

**DR. MCR HUMAN RESOURCE DEVELOPMENT  
INSTITUTE OF ANDHRA PRADESH HYDERABAD**



**INDUSTRIES  
DEPARTMENT**



Dear Reader,

As part of its endeavour to provide a SMART (Simple, Moral, Accountable, Responsive and Transparent) administration, the State Government of Andhra Pradesh has launched a major Human Resource Development and Training initiative aimed at developing a large human resource base of well informed and responsive functionaries and officials.

The successful and effective implementation of any initiative or programmed in government is largely the result of the involvement and efforts put in by its functionaries at all levels. Obviously, the most fruitful way in which to bring this about is to make individual functionaries aware of their role functions and responsibilities. To achieve this, the Human Resource Development Institute of AP, as the apex training institution of the State Government responsible for the overall implementation and co ordination of the state training initiative, has proposed to bring out department wise manuals in two parts, namely

1. Departmental Manual

2. Functionary Manual

The Departmental Manual would indicate the role, responsibilities and functions of the department. The Functionary Manual will detail, as the nomenclature indicates, the functions and responsibilities of the functionaries within the department, at all levels. While doing so, the evolving role of governmental functionaries in being effective managers of change in a welfare state has been delineated. The Departmental Manual also details the department's organisational chart, the rules, regulations, legislations and enactments which govern its functioning and direct its activities and the various interdepartmental interactions it has to perform. The Manual also facilitates a definition of the Department's role in serving the general public as customer while drawing up a vision for its future development in the coming decades in line with the vision 2020 of the State.

The present volumes developed by the A.P. Industries Department are in two parts. As is evident, these publications are the out come of thorough study and analysis of the department's role, functions and procedures. They are intended to serve as useful aid to each and every employee of the department in the effective discharge of his/her functions. It may be noted, however, that these manuals do not replace the codes and orders on the subject but are at best, meant to guide and assist the functionaries in the effective discharge of their duties.

Any suggestions for the improvement of these Manuals may be sent directly to the Director General, Dr. MCR HRD Institute of Andhra Pradesh, Road No. 25, Jubilee Hills, Hyderabad - 500 003, for consideration and incorporation in subsequent updations and revisions of the Manuals.

**PVRK PRASAD IAS**

Director General

Dr. MCR Human Resource Development

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&

Ex-Officio Spl. Chief Secretary to Government (HRD)

## PREFACE

The Manuals for the Industries Department, developed in two volumes, namely Departmental Manual and Functionary Manual have been brought out under the instructions of the Government, aimed at developing a competent human resource base of accountable and responsive functionaries, in pursuance of Government's endeavor to provide SMART administration.

2. The Departmental Manual presents a broad over view of the department i.e., the historical background of the Department, its evolution over the time, the present organisational structure, its interaction with the various departments such as A.P. Industrial Infrastructure Corporation Limited, A.P. Industrial Development Corporation Limited, A.P. State Finance Corporation Limited, A.P. Electronics Development Corporation, A.P. Handicrafts Development Corporation limited, Leather Industries Development Corporation etc., the services rendered by the department and finally the vision of the department, as a part of the over all vision of the state, projecting the scope of development of Industries, by upgrading its delivery systems with the help of Information Technology, to match the increased and multifarious needs and aspirations of Entrepreneurs, treating the department's service as a critical input, in the industrialisation of the State.

3. The Functionary Manual provides, function-wise and functionary-wise, duties to be performed by each category of functionary and his responsibilities vis-a-vis superiors, subordinates, towards other interacting Government Departments and general public. The administrative and financial powers delegated to the Commissioner of Industries, Additional Directors of Industries, General Managers, District Industries Centres by the State Government from time to time are incorporated. Extracts of important Acts and Rules and Government Orders on Government of India Regulations on SSI Registration, State Government Orders on Development of Small Scale Industries, Revival of sick Industries-Package of concessions, Rate Contract System under Marketing Assistance scheme, Urban land ceiling Act have been furnished for the benefit of the Departmental functionaries.





4. These manuals were prepared by Sri.M.Thimmaiah, Additional Director of Industries (Retired), whose effort was acknowledged with thanks. I also place on record my deep appreciation of all the Officers and support staff, who were associated with this project and completed the task to the expected standards. The information incorporated in these Manuals is upto 2000 only. Further changes in the Acts/Rules of the Industries Department are continually being upgraded/updated and the same is being incorporated continuously in various G.O's, Brochures etc. New Industrial Policy 2000-2005 was brought out in the book "Incentives for Investments in Andhra Pradesh-2000-2005" by the Department. The latest information about the activities of the Department can be obtained from the website [www.apind.com](http://www.apind.com).

T.S.APPA RAO  
COMMISSIONER OF INDUSTRIES



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# CHAPTER 1

ORIGIN OF THE INDUSTRIES  
DEPARTMENT



# ORIGIN OF THE INDUSTRIES DEPARTMENT

The Industries Department at Hyderabad was formed in the year 1926 by the erstwhile Nizam's Government. The department then consisted of a Secretary to Government and a Director, Dept. of Commerce & Industry. They were assisted by three senior officers viz., an industrial Engineer, a Textile Expert and a Deputy Director with other supporting officers and staff. An Engineering wing was created and the Industrial Engineer was appointed to give approval for the factory and the boiler layouts. A textile wing was created with the Textile Expert to look after the development of textile industry and also to look after the welfare of spinners and handloom weavers. The Deputy Director was kept in charge of cottage and artisan based industries and handicrafts.

With the outbreak of the Second World War, many steps were taken for the development of industries in the Hyderabad State. The first step in this direction was the formation of an Industrial Corporation partly financed by the Government and partly by the other agencies, for the manufacture of heavy chemicals, sheet glass and glassware, glucose, casein and plastics. With a view to stimulate industrial activity, a Scientific and Industrial Research Board was constituted for the promotion of industries based mainly on the indigenous and locally available raw materials.

In the erstwhile Madras Presidency, in early 1920s, the Industries Dept. was attending the following functions.

1. Agricultural and industrial exhibitions were conducted at district headquarters and other suitable places.
2. Pumping and boring machinery and improved textile appliances were demonstrated for the benefit of agriculturists and handloom weavers. The engineering exhibits comprised of a power drill, a hand-boring set, a high speed well-sinking set, a section of artisan basin in miniature, a power-driven wooden chekku and a model sugarcane continuous furnace. The textile exhibits include a bobbin winding machine, a hand-knitting machine, a hand-sizing machine and an aerograph printing machine. As the activities of the department were exhibited in these exhibitions, the services of the department were more frequently requisitioned in the districts concerned.
3. Loans were sanctioned to small scale and cottage industries through the Statutory Board of Industries.

4. Bureau of Industrial and Commercial Information was set up to provide general and statistical information on industrial and commercial subjects and to answer on issues relating to the commerce, trade and industry of the Madras Presidency.
5. The industrial units were recommended to the Chief Controller of Stores, Govt. of India for inclusion in the approved list of contractors.
6. Statistical information was compiled relating to industries, mines and minerals and also the fortnightly return of wholesale prices of certain basic commodities at selected markets in several districts of the Presidency.
7. Industry-wise performance was analysed and strategy for promotion of new Industries was evolved.
8. The performance of manufacturing concerns owned by the Government were reviewed and suggestion made to improve their performance.
9. The Engineering wing of the department was mainly attending to investigation of new engineering projects, of the erection of new power installations, the maintenance of pumping and industrial installations already at work. It was also attending to the conduct of boring operations and the investigation of applications for sanction of loans.
10. Industrial Education was made part of Industries Department, headed by an Inspector of Industrial Schools.
11. There were Textile section, Sericulture branch, and production units attached to the Industries Department.

The Engineering branch of the department consisted of 3 divisions for attending to the works as explained above. The Engineering branch had 3 Divisional Engineers, 17 Supervisors, 40 permanent mechanics and a number of temporary boring Maistris and drillers consistent with the expansion of work. The Bezwada Division comprising of Ganjam, Vishakapatnam, Godavari (East), Krishna, West Godavari, Guntur, Nellore, Kurnool, Cuddapah and Anantapur Districts besides Bellary District, had 5 Supervisors, 11 Mechanics, 61 drilling maistris, drillers and assistant drillers. There was one Deputy Director, one Industrial Engineer and one Asst. Industrial Engineer in charge of the Departmental Engineering Workshop located at Madras.

