretariat,22-A,1st Floor, D Block, Hyderabad-500022 Ph:91-4023456717/23450079 Fax:91-40-23452055,23454966 Email:aptourism@hotmail.com aptourism@rediffmail.com www.aptourism.com  Chairman & Managing Director Andhra Pradesh Tourism Development Corporation, Tourism House,3-5-891,Himayatnagar, Hyderabad-500029 Ph:91-40-23261833, 23262151 to 54 Fax:91-4023261801 Email:aptdc@satyam.net.in

Sector / Area	Key Contact
10. Taxes / VAT	Commissioner of Commercial Taxes MJ Road, Nampally, Hyderabad Phone: +91-40-24732351, Fax: +91-40- 24618912 E-mail:Commissionercct@ap.gov.in Web: www.apcommercialtaxes.gov.in
11. Mines and Minerals	<b>Director of Mines and Geology,</b> Government of Andhra Pradesh BRK Building, Tankbund Road, Hyderabad-500029. Ph:91-40-23220649/23221250, Fax:91-40-23225519
12. Power	Chairman & Managing Director, APTRANSCO, Vidhyut Souda Building, Somajiguda,Hyderabad Phone: +91-40-23317657, Fax: +91-40- 23320565
13. Environmental issues	Member Secretary AP Pollution Control Board Paryavarana Bhavan, A3, I.E., Sanathnagar, Hyderabad-500018 Ph:91-40-23815630/23807500 Fax:91-40-23815631 Email:msapspcb@hd2.dot.net.in www.appcb.org
14. Biotechnology	Director, Biotechnology Industries and Commerce, Government Of Andhra Pradesh, 2nd Floor, D Block,Secretariat, Hyderabad-500002 Ph:91-40-23450721 Tele Fax:91-40-23452985
14. IT/ITES	Secretary Department of Information Technology and Communications Government Of Andhra Pradesh, 3rd Floor, D Block,Secretariat, Hyderabad-22 Ph:91-40-23456401, Fax:91-40-23450103 Email:secy_it&c@ap.gov.in Website:www.apit.gov.in

## General Managers of District Industries Centre

S No	District	Office Address	Phone No	E-mail address
1	Srikakulam	7-4-30, New Colony	09848778544 08942-225895	gmdic_sk1m@inds.ap.gov.in
2	Vizianagaram	Industrial Estate	09848778542 08922-225478	gmdic_vznm@inds.ap.gov.in
3	Visakhapatnam	Industrial Estate	09848778541 0891-2558166 0891-2558165	gmdic_vsk@inds.ap.gov.in
4	East Godavari	Industrial Development Area, Kakinada	09848778540 0884-2344139 0884-2374291	gmdic_eg@inds.ap.gov.in
5	West Godavari	Near Collectrate, Eluru	09848778539 08812-230354 08812-231435	gmdic_wg@inds.ap.gov.in
6	Krishna	Jawahar Auto Nagar, Vijayawada	09848778538 0866-2555104 0866-2553673	gmdic_krsn@inds.ap.gov.in
7	Guntur	Opp. Collectorate	09848778543 0863-2234864 0863--2234931	gmdic_gnt@inds.ap.gov.in
8	Prakasham	Nellore Road, Ongole	09848778537 08592-233042	gmdic_prk@inds.ap.gov.in
9	Nellore	Industrial Estate	09848778536 0861-2328658 0861-2324489	gmdic_nlr@inds.ap.gov.in
10	Chittoor	Industrial Estate	09848778532 08572-228224	gmdic_ctr@inds.ap.gov.in
11	Ananthapur	DPAP Compound	09848778533 08554-240005 08554-236232	gmdic_atp@inds.ap.gov.in
12	Kurnool	B-Camp	09848778534 98518-230212 98518-233598	gmdic_cdp@inds.ap.gov.in

## General Managers of District Industries Centre

S No	District	Office Address	Phone No	E-mail address
13	Cuddapah	Income Tax Road, Smit Road.	09848778535 08562-252269 08562-244159	gmdic_knl@inds.ap.gov.in
14	Nizamabad	Near Collectorate	09848778530 08462-237153	gmdic_nzbd@inds.ap.gov.in
15	Adilabad	Near Collectrate	09848778531 08732-226450 08732-226660	gmdic_adb@inds.ap.gov.in
16	Karimnagar	Industrial Estate	09848778529 08722-240378 08722-240916	gmdic_kmnr@inds.ap.gov.in
17	Mahaboobnagar	Industrial Estate	09848778528 08542-242292 08542-242088	gmdic_mbnr@inds.ap.gov.in
18	Nalgonda	Kranthinagar, Rly Stn. Road, DIC, Nalgonda	09848778527 08682-223078 08682-223417	gmdic_nlg@inds.ap.gov.in
19	Warangal	Industrial Estate, Mulug Road	09848778526 08712-2427134	gmdic_wgl@inds.ap.gov.in
20	Khammam	Industrial Estate	09848778525 08742-228279	gmdic_kmm@inds.ap.gov.in
21	Medak	Near PWD Office, Sangareddy.	09848778524 911-276529 911-274899	gmdic_mdk@inds.ap.gov.in
22	Ranga Reddy	Balanagar X Roads, Hyderabad	09848778523 040-23078149 040-23079168	gmdic_rr@inds.ap.gov.in
23	Hyderabad	Musheerabad	09848778522 040-27617652 040-27614708	gmdic_hyd@inds.ap.gov.in