During the post World War reconstruction period, the Industries Department also witnessed accelerated development. This department was further strengthened at the Head Office. In the Head office, three technical officer posts of cotton Assistant. Wool Assistant and Silk Assistant were created, so also, the post of Dy. Director .

(Handicrafts) besides the existing post of Dy. Director which was upgraded as Joint Director of Industries. The State Director of Industries was also made the Chief Purchasing Officer for all the State Government Stores purchase in all the Departments.

At the district level, a district setup was created with one District Industries Officer in charge of two districts. Later on during 1956, when the work pertaining to industries increased, the number of district officers were doubled and one officer was posted for each district.

When the newly constituted Andhra State was functioning from Kurnool as its Capital, three posts of Joint Directors in charge of Large Scale Industries, Small Scale Industries and in-charge of extension work were created.

Again, an effort was made by the State Government to take the official Industries machinery at Head office to District Level by posting, Four joint Directors in the Head office as 4 Regional Joint Directors at Hyderabad, Vijayawada, Visakhapatnam and Anantapur. But after a few years, these Regional Joint Directors were again transferred to Head office at Hyderabad, while the Joint Director in-charge of Leather was already working in the Head Office. During 1973-74, three posts of Industrial Advisors for Engineering, Chemical and for Artisans and Rural Industrialisation were created in the cadre of Additional Director but after some years, these three posts were abolished.

An Engineering wing was working in the Head office under the control of a Superintendent Engineer for construction of departmental buildings, to develop and maintain infrastructure in Industrial Estates, Autonagars, etc. This wing was later merged into A.P. Industrial Infrastructure Corporation.

The Industries department was also attending to the following functions, besides looking after the development of cottage, small scale and large scale industries in Andhra State.

1. Weights and Measures
2. Handlooms and Textiles
3. Sericulture



#### 4. Commerce and Export Promotion

However, these activities were subsequently withdrawn from Industries Department by forming new departments over a period of time.

After the formation of District Industries Centres in 1979-80, the Industries Department has emerged as a technical and promotional department providing all support and services to industries. The other thrust area of the department is to promote Self Employment and Special Employment Schemes for the benefit of educated unemployed youth. The department is also rendering necessary technical guidance to other Govt. agencies like DRDA, S.C/B.C. Corporations, Minorities Corporation, etc. for promotion of Self Employment Schemes. The department implemented SEEUY (Gramodaya) scheme during 1983-1993 and since then PMRY is being implemented in the State as Centrally sponsored scheme for providing self employment to the educated unemployed youth.

# EVOLUTION OF DEPARTMENT

The new State of Andhra Pradesh carved out of erstwhile Madras State and Hyderabad State inherited two different and distinct systems of administration with two sets of functionaries. A brief picture of the activities of the two erstwhile Governments relating to industrial promotion and development is already focused in the earlier chapter.

<p><u>The Department passed through different phases of transformation from a regulatory department to that of a Developmental agency</u></p>	<p>After the formation of Andhra Pradesh State, the Industries Department was attending the following functions.</p> <ul style="list-style-type: none"> <li>• Works pertaining to boring and drilling of wells.</li> <li>• Weights and Measures</li> <li>• Development of Handicrafts, Cotton, Wool and Sericulture based Industries</li> <li>• Collecting Industrial Data and Statistics</li> <li>• State Director of Industries as the Chief Purchasing Officer for all the State Government Departments.</li> </ul> <p>To perform the above functions, the Industries Department had the following functionaries.</p>
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## HEAD OFFICE :

1. Director of Industries
2. 3 Joint Directors for Large Scale Industries, Small Scale Industries and in charge of Extension work.
3. 2 Joint Directors for handicrafts and leather
4. 3 Class-I Technical Officers for Cotton, Wool and Silk
5. Industrial Engineer
6. Commercial Intelligence Officer

## DISTRICT SETUP :

An Officer of the cadre of Assistant Director of Industries was posted for each district. He was assisted by a team of Extension officers (Block level functionaries), a Supervisor, an Industrial Inspector and a Cooperative Sub-registrar along with the supporting ministerial staff to look after the departmental work. The Extension Officer (Ind) was

under the administrative control of Block Development Officer but discharging his functions under the technical supervision of Assistant Director of Industries. When the district administration was reorganised based on the recommendations of the M.T. Raju committee in 1967, the Extension Officer (Ind) was brought under the administrative control of the Assistant Director of Industries and the area of operation was enhanced from one Block to 2-3 Blocks. One Deputy Director of Industries was functioning as Collector (Industries Wing) in few advanced districts and assisting the District Collector in the matters of industrial development.

The Assistant Director of Industries and commerce had jurisdiction over the entire district and was entrusted with the control and supervision of the work of the Industries Department at District Level. His functions included the promotion of new industries, securing licences, procurement of essentiality certificate for the import of raw materials, establishment of liaison between the industrialists and State Government through the Directorate of Industries and Commerce, sanction of the schemes under community development programme and supervision of training centres. He was also entrusted with the work of rehabilitation of displaced goldsmiths.

In the formation of the scheme related to the small scale industries and their implementation, the Assistant Director was assisted by a Supervisor for Small Scale Industries with jurisdiction over the entire district. An Industrial Inspector was attending to the work connected with the procurement of controlled commodities. A Cooperative Sub-Registrar was posted to assist the Assistant Director in the registration and inspection of Industrial Cooperatives. The Extension Officer (Ind.) looked after the work connected with the improvement of Cottage and Village Industries by formulating the schemes and taking requisite action for implementing them after necessary sanction.

There was an Assistant Engineer of Engineering Wing with jurisdiction over four or five districts and was incharge of construction of buildings of Industries Department. He was assisted by two Supervisors.

## **FUNCTIONS ATTENDED BY INDUSTRIES DEPARTMENT :**

The small industries development programme commenced only towards the end of the First Five Year Plan (1955-56). The following Centrally sponsored programmes were taken up during the first to fifth plan period.

- 1) Industrial Estates programme

- (2) Loans under the State Aid to Industries Act
- (3) Service Schemes
- (4) Commercial schemes
- (5) Common service facility schemes
- (6) Service-cum-commercial schemes
- (7) Subsidy on supply of power
- (8) Industrial cooperatives

In early 1960s, the Industries department was concentrating on development of cottage and small scale industries, Industrial cooperatives, industrial estates, loans to artisans, running Block level production cum training centres and training centres in carpentry, blacksmithy, handicrafts, etc. During the year 1964-65, three Rural Industries Projects were sanctioned to the State for Nalgonda, Narsaraopet (Guntur Dist.) and Anantapur Districts. The posts of a Joint Director, Rural Industrialisation and a Deputy Director were also created in the Head office. At District level, one Project office was opened with a Deputy Director as in charge of the project with supporting staff.

### **INDUSTRIAL ESTATES :**

The principal objectives of the Industrial Estate programme were :-

- To encourage the growth of Small Scale Industries.
- To shift small scale Industries from congested urban areas to estate premises with a view to increase their productivity
- To achieve decentralised industrial development in small towns and large villages
- To encourage the growth of Ancillary industries in the townships surrounding major industrial undertakings, both in Public and Private Sectors.

The Industrial Estates were established first at Sanathnagar, Visakhapatnam, Vijayawada, Samalkot and Nandyal in 1957. As the response from the entrepreneurs was encouraging, three more estates were setup at Warangal (1959), Cuddapah (1960), and Chandulal Baradari in Hyderabad. The Co-operative Industrial estate was established at Balanagar in 1964-65. The three rural Industrial Estates were located at Kishannagar(Nizamabad), Gadwal(Mahaboobnagar), and Nandyal (Kurnool).

### **RURAL INDUSTRIES PROJECTS (RIPs) :**

For intensive development of small scale industries in rural areas, Rural Industries Planning Committee of Planning Commission sponsored the Rural Industries Project in 45 selected rural areas throughout the country during the year 1958-59 and four more projects near large scale public sector plants had been added. Each RIP area was to cover 3-5 blocks with a population of 3-5 lakhs.

In Andhra Pradesh, the Rural Industries Project programme was implemented in 3 districts of Anantapur, Guntur and Nalgonda Districts. An independent office of the Deputy Director, RIP was established to implement the programmes. The Deputy Director (RIP) was assisted by an Economic Investigator and four Technical Officers besides ministerial staff.

Under RIP Programme, General Engineering Workshops and production cum training centres were opened in each of these projects to serve as a nucleus for facilitating rural industrialisation through improved skills. The Engg. Workshops were established for training in servicing of oil engines, pumpset repairs, Carpentry, blacksmithy and general engineering works. The State Government established training centres to provide training to artisans in improved technology in several trades like fruit preservation, cotton and silk dyeing, designing & printing, wood carving, glazed pottery, fibre & brush making, soaps, phenyl, dehydrated castor oil, paints & varnishes, leather tanning & foot-wear, bamboo & rattan products, safety matches, Manglore tiles, etc.

## **SERICULTURE ACTIVITIES :**

An Assistant Inspector of Sericulture was working under the Assistant Director of Industries, Anantapur and was stationed in Madakasira to encourage Sericulture among the cultivators of the taluk. An Assistant Sericulture expert was stationed at Hindupur with jurisdiction over Anantapur, Chittoor and Kurnool Districts for the expansion and improvement of Sericulture in these districts. He had under him a Farm Manager in charge of the Government Silk Farm and basic seed farms at Hindupur, a Nursery Inspector in charge of the reeling unit and Government Craft Nursery at Hindupur, a Grainage Assistant in charge of the grainage at Hindupur and an Assistant Inspector of Sericulture at Kodikonda, who was in charge of the seed area scheme and extension work to bring in more acreage under mulberry cultivation. The Assistant Director was also in charge of the Assisted Private Industrial Estate at Anantapur.

### **Leather Tanning & Production Centres:**

Prior to 1970s, the State Government established several leather tanneries and leather products manufacturing units. These centres were transferred to the leather Industries Development corporation vide G.O.Ms.No. 766 Industries and Commerce Department dated 31-07-1974. All the staff working in the five leather units and also staff working in the leather wing of the Directorates were transferred to the Leather Industries Development Corporation with effect from 01-09-1974.

1. The Hyderabad Tanneries, Hyderabad.



2. The Utility Leather Goods Centre, Hyderabad
3. The Model Leather Goods Manufacturing Unit, Vijayawada
4. The Model Tanneries, Guntakal, Anantapur Dist.
5. The Peripatetic Demonstration Centre, Rapur, Nellore Dist.

## HANDICRAFTS SCHEMES :

Handicrafts of Andhra Pradesh combine beauty with utility, while displaying a high degree of artistic skill and workmanship. The Carpets are the pride of Andhra Pradesh and this industry dates back to Moghal period. The Jewellery (Hyderabad) are Moghal in style and noted for its elegance and fine workmanship. Bidri is an ancient craft of inlaying gold and silver on steel and copper as practiced in Persia and Arabia in olden days. Andhra Pradesh is known for its Handloom Textiles, their careful weaving and the vivid colours. The State has also made a significant contribution to the history of hand printed Textiles in India. The ancient tradition of Kalamkari is centuries old.

The promotion and development of handicrafts including handicrafts emporia was a part of department. The department made special efforts for development of handicrafts in Andhra Pradesh as listed below.

Sl.No.	Handicraft	Centres of activity
1	Carpets and Durries	Eluru and Warangal
2.	Textiles	Uppada, Gadwal, Venkatagiri, Siddipet, Armoor, Narayanpet, Peddapuram, Dharmavaram and Kotha kota
3.	Himroo	Hyderabad
4.	Crochet laces	Narsapur, Palakol and surrounding areas
5.	Hand Printed Textiles i) Kalamkari ii) Tie & Dye	Kalahasti, Machlipatnam Pochampally and Chirala
6.	Banjara Embroidery	Telangana region
7.	Brassware	Pembarthi
8.	Bidri	Hyderabad
9.	Silver Filigree	Karimnagar
10.	Stone studded Bangles	Hyderabad
11.	Jewellery (including gold coverings)	Hyderabad and Machlipatnam

12.	Wood Work	Bhongir, Madhavaram, Udaygiri
13.	Nirmal Work	Hyderabad
14.	Toys	Kondapalli, Nirmal, Etikopakka, Varigonda & Tirupati
15.	Ivory, Horns and Tortise shells articles	Visakhapatnam & Secunderabad
16.	Stone Carvings	Durgi
17.	Leather Puppets	Nimmakunta and D.C.Palli

A Research and Designs Centre for Handicrafts was established as the part of the Industries Department. In order to develop handicrafts the department also setup a number of training centres to upgrade the skills of artisans and to train rural youth in traditional skills.

## I. SCHEMES RUN BY RESEARCH AND DESIGN CENTRE :

1. Pilot Centre for cutting & Polishing of Semi-precious stones
2. Development of Perfumery
3. Painting, Weaving and Artistic Weaving Training Centre
4. Kamdani & Zarodozi Training Centre
5. Tribal Arts & Tribal Embroidery Training Centre

## II. OTHER TRAINING CENTRES :

1. Stone Carving Training Centre, Durgi, Guntur District
2. Kalamkari Art Training Centre, Sri Kalahasti, Chittoor District
3. Bamboo Basket Making Training Centre, Srisailam, Kurnool District
4. Artistic Woodenware Training Centre, Udayagiri, Nellore District
5. Saw Dust Toys Training Centre, Varigonda, Nellore District
6. Leather Puppet Dolls Training Cente, D.C. Palli, Nellore District

The Government vide G.O.Ms. No. 299, Industries and Commerce (RIP) Department dated : 30-3-1976 ordered for handing over the commercial activities relating to the emporia to Andhra Pradesh State Trading Corporation and allowed to continue the promotional and servicing activities with the Industries Department. Accordingly, seven (7) Emporia under the control of the Director of Industries located at Hyderabad, Vijayawada, Visakhapatnam, Rajahmundry, Tirumala, Anantapur and

Warangal were transferred and all the staff working in the emporia were taken on deputation. However, after the formation of A.P. Handicrafts Development Corporation with the objective of revival, revitalisation and development of handicrafts in Andhra Pradesh in 1981, the assets and the stocks in the Lepakshi and other emporia and the Nirmal industry were transferred. The Research and Designs Wing (Handicrafts), Musheerabd and other handicrafts Training Centres run by the department were also transferred to A.P.H.D.C. as ordered in G.O.Rt.No. 1616 Industries & Commerce (T&C) Department dated 7th December, 1982.

## **PRODUCTION CENTRES & TRAINING CENTRES UNDER EMPLOYMENT SCHEMES :**

There were 26 Production Centres and 12 Training Centres under Employment Schemes run by Industries Department. These Centres were manufacturing a variety of items like File pads & Envelops, Chalk Crayons, File Tags, Bandage & Gauge Cloth, Leather Garments, Printing Works, Zig Zag Works, Cane Weaving etc. All these Centres were transferred to the administrative control of the Society for Employment and Training (SETWIN), Hyderabad vide G.O.Ms.No. 844, Industries & Commerce Department, dated : 23rd March 1989 along with the staff.

## **HALF A MILLION JOBS PROGRAMME:**

As per G.O.Ms.No.896, Inds & Com (SE) Department, dt 27.9.1973 and G.O.Ms.No.1043, Inds & Com. (IE) Department dt 8.10.74, the government sanctioned certain posts for the Self Employment Scheme under Half a million Job programme.

1. Industrial Advisor (Engineering)
2. Industrial Advisor (Chemical )
3. Development Officer ( Plastics)
4. Development Officer(Foundry & Metallurgy)
5. Development Officer ( Electronics )
6. Development Officer ( Industrial Economics)
7. Development Officer ( Finance & Marketing)
8. Development Officer (Drugs, Pharmaceuticals & Foods )
9. Development Officer ( Industrial Engineering )
10. Development Officer (Training & Coordination)
11. Publicity Officer
12. Statistical Officer
13. Technical Officers

14. Regional Development Officers-(5) Cuddapah, Vijayawada, Vizag, Warangal and Hyderabad Districts.
15. Deputy Development Officers-(8) West Godavari, Chittoor, Kurnool, Medak, Adilabad, Nellore, Srikakulam and Prakasam Districts.

Three posts of Industrial Advisors for Engineering , Chemical and for Artisans and Rural Industrialisation were created in the year 1973-74 in the cadre of Additional Director but after some years, these three posts were abolished.

The Director of Industries also looked after Cement control and the Additional Director of Industries functioned as the State Cement Controller. The Additional Director of Industries also functioned as the Liaison Officer between the State Government and the Central Sector Projects.