S.No	Department / Information	Web address
1	Government of AP - AP Portal	<a href="http://www.aponline.gov.in">www.aponline.gov.in</a>
2	Industries Department	<a href="http://www.apind.gov.in">www.apind.gov.in</a>
3	APINVEST	<a href="http://www.apinvest.co.in">www.apinvest.co.in</a>
4	Industrial Policies	<a href="http://dipp.nic.in">http://dipp.nic.in</a> <a href="http://www.smallindustryindia.com">www.smallindustryindia.com</a> <a href="http://www.laghu-udyog.com">www.laghu-udyog.com</a>
5	Infrastructure Corporation of AP	<a href="http://www.incap.co.in">www.incap.co.in</a>
6	Land and Infrastructure Development	<a href="http://www.apiicld.com">www.apiicld.com</a> <a href="http://www.apsez.com">www.apsez.com</a> <a href="http://www.vsez.gov.in">www.vsez.gov.in</a>
7	Special Economic Zones	<a href="http://sezindia.nic.in">http://sezindia.nic.in</a>
8	Visakhapatnam / Krishnapatnam Port	<a href="http://www.vizagport.com">www.vizagport.com</a> <a href="http://www.krishnapatnam.com">www.krishnapatnam.com</a>
9	Taxes / VAT/Central Excise	<a href="http://www.apcommercialtaxes.gov.in">www.apcommercialtaxes.gov.in</a> <a href="http://www.apvatonline.com">www.apvatonline.com</a> <a href="http://www.cbec.gov.in">www.cbec.gov.in</a>
10	AP Power sector	<a href="http://www.apgenco.com">www.apgenco.com</a> <a href="http://www.aptranscorp.com">www.aptranscorp.com</a> <a href="http://www.apeasternpower.com">www.apeasternpower.com</a> <a href="http://www.apcentralpower.com">www.apcentralpower.com</a> <a href="http://www.spdclap.co.in">www.spdclap.co.in</a> <a href="http://www.apnpscclap.co.in">www.apnpscclap.co.in</a>
11	Power Tariffs	<a href="http://www.ercap.org">www.ercap.org</a>
12	Environmental issues	<a href="http://www.appcb.org">www.appcb.org</a> <a href="http://www.eptri.com">www.eptri.com</a> <a href="http://envfor.nic.in">http://envfor.nic.in</a>
13	Forest Department	<a href="http://forests.ap.nic.in">http://forests.ap.nic.in</a>
14	Mines & Mineral	<a href="http://mines.nic.in">http://mines.nic.in</a> <a href="http://www.nmdc-india.com">www.nmdc-india.com</a> <a href="http://www.granite.org.in">www.granite.org.in</a> <a href="http://www.apmines.gov.in">www.apmines.gov.in</a>
15	Coal	<a href="http://scclmines.com">http://scclmines.com</a> <a href="http://www.scclmines.com">www.scclmines.com</a> <a href="http://coal.nic.in">http://coal.nic.in</a>
16	Agriculture	<a href="http://agri.ap.nic.in">http://agri.ap.nic.in</a>
17	Horticulture	<a href="http://www.aphorticulture.com">www.aphorticulture.com</a>
18	Fisheries	<a href="http://www.ap-fisheries.org">www.ap-fisheries.org</a>
19	Biotechnology	<a href="http://www.genomevalley.org">www.genomevalley.org</a> <a href="http://www.iciciknowledgepark.com">www.iciciknowledgepark.com</a> <a href="http://www.spbiotechpark.com">www.spbiotechpark.com</a> <a href="http://dbtindia.nic.in">http://dbtindia.nic.in</a> <a href="http://dst.gov.in">http://dst.gov.in</a>
20	Technology	<a href="http://www.aptdc.com">www.aptdc.com</a> <a href="http://www.iictindia.com">www.iictindia.com</a> <a href="http://www.ccmb.res.in">www.ccmb.res.in</a> <a href="http://www.apitco.org">www.apitco.org</a> <a href="http://www.cipetindia.com">www.cipetindia.com</a> <a href="http://www.cftri.com">www.cftri.com</a> <a href="http://www.techno-preneur.net">www.techno-preneur.net</a> <a href="http://www.tifac.org.in">www.tifac.org.in</a>