The State Government re-organised the Department of industries both at Head Quarters and in the districts, in view of the sanction of Self Employment Programme, Half-a Million Jobs Programme and the employment oriented Programmes sanctioned by Central Government vide G.O.Ms.No.715, Inds & Com.(IE) Dept., Dt.16.7.1974. The (5) Regional Development Officer posts were continued. A separate "Inspection Wing" cell was created in Central Office with District level Field Staff to inspect and report on proper receipt of imported and scarce raw materials and their utilisation. Six posts of Assistant Director (IW) were sanctioned and posted at Visakhapatnam, Vijayawada, Ongole, Cuddapah, Warangal and Head Office. Due to liberalised policies of the Government and abundant availability of raw materials in the open market, the inspection wing was found surplus and these posts were abolished subsequently.

## **DISTRICT INDUSTRIES CENTRES:**

In accordance with the New Industrial Policy statement made in December 1977 by Govt. of India, one District Industries Centre was sanctioned for each district to deal with all requirements of small and village industries. The State Government sanctioned 11 DICs vide G.O.Ms. No. 761 Industries and Commerce (SSI) dated 3-10-1978, 3DICs vide G.O.Ms.No.481 Industries and Commerce (SSI) Department dated 21.6.1979. and 8 DIC's vide G.O.Ms.No 81 Industries and Commerce (SSI) Department dated 13-2-1981. Soon after the formation of District Industries Centres, additional posts were created as per the pattern suggested by the Government of India and the functions were redefined among the functionaries in the DIC. The State Government, with a view to have a uniform staffing pattern among all the District Industries Centres, rationalised the staffing pattern in each districts and created Growth

Centres and Inspection Wing duly fixing the head quarters and shifted the non-plan posts, along with the persons to Growth Centres in order to cope up with the work load especially in tiny / decentralised sector in the interest of rural development.

The Development Commissioner (SSI) Govt. of India informed that as per the decision of National Development Council, the District Industries Centres scheme was transferred to the State sector from 1994-95 onwards. Since then no provision was made by the Govt. of India in the budget of the office of the Development Commissioner (SSI) in this regard. The Departmental Clearance Committee in its meeting held on 28-5-1995 have decided to reorganise the District Industries Staff pattern by reducing the staff strength and also to merge the Growth Centres Offices with District Industries Centres in order to reduce the plan expenditure and to improve the efficiency.

The implementation Committee meeting held on 7-11-1995 recommended the revised staffing pattern of District Industries Centres. The Government accepted the recommendations of the implementation Committee and accordingly issued orders reducing the posts in each DIC. The over all position of sanctioned and abolished posts after reorganisatiion in 1977 is as follows:

Total Posts Sanctioned	1437
a. Posts already made permanent	205
b. Posts to be made permanent	
Non-Plan	146
Plan to Non-Plan	227.
c. Posts to be continued under Non-Plan on temporary basis	30
d. Posts to be continued temporarily under Plan	213
e. Posts to be continued on supernumerary basis	375
f. Posts to be abolished	241

However, there is no change in the Staffing Pattern of the offices of the District Industries Centre, Hyderabad and the Head Office.

## DISTRICT INDUSTRIES CENTRE PROGRAMMES:

The DIC Programme was launched as a centrally sponsored scheme to bring organisational changes with a view to provide an integrated administrative framework at the district level for industrial promotion. The Government of India during the Year 1978-79 provided 100% non-recurring grant of Rs.5.00 lakhs each for the 11 DICs



and also provided 75% of the recurring expenditure subject to a limit of Rs.3.75 lakhs. Subsequently, the recurring expenditure on DICs were shared by the Central and State Government on a 1:1 ratio subject to limitation of Rs 4.00 lakhs per District Industries Centre by the Government of India till 1993-94. As per the decision of the National Development Council, the District Industries Centre Scheme was transferred to the State sector from 1994-95. Various schemes taken up under DIC programme are,

**(a). Loan Assistance Programme:**

Under the District Industries Centre Loan Assistance Programme, artisans were provided loan during the years, 1978-79 to 1981-82. This scheme was modified with effect from 1-4-1981 and converted as margin money loan assistance programme which has to be operated in rural areas only with a population of less than 50000 and to industrial units whose capital investment was not exceeding Rs.2.00 lakhs.

**(b). RIP/RAP Grants Scheme:**

Under the RIP/RAP grants scheme, grants were provided to the artisans and the tiny units in the districts during the period 1978-79 to 1981-82. These grants were provided by way of supplying improved tool kits, workshed subsidy, power and power connection subsidy and stipends to artisans during training.

**(c). Rural Artisan Complexes:**

To improve the level of income of the artisans in the rural areas, a new deal of providing package of services to these artisans has been introduced by the state Government in 1981. Under this programme, it is envisaged that initially one village in each Samithi has to be identified where the concentration of artisans is a minimum of 20 or above. These artisans will be provided with worksheds with amenities on a complex with improved tools and equipment and working capital, so as to enable them to improve their levels of income. The funds required for implementing this programme were pooled from various agencies like D.R.D.A., S.C., B.C., Corporations, District Industries Centre, banks and other financial institutions. Totally, 554 Rural Artisan Complexes were grounded during the seven-year period of 1982-83 to 1988-89 in 22 districts of the state.

## **MINI INDUSTRIAL ESTATES FOR S.C./S.TS:**

The Mini-Industrial Estate programme was taken up under Special Component

plan during 1988-89 to provide infrastructure facilities including land and buildings to educated unemployed persons from S.C./S.T. Community for setting up of industrial ventures. Each shed of 30'x20' is constructed to allot to each entrepreneur. In each district 6-25 sheds were constructed at a cost of Rs.2.00 lakh per each shed. The construction work was entrusted to APIIC. As per the guidelines issued by the State Government vide G.O.Ms.No.232, Industries & Commerce (DIC) Dept dated 01/06/1988, the shed is leased for a period of 5 years initially and with an option for the entrepreneur for purchase of shed after it goes into regular production. The shed will be allotted on outright cost basis but the cost to be paid over a period of 20 years in 80 equal installments without any interest. Totally 260 sheds were constructed in the state under this programme.

Initially the shed allotment was made through an official committee with the Dist. Collector as chairman. However, during 1998-99, the powers were delegated to the Zonal Managers of APIIC to allot the sheds across the table on first cum first serve basis as per G.O.Rt.No.836, Inds & Com (IE) Dept., Dt.30-11-1998.

## **RURAL SERVICE GUILDS:**

With the advent of modern techniques of farming, certain mechanised implements and improved mechanical agro-implements have been finding increased usage in the rural areas. With the implementation of Rural Industries Programme and Gramodaya(SEEU) programme, Tiny Industrial and Servicing Ventures have come up in the villages and rural growth centres.

It was felt that the agriculturists and rural entrepreneurs should not depend on urban areas for basic service facilities such as welding, tyre-retreading, repairs to pump sets and domestic appliances, etc. In order to provide the needed facilities, one Rural Service Guild was set up in Lepakshi in Ananthapur district on pilot basis. It has provided positive results. This programme of setting up of Rural Service Guilds were taken up initially in 4 more districts and extended to other districts subsequently.

## **DEPARTMENTAL INSTITUTIONS:**

### **1. OIL TECHNOLOGY RESEARCH INSTITUTE:**

The Oil Technology Research Institute(OTRI), Ananthapur was founded in the year 1949 to work exclusively on the subject of oil Technology and to tackle the problems of Oil Industries i.e., Development and introduction of New Technologies in Extraction

of Oil from various seeds and their utilisation. As per G.O.Ms.No.199 Industries, Commerce & Power (IF. Cell ) Department, dated 18th April, 1985, the OTRI was transferred to JNTU, Hyderabad with effect from 1st April 1985 along with all assets and the staff working there. The staff were, however, given option about their retention in the Dept., of Industries or for absorption in the service of Jawaharlal Nehru Technological University, Hyderabad. The OTRI, Ananthapur was transferred to JNTU, Hyderabad with a view to enable the OTRI to draw suitable schemes and programmes in collaborations with the Institutions like ICAR, CSIR etc., laying special emphasis on the development of vegetable oils and fats and allied products.

## II. TESTING LABORATORIES:

There had been a remarkable growth in the small scale sector in the State particularly in the disciplines of engineering, chemical and pharmaceuticals, mineral, food and plastics. The units which are mostly proprietorship or partnership concerns, could hardly afford for sophisticated equipment required for carrying out quality control. The Government, therefore, setup the following laboratories for providing necessary testing facilities to the small scale industries and self-employed units at reasonable rates and to improve their quality and competitiveness.

1. Industrial Testing & Development Laboratory, (ITDL), Hyderabad,
2. Testing Laboratory for Engineering Materials & Products, (TLEMP),  
Visakhapatnam
3. Mineral & Chemical testing Laboratory, (MCTL), Cuddapah
4. Testing Laboratory for Diesel Engines and Engineering Products, (TLDE & EP) Vijayawada.

The performance of the testing laboratories established by the Department was found not encouraging for various reasons like competition from private testing laboratories, use of absolute machinery & equipment in the testing laboratories run by the Department., when most modern Electronic / Mechanical / Chemical testing equipment are available in the private laboratories, lack of funds for modernisation and diversification, poor maintenance and calibration of equipment, inefficient use of chemicals and other consumables, the Government ordered for closures of all the 4 testing laboratories as recommended by the Implementation Committee with effect from 31-12-1996/ 31-12-96/ 30-06-1996/ 31-03-1996 respectively.

The present position of the testing laboratories are as follows:

### 1. ITDL, Hyderabad :

Part of the ITDL premises is leased out to the following institutions to establish

their Training & Development Centres with common facilities for the benefit of small scale industries, (i) Association of Leather & Leather Products Manufacture of Andhra Pradesh, Hyderabad.

ii. Andhra Pradesh State Power loom Weavers Association, Hyderabad.

### **2. TLDE & EP, Vijayawada:**

The A.P.Small Scale Industries, Vijayawada requested the Government to involve the Central Institute of tools Design, Hyderabad to reopen the testing laboratory and the proposal is under consideration by the State Govt.

### **3. TLEMP, Visakhapatnam:**

The Laboratory is leased out to M/S Quality Evaluation Services, Visakhapatnam for a period of 5 years for a lease amount of Rs. 5.00 lakhs in lumpsum vide G.O.Ms.No.522 dated: 29-07-1998.

**4. MCTL, Cuddapah:** The Government have decided to lease out the testing laboratory and constituted a Tender Committee for finalising the tenders vide Memo.No.8839/SSI/AI/98-2 dated:01-04-1999.

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# PRESENT ROLE OF THE DEPARTMENT

In the process of building up effective administrative systems, the Government created new departments and some of the regulatory and promotional activities were transferred to these departments.

- The weights and measures section became a separate Department under the control of Weights and Measures (1957-58).
- A separate Directorate was created for Textile and Handlooms and the work pertaining to the Handlooms and textiles was transferred (1957-58).
- The subject sericulture was transferred to Director of Textiles and Handlooms(1964-65).
- Commerce and Export Promotion Department was created to look after Export promotion, trade fairs and other related subjects (1966).
- The District Level training Centres were transferred to Employment and Training.

The government have also created several corporations to meet the needs of large and medium scale industries and to speedup the development of small scale industries by providing necessary infrastructure facilities, raw materials supplies, credit facilities and marketing assistance besides supporting facilities to Handicraft-artisans and leather-workers. The developmental activities hitherto looked after by the Industries Department were transferred to different corporations as and when they were incorporated.

- All the Industrial Estates, Industrial Development Areas, and Autonagars along with the Engineering Wing of the department were transferred to A.P.I.I.C.
- All Raw material service centres (RMSCs), Furniture units, Govt. Ceramic factory, Gudur, and few Production Centres like stoneware Pipes unit, etc., were transferred to A.P.S.S.I.D.C.

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*Andhra Pradesh has become a state of opportunities in the scenario of economic liberalisation for establishing major, small scale and cottage Industries*

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- All Production workshops were transferred to A.P.Agro Industries Development Corporation.
- Oil Technology Research Institute, Ananthpur was transferred to JNTU, Hyderabad.
- All tanneries and leather centres were transferred to LIDCAP.

Soon after the formation of District Industries Centres in 1979-80, the function of the Industries department were reoriented based on the guidelines of the Development Commissioner, (SSI), Govt. of india.

The Directorate of Industries, with its network of DICs in each district acts as the focal agency playing the important role of promotion, regulation, coordination and liaison with all agencies concerned with industrial development. It acts as a facilitator from the stage of identification of a project to its grounding and successful running. The Department also play a pivotal role in creating a congenial and industry-friendly atmosphere in the state for speedy growth of industries.

The Industries Department has been instrumental in development of cottage and rural industries, small scale industries, and also major industries in Andhra Pradesh since inception. In the present scenario of economic-liberalization and industrial policy reforms initiated by Government of india clubbed with the total support given by State Government, Andhra Pradesh has become a State of Opportunities for the upcoming of all categories of industries, viz.,

1. Large and Medium Scale Industries
2. Small scale, tiny and Ancillary Industries
3. Cottage and Artisan Industries

## 1. PROMOTION OF LARGE AND MEDIUM SCALE INDUSTRIES:

The Ministry of Industry in the Department of Industrial Development, G.O.I. looks after the Large and Medium sector industries falling under the Industrial Development & Regulation Act, 1951 duly supported by its various technical wings.

The Government are announcing certain policy measures from time to time for



the development of Large and Medium scale Industries either in Private or Public Sector. In the year 1951, legislation backing was provided for the industrial policy by the promulgation of the Industrial Development and Regulation Act (IDR Act of 1951). The Government liberalised its industrial policy in 1975, 1982 and again in 1991 to accelerate the tempo of industrialisation and laid down liberalised investment procedures to stimulate further growth in the industries sector.

As a further step towards deregulation and simplification of procedures, Government of India have undertaken a series of measures which are relevant both for Domestic and overseas investors. These include expansion in the list of Industries eligible for automatic approval for Foreign Direct Investment (FDI) which permits 100% FDI in most of the activities in the power, highways, and ports sector, greater delegation of powers to RBI and introducing newer areas for FDI/NRI investment, such as Global Mobile Personal Communications by Satellite.

The Government's liberalisation and economic reforms programme aims of rapid and substantial economic growth and integration with the global economy in a harmonised manner. The industrial policy reforms have reduced the industrial licensing requirements, removed restrictions on investment and expansion and facilitated easy access to foreign technology and investment.

The industries department has a crucial role to play at this juncture by giving wide publicity on the liberalised and simplified policies of Central and State Government to attract the entrepreneurs, especially Multi-nationals, NRIs and Large Industrial Houses in the country to set up industries in the state. The present policies of Central and State Government are briefed below :

### **i) Present Industrial Policy of Government of India:**

- All industrial undertakings are exempted from obtaining an industrial license to manufacture except for
  - (i) industries reserved for the Public Sector (Annexure-1),
  - (ii) industries retained under compulsory licensing (Annexure-2),
  - (iii) items of manufacture reserved for the small scale sector and
  - (iv) if the proposal attracts locational restriction.
  
- Industrial undertakings exempt from obtaining an Industrial license are required to file an Industrial Entrepreneur Memoranda (IEM) in part A (as per prescribed format) with the Secretariat of Industrial Assistance (SIA), Department of Industrial Policy and Promotion, Govt. of India and obtain an acknowledgement.

No further approval is required. Immediately as after commencement of commercial production, Part B of the IEM has to be filled in the prescribed format. The facility for amendment of existing IEMs has also been introduced.

- Industrial undertakings are free to select the location of a project. In the case of cities with population of more than a million ( as per the 1991 census ) , however the proposed location should be atleast 25 Km away from the standard URBAN Area limits of the city unless, it is to be located in an area designated as an "Industrial Area" before the 25th July, 1991. Electronics, Computer software and Printing ( and any other industry which may be notified in future as nonpolluting industry) are exempt from such locational restriction. Relaxation in the aforesaid locational restriction is possible if an industrial license is obtained as per the notified procedure.
- The location of industrial units is further regulated by the local zoning and land use regulations as also the environmental regulations. Hence, even if the requirement of the locational policy stated in paragraph 1.3 is fulfilled, if the local zoning and land use regulations of a State Government, or the regulations of the Ministry of Environment do not permit setting up of an industry at a location, the entrepreneur would be required to abide by that decision.
- Foreign Direct Investment is freely allowed in all sectors including the services sector, except where the existing and notified sectoral policy does not permit FDI beyond a ceiling. FDI can be approved either through the Automatic Route under powers delegated to the Reserve Bank of India, or by the Govt. as the case may be. Government approvals are accorded on the recommendation of the Foreign Investment Promotion Board (FIPB)

## THE STATE POLICIES:

The State Government provide all assistance and support in establishing large and medium scale industries by any investor either overseas or domestic. An appropriate organisational structure was created to achieve speed in decision making, to sort out all infrastructural matters concerning industrial projects and to co-ordinate with Govt. of india where ever necessary, by constituting State Investment Promotion Committee (SIPC) headed by the Chief Secretary and the SIPB headed by the Hon'ble Chief Minister. A Single Window Agency, CDCC operating from the Commissionerate of Industries organises all statutory approvals such as land use certification , Plant layout clearance, pollution clearances etc. required from various State Government Agencies. It will also provide assistance for obtaining all other specific clearances/



approvals from central and state governments. The State Government are also providing fiscal incentives for new industries as well as expansion of the existing industries under target-2000 scheme, which expires by 31-03-2000.

## ROLE OF INDUSTRIES DEPARTMENT

1. The Commissioner of Industries is the Nodal Agency for investment promotion and industrial development in Andhra Pradesh and would be in a position to assist the entrepreneur/ investors in providing.

- Latest updates on Union & State Govt. policies
  - Information on Investment Opportunities
  - Comprehensive guidance on obtaining clearances/ approvals from central and state Governments
  - The prescribed forms of central and state Government for submitting applications for the required clearances/approvals
  - Introduction to other departments of Government
  - Escort services during the course of implementation of the projects
  - Co-ordination through organising meetings for investors with concerned officials of other Govt. departments wherever required.
  - Match making for Joint ventures.'
-

**LIST OF INDUSTRIES RESERVED FOR THE PUBLIC SECTOR**

1. Arms and ammunition and allied items defence equipment, Defence aircraft and Warships.
  2. Atomic Energy
  3. The substances in the schedule in the notification of the Government of India in the Department of Atomic Energy Number S.O.212(F), dated 15th March, 1995.
  4. Railway Transport.
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*Annexure-II***LIST OF INDUSTRIES FOR WHICH INDUSTRIAL LICENSING IS COMPULSORY**

1. Distillation and brewing of alcoholic drinks.
2. Cigars and Cigarettes of tobacco and manufactured tobacco substitutes.
3. Electronic Aerospace and defence equipment all types.
4. Industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches.
5. Hazardous chemicals.
6. Drugs and Pharmaceuticals ( according to modified Drug Policy issued in 1994 as amended in 1999)

**Note:** The compulsory licensing provisions would not apply in respect of the small scale units taking up the manufacture of any of the above items reserved for exclusive manufacture in small scale sector.

## II. PROMOTION OF SMALL SCALE INDUSTRIES

### CENTRAL POLICIES:

The Central Govt. has created an administrative set up with the Development commissioner (SSI), SIDO in the Ministry of Industry to formulate the policies for the small scale sector in co-ordination with the Planning Commission and is made responsible for implementation and monitoring the policy through its network of Small Scale Industries Service Institutes located one in each state. The guidelines and policy decisions are implemented by the State Governments through Industries Department.

### POLICY ON SSI INVESTMENT LIMITS:

The earliest definition of small scale industries was made in 1950. At that time, in addition to a limit on investment in fixed assets, there was also an employment stipulation. The employment condition was deleted in 1960. In 1966, the limit on investment in fixed assets was changed to a limit on investment in plant and machinery (original value) only. The table below indicates the historical evolution of the definition of small scale and ancillary units.

TABLE

Year	Small Scale Industries	Ancillary Industries
1955	Upto Rs.5 lakhs in fixed assets and employment less than 50/100 workers with/without power.	-----
1960	Upto Rs.5 Lakhs in fixed assets	-----
1966	Upto Rs. 7.5 lakhs in plant and machinery	Upto Rs. 10 lakhs in Plant and machinery
1975	Upto Rs. 10 lakhs in plant and Machinery	Upto Rs. 15 lakhs in plant and Machinery
1980	Rs. 20 lakhs	Rs.25 lakhs
1985	Rs.35 lakhs	Rs.45 lakhs
1991	Rs. 60 lakhs	Rs. 75 lakhs
1997	Rs. 300 lakhs	Rs. 300 lakhs
2000	Rs. 100 lakhs	Rs.100 lakhs

As per Notification No.857 (E) dated 10-12-1997 of the Ministry of Industry,G.O.I., an industrial undertaking having investment in fixed assets in plant and machinery upto Rs.300 lakhs will be accorded the status of a small scale industrial undertaking. However the above investment limit for Small Scale and Ancillary Industrial Undertakings was revised to Rs.100 lakhs as per the amendment made in Government of India Gazette Order No. 1288 (E), dated 24 th December, 1999 issued by the Ministry of Commerce & Industry Department of Industrial Policy & Promotion, New Delhi.

## RESERVATION POLICY:

The Policy of reservation was initiated in 1967 primarily as a promotional and protective measure for the development of small scale industries. The Central Government issued a new reservation policy for SSI sector in 1977 in which the role of small scale was emphasised. About 500 items were reserved for exclusive manufacture in the small scale sector. During March, 1994 the total number of items reserved for small scale sector was enhanced to 836. However, 15 items were deserved from the reserved list and the total number of items reserved for exclusive manufacture in the small scale sector stands at 821 as on 03-04-1997.

The Central Govt. have also adopted reservation policy for exclusive purchase from small scale sector. As per the reservation policy adopted, 384 items are for exclusive purchase, 11 items upto 75% and 15 items upto 50%.

## STATE POLICIES

Because of its short gestation period, suitability for being set up in rural and semi urban areas where infrastructure is not well developed, lower capital output ratio and higher employment potential for capital employed, Small scale sector is considered as an important tool in promoting economic development and generating employment opportunities.

The Policy of State Government aims to create a congenial atmosphere conducive to the healthy growth of the Small Scale Sector in the State. The broad policy objectives are enumerated below:

- To achieve an annual growth rate of 15%
- To assist the small scale industries in the State to become competitive, domestically as well as internationally.

## Departmental Manual

## Present Role

- To increase employment generation particularly by promoting the labour intensive segments.
- To improve the export performance of the SSI sector by providing adequate support services.
- To create a more congenial and hassle-free environment for the functioning of the SSI sector.
- To help the SSI sector acquire new technologies and skills so as to compete effectively in the market place.
- To promote appropriate linkages between the large and small scale sectors in the interest of harmonious industrial development .
- To strive to promote an appropriate institutional mechanism to revive sick industries.
- To organise Intensive campaigns to motivate the entrepreneurs and render guidance.
- Collection of resource data and preparation of industrial potential reports.
- Update project reports on small scale industries.
- Guide the entrepreneurs from selection of the project to the final stage of grounding.
- Adoption of Simplified procedures.
- To assist the entrepreneurs in obtaining licenses/approvals/clearances through single window agency.
- Marketing Assistance
- Sanction of fiscal incentives for projects with capital investment of Rs. 15 lakhs through DLC and to Recommend to commissioner of Industries in other cases
- Organise industrial cooperatives for the benefit of artisans and skilled workers.

- To implement departmental schemes.
- To coordinate with other departments / corporations to sort out the matters relating to small scale industries.

### III. PROMOTION OF COTTAGE AND ARTISAN INDUSTRIES:

In the past, the industries Department have taken up several programmes for the promotion of village and cottage industries and Handicrafts. It has also taken up welfare measures for the benefit of rural artisans and skilled workers. To improve the economic conditions for the poor, the department sanctioned cottage industries loans, leather loans, margin money loans besides loans from banks under differential rate of interest. Improved tools were distributed after imparting training to them in skill upgradation. Common facilities centre were constructed to facilitate them to work under one roof and provided common facilities. Managerial grant was provided to artisan Industrial Cooperative Societies. The artisans were assisted by constructing House-cum-work sheds under Rural Artisan Complex scheme besides providing improved tools and working capital. At model Mandal head quarters, Rural Service Guilds were constructed to create service facilities to the rural people by allotting work sheds to the local artisans. Further, the artisan industrial Cooperative societies were provided managerial grant.

Presently, the Industries Department is mainly concentrating on formation of Industrial Co-operative societies(ICS) , provide raw material supply wherever needed and assist in sanction of loans towards term loan and working capital from Cooperative Banks. The department is jointly taking up several programmes for the promotion of cottage and artisan industries with the financial and other support from DRDA, KVIB, B.C. Finance Corporation and other agencies.

## TIME FRAME FOR THE DISPOSAL OF THE CITIZEN'S WORK

The Industries Department creates a hospitable and congenial environment for promotion of Industries. It acts as a benefactor and facilitator for the welfare of all existing industries. The time frame for various services offered to the clientele that the Department is mandated to serve has been fixed. The following are the areas of Public Interface and the Time-Frames fixed for taking action.

Item	Time Frame
1. Registration of Small Scale Industries :	
a. Provisional Registration (District Industries Centre)	Same day across the table
b. Permanent Registration (District Industries Centre)	30 days from the date of application
2. Recommendations for Scarce (Indigenous) Raw materials	
a. Coal	
District Industries Centre	15 days
Commissionerate of Industries	7 days
b. Alcohol (DS/RS) / Molasses	
District Industries Centre	15 days
Commissionerate of Industries	7 days
c. Furnace Oil / L.P.Gas	
District Industries Centre	15 days
Commissionerate of Industries	7 days
3. Joint inspection of Scarce Raw materials ( assessment of Raw materials )	
District Industries Centres	30 days
4. Hire purchase of Machinery from NSIC	
District Industries Centre	30 days
5. Import of Raw materials	



Departmental Manual Item	Present Role Time Frame
Spares, Project Imports. District Industries Centre	15 days
Commissionerate of Industries	7 days
6. Approvals from various departments Under single Window: (Factories, Town & Country Planning, APSEB APPCB, Municipalities, UDA etc) Commissioner of Industries ( Large / Medium Industries)	30 days
District Industries Centre ( Small Scale Industries)	30 days
7. Disposal of Incentive Claims: District Industries Centres	15 days
Commissionerate of Industries	30 days
Temporary Eligibility for S.T. deferment/ Exemption	10 days
Power Rebate Certificate	10 days
8. Reply to peoples representatives (MLAs / MPs) -Interim representation	3 days
-Final representation	15 days
9. Public grievances	30 days
10. PMRY - Conducting interviews by the Selection committee	30 days
- Completion of training (after receiving Bank Sanction)	30 days

## MEASURES ALREADY SET IN MOTION

1. System of level jumping has been introduced to reduce the number of handlings of files before finalising the cases and consequential reduction in time of processing.

2. The system of release of Subsidy amounts, has been made more transparent by Depicting the release details unit-wise in the office notice board. Press statements are also being issued to inform the industrialists the actual positions of releases.
3. The pendency position of subsidy claims is being reviewed, for both District Level and State Level cases by Commissioner of Industries every month and also whenever required.
4. Automation is being implemented by using Computers for issuing Sales Tax deferment Certificates expeditiously etc.

## **PROGRAMMES AND SCHEMES OF INDUSTRIES DEPARTMENT:**

In pursuance of the liberalised policies announced by Govt. of India in 1991 the State Government have taken several measures to remove bottlenecks in the growth of industries by creating single window system to speed up clearances/approvals, simplification of procedures and by bringing structural changes in the administration. New incentives policy to attract the entrepreneurs to setup industries in A.P. was introduced. This is in addition to the incentives available for industries established in Export Promotion Zones and EOUs.

Based on these policy decisions, suitable programmes and schemes are evolved and communicated in the form of Notifications and Government orders for implementation by the Commissionerate of Industries and the District Industries Centre. Most of these programmes and schemes are oriented towards the development of industries than their regulation.

## **GENERAL PROGRAMMES AND SCHEMES:**

1. Simplified SSI registration scheme for issue of Provisional and Permanent SSI Registrations.
2. Single Window Scheme for providing clearances/approvals/licenses under single roof.
3. Allotment of Scarce raw materials.

4. Sanction of Fiscal incentives under Target-2000 scheme.
5. Marketing Assistance Scheme.
6. Self Employment Schemes for the Educated Unemployed Youth.
7. Revival of Sick Units.
8. Industrial Co-operative Societies.

## ANNUAL SCHEMES:

- A. Establishment of Growth Centres.
- B. Intensive Industrial Promotion Campaigns
- C. Development of clusters in Tiny Sector
- D. Critical Infrastructure Balancing Scheme.
- E. Skill development programme for PMRY / Educated unemployed.
- F. Grant for ISO-9000 and BIS certification.
- G. Technology Development Fund.
- H. Awards to SSI units for Productivity, Innovation and Safety.
- I. Assistance to organise Industry-Institute Interface.
- J. Power connection Charges Subsidy to the Tiny Units under PMRY.
- K. Computerisation and automation of Industries Department.

The Scheme wise details are enclosed.

## SIMPLIFIED SSI REGISTRATION

The Registration scheme for small scale industries was introduced in the early 1960s mainly to provide a Single Window Service to the small scale sector in availing

incentives, facilities and other services offered by Central and State Governments for their promotion. Guidelines were issued by the Development Commissioner (Small Scale Industries ) in 1975 to introduce a uniform procedure for registration. Subsequently detailed guidelines were issued in 1989 that prescribed a coded proforma application form for both provisional as well as permanent registration. As per new policy measures for small scale industries announced in August 1991, several steps were taken to simplify the procedures for registration. In 1992 further simplification and rationalisation has been carried out in the procedures for registration. New and simplified registration forms have been introduced for utilisation by State, UT Governments. The new forms have come in force from January 1994.

The registration Scheme as envisaged by Govt. of India does not have a statutory basis. It is not mandatory for small scale units to register itself as per the guidelines of Development Commissioner(SSI), G.O.I. The units would normally get registered to avail the benefits, incentives or support given either by State or Central Government. However, the State Govt. vide G.O.Ms.No.157 Industries and Commerce (SSI) Dept. dated 18-05-1999 issued orders for compulsory registration of SSI units with the Department of Industries and also directed all Govt. departments not to extend any assistance including power and water supply without SSI registration.

The objectives of the SSI registration Scheme as per the Guidelines of Government of India are,

- i. To enumerate and maintain a roll of small industries to which the package of incentives and support are targeted.
- ii. To provide a certificate enabling the units to avail the statutory and other Benefits.
- iii. To serve the purpose of collection of statistics.
- iv. To create Nodal agencies at the Central; State and District Level to promote small scale industries.
- v. To provide Single Windows Service to small scale industries.
- vi. To provide land, water and electricity or other facilities and services by the concerned department.

There are two types of SSI Registrations:

- In the pre-production stage, a provisional registration certificate is given. To obtain this, a unit has to apply for provisional registration.
- Once the unit comes into production a permanent registration certificate is given to the unit upon application.

The provisional Registration Certificate enables the unit to obtain various benefits required in the pre-production stage:

- i. Obtaining term loans and working capital loans from Banks / financial institutions under priority sector lending.
- ii. Facilities for accommodation, land and other statutory approvals or permissions.
- iii. SSI Units using power upto 30 HP and employees upto 30 workers are exempted for obtaining clearances/ approval from various Government Departments.
- iv. Obtaining necessary NOCs and clearance from Regulatory Bodies such as Pollution Control Board, etc.

The Permanent Registration Certificate enables a unit to get various incentives and concessions:

- i. Excise exemption
- ii. Income Tax benefits and Sales Tax benefits as per State Govt's policies.
- iii. Price and Purchase Preference.
- iv. Availability of raw materials depending on existing policies.
- v. Other incentives and concessions given by State Governments ( e.g. capital investment subsidies, power subsidy, interest subsidy, etc.).
- vi. Eligibility for telephone connection on priority basis.
- vii. Marketing assistance for Notified items.

## **SINGLE WINDOW CLEARANCES:**

Andhra Pradesh provide the speediest route to project approvals with its single window channel operating from Commissionerate of Industries. The entrepreneur is required to obtain all the Statutory approvals / licenses etc., from the various Departments / Agencies

before establishing the industrial unit. The Government is conscious of the need to make the Entrepreneur Government interface, particularly at the time of project implementation, extremely smooth so that the entrepreneur does not have to waste his/her time and energy in arranging the various approvals / licenses. Government have therefore set the following institutional mechanism for this purpose.

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*A common Application form is available for getting approvals and clearances under one roof of COI/DIC*

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### Centralised Documentation and Clearance Centre(CDCC):

The Government of Andhra Pradesh vide G.O.Ms.No.98 Inds & commerce (IP) Department Dated: 19.05.1993 have set up a Centralised Documentatiion and Clearance Centre (CDCC)-popularly known as the Single Window in the Office of the Commissioner of Industries. The CDCC has four functions to attend :

- To maintain the data Bank
- To provide guidance and information needed by the entrepreneur to make the investment decision
- To Expedite clearances / approvals / permissions required by entrepreneurs for setting up of Large and Medium Scale Industries.
- To provide escort services to Large and Medium Scale Industries. To help in obtaining clearances / approvals / permissions / services from the Departments / Agencies consent.

Under Single Window Scheme, a common application form is made available to the entrepreneur to enable him to file all applications for getting approvals/licenses under one roof of District Industries Centre/ Commisssionerate of Industries. The CDCC will assist the investors/entrepreneurs in obtaining the following Statutory approvals / permissions / clearances required for the projects prior to taking implementation steps:

1. Land use certificate from UDA/DT & CP / Municipality in case of private lands.
2. Allotment of plot (Land)/shed in any existing/proposed IEs/IDAs / Growth Centres.developed by APIIC
3. Feasibility Certificate for Extension of power supply by APTRANSCO.
4. Consent for establishment from A.P Pollution Control Board.
5. Site/Factory plans from Factories Department.



6. Site/Factory plans from the Dept., of Town & Country Planning /UDA.
7. Site/Factory plans from Local Authority namely Municipality Gram Panchayat.

Over and above these approvals/clearances, there are specific licenses/approvals required from various other Central/State authorities and the same is enclosed.

The State Government have also approved for providing a Single Window facility for obtaining Approvals/ Clearances from Government departments/Agencies for commencement of production, vide G.O.Ms.No.191 Industries & Commerce(IP) Department dated 09/06/1998 and a common form was devised. The CDCC will assist the entrepreneurs in obtaining the following statutory licenses/approvals after implementation of the project.

1. Factory License
2. Consent for Operation from the APPCB.
3. License for storage of Petrol/Diesel etc., from the Revenue authorities.
4. License from the Chief Electrical Inspectorate.
5. Coal/LPG Furnace Oil Linkage.

### State Level Empowered Committee:

In order to stimulate industrial growth by facilitating speedy grant of permits clearances/No objection certificates, etc., the Govt. constituted a Centralised Documentation and Clearances Centre in the Commissionerate of Industries. In cases where the requests are denied, the applicants will have the right to appeal to the Appellate Authority under the relevant statute. The State Level Empowered Committee setup by the Govt. vide G.O.Ms.No.198 Industries & Commerce (IP) Department dated: 19-05-1993 shall have the power to take such decisions as are essential for ensuring expeditious clearances by the various department Agencies and grounding of projects.

The State Level Empowered Committee with the following is constituted:

- |   |          |
|---|----------|
| 1. Chief Secretary to Government  | Chairman |
| 2. Principal Secretary to Government<br>Revenue Department                            | Member   |
| 3. Principal Secretary to Government<br>Finance & Planning Department                 | Member   |
| 4. Secretary to Government, Energy, Forest<br>Environment, Science & Technology Dept. | Member   |
| 5. Principal Secretary to Government,<br>Irrigation & Command Area Development Deptt. | Member   |



Departmental Manual	Present Role
6. Chairman, A.P. State Electricity Board	Member
7. Principal Secretary to Government, Industries & Commerce Department	Member
8. Commissioner of Industries	Member-Convenor
9. Special Invitees as may be necessary	

### District Industries Promotion Committee(DIPC):

It is similar to the State Empowered Committee functioning at the district level. The DIPC has been set up under the Chairmanship of District Collectors to attend to the following functions:

- To speed up various approvals / clearances, particularly for the small scale sector.
- To review the progress of implementation of units in SSI sector.
- To review the progress of implementation of large and medium industries in the District.

The decisions taken by this committee shall be binding on the other District Departmental Officers. The committee shall meet every month on a fixed day. The District Industries Promotion Committee at the District Level is constituted with the following:

1. District Collector	Chairman
2. Joint Collector	Member
3. Superintending Engineer / Divisional Engineer, A.P. State Electricity Board	Member
4. Environmental Engineer, A.P. Pollution Control Board	Member
5. Deputy Chief / Inspector of Factories	Member
6. District Medical & Health officer	Member
7. District Panchayat officer	Member
8. Commissioner, Municipality/Urban Development	Member
9. General Manager, District Industries Centre	Member-Convenor
10. Special Invitees as may be necessary	

The proceedings of these meetings shall be communicated to the Commissioner of Industries for review. The General Manager, District Industries Centre who will function under the control of the District Collector will co-ordinate the activities of the several promotional agencies operating in the District like A.P. State Financial Corporation, A.P. Industrial Development Corporation Limited, A.P. Industrial Infrastructure Corporation Limited, A.P. Electronics Development Corporation Limited, A.P. State

Trading Corporation limited and A.P.Handicrafts Development Corporation Limited etc.,

## E-CLEARANCE:

For achieving the objective of according approvals within a week E-clearance system has been introduced. The investors can file their application through the Internet which will be accessed by the licensing authorities. The approval accorded shall be placed on the Internet for information of the promoters.

## ALLOTMENT OF SCARCE RAW MATERIALS

Most of the raw materials required by the industrial units are available in open market without any restrictions. But in the case of certain scarce raw materials like coal, coke, alcohol, molasses, etc., their allotment is controlled by the Commissionerate of Industries for industrial use. The procedure followed for allotment of these materials is as follows.

Application for allotment of scarce raw material will have to be made in the prescribed form in duplicate along with information on manufacturing process and the list of machinery to the General Manager, District Industries Centre of the district where the unit has been established. The applications have to be filed after taking all effective implementation steps and when the unit is ready to commence the production.

### COAL:

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*All Raw Materials are available in the open market except few items. Allotment of scarce raw materials is liberalised.*

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M/S Singareni Collieries Ltd.(SCCL.) is supplying coal to industrial units based on the recommendations of the Industries Department. The requirements of coal consuming industrial units are assessed by the concerned General Manager, District Industries Centre. The SCCL will fix the base quota for each unit and this is called as "Maximum Permissible Quota " (MPQ). These MPQs are fixed based on certain norms evolved for each category of Industries by the technical Committee consisting of officer from M/s.SCC Ltd., and Industries Department (i.e) from DIC.

Regarding recommendations to SCC Ltd., for supply of coal the G.M. DIC is empowered to recommend to SCC Ltd., for supply of coal up to 100 M.T.s to the unit. Beyond that the G.M. has to forward the application together with the inspection report

and list of machinery to the COI. The COI will in turn scrutinise and recommend for supply of coal to Singareni Collieries.

### COKE:

The required quantity of Soft coke, BP/BH coke (Hard - coke) and coke fractions of the Industrial units are being supplied by M/s. Coal India Ltd., from Bengal and Bihar through Wagon movement based on the recommendation of Commissioner of Industries.

### ALCOHOL AND MOLASSES:

The G.M., DICs concerned forward the prescribed application along with inspection report to the Commissioner of Industries, for recommending to the Commissioner of prohibition and Excise Dept., for allotment of D.S./R.S./ Molasses on adhoc basis. The Joint Inspection team consisting of an officer of the Prohibition and Excise Dept., representative of I.I.C.T. and concerned G.M.D.I.C. will make assessment of the actual requirement and fix the monthly quota for supply of D.S./R.S/ Molasses for the respective units on regular basis. The Joint inspection report will be submitted to the Commissioner of Industries, who in turn recommends to the Commissioner of Prohibition and Excise Dept., for allotment of D.S./ R.S/ Molasses on regular basis.

### PARAFFIN WAX:

Paraffin Wax has been de-controlled vide circular No. 19023 / 81 /97 Sup, dated 07-04-1998 of Govt of India with effect from 01-04-1998.

*Lakhs of Educated Unemployed Youth have availed loans/ subsidies under self special employment schemes and immensely benefitted.*

### SELF EMPLOYMENT SCHEMES:

The Scheme of Self Employment for educated unemployed is under implementation in the State since February, 1972. Industrial ventures, business ventures and servicing units were promoted under the scheme till 1979-80. The Department received funds from Govt. of India and State Govt. towards sanction of margin money loans and training programmes from inception till 1979-80. However, during 1980-81 due to inadequacy of funds the Department discontinued financing business ventures. Sanction

Departmental Manual Present Role  
of margin money loans on soft term basis upto 10% of the total cost of the project limited to Rs. 50,000/- in any single case ,forms the main plank of the assistance rendered under the scheme.

Consequent on the introduction of the District Industries