S.No	Department / Information	Web address
20	Technology	<a href="http://www.aptdc.com">www.aptdc.com</a> <a href="http://www.iictindia.com">www.iictindia.com</a> <a href="http://www.ccmb.res.in">www.ccmb.res.in</a> <a href="http://www.apitco.org">www.apitco.org</a> <a href="http://www.cipetindia.com">www.cipetindia.com</a> <a href="http://www.cftri.com">www.cftri.com</a> <a href="http://www.techno-preneur.net">www.techno-preneur.net</a> <a href="http://www.tifac.org.in">www.tifac.org.in</a>
21	Food Processing	<a href="http://mofpi.nic.in">http://mofpi.nic.in</a>
22	Urban Development	<a href="http://www.hydhuda.org">www.hydhuda.org</a> <a href="http://urbanindia.nic.in">http://urbanindia.nic.in</a>
23	Transport	<a href="http://www.aptransport.org">www.aptransport.org</a>
24	Roads	<a href="http://www.aproads.com">www.aproads.com</a> <a href="http://morth.nic.in">http://morth.nic.in</a>
25	Shipping	<a href="http://shipping.gov.in">http://shipping.gov.in</a>
26	Railways	<a href="http://www.scrailway.gov.in">www.scrailway.gov.in</a> <a href="http://www.indianrailways.gov.in">www.indianrailways.gov.in</a>
27	Information Technology	<a href="http://www.apit.gov.in">www.apit.gov.in</a> <a href="http://www.hyd.stpi.in">www.hyd.stpi.in</a> <a href="http://www.iiit.net">www.iiit.net</a>
28	Tourism	<a href="http://www.aptourism.com">www.aptourism.com</a>
29	Chemical & Petrochemical	<a href="http://chemicals.nic.in">http://chemicals.nic.in</a>
30	Fertilisers	<a href="http://fert.nic.in">http://fert.nic.in</a>
31	Petroleum & Natural Gas	<a href="http://petroleum.nic.in">http://petroleum.nic.in</a>
32	Commerce	<a href="http://commrce.nic.in">http://commrce.nic.in</a>
33	Airports / Civil Aviation	<a href="http://www.newhyderabadairport.com">www.newhyderabadairport.com</a> <a href="http://civilaviation.nic.in">http://civilaviation.nic.in</a> <a href="http://www.airportsindia.org.in">www.airportsindia.org.in</a> <a href="http://powermin.nic.in">http://powermin.nic.in</a>
34	Ministry of Power	
35	Textiles	<a href="http://texmin.nic.in">http://texmin.nic.in</a>
36	Steel	<a href="http://steel.nic.in">http://steel.nic.in</a>
37	Labour	<a href="http://labour.nic.in">http://labour.nic.in</a>
38	Institutions	<a href="http://nisiet.gov.in">http://nisiet.gov.in</a> <a href="http://www.asci.org.in">www.asci.org.in</a> <a href="http://www.cess.ac.in">www.cess.ac.in</a> <a href="http://www.nalsarlawuniv.org">www.nalsarlawuniv.org</a>
39	Handicrafts	<a href="http://www.lepakshihandicrafts.gov.in">www.lepakshihandicrafts.gov.in</a>
40	Heavy Industries	<a href="http://dhi.nic.in">http://dhi.nic.in</a>
41	Public Enterprises	<a href="http://www.pedap.org">www.pedap.org</a> <a href="http://dpe.nic.in">http://dpe.nic.in</a>
42	Company Affairs	<a href="http://www.mca.gov.in">www.mca.gov.in</a>
43	AP Education	<a href="http://www.apsche.org">www.apsche.org</a>
44	Indian School of Business	<a href="http://www.isb.edu">www.isb.edu</a>
45	Government of India portal	<a href="http://goindirectory.nic.in">http://goindirectory.nic.in</a>
46	Industrial Associations	<a href="http://www.ciionline.org">www.ciionline.org</a> <a href="http://www.ficci.com">www.ficci.com</a> <a href="http://www.fapcci.in">www.fapcci.in</a> <a href="http://www.eliap.org">www.eliap.org</a> <a href="http://www.bdma-assn.org">www.bdma-assn.org</a> <a href="http://www.ipapharma.org">www.ipapharma.org</a>
47	Trade Fairs / Exhibitions	<a href="http://www.hitex.co.in">www.hitex.co.in</a> <a href="http://www.indiatradepromotion.org">www.indiatradepromotion.org</a> <a href="http://www.cidex-tradefairs.com">www.cidex-tradefairs.com</a>
48	Telephone Directory	<a href="http://www.aptelecom.gov.in">www.aptelecom.gov.in</a>

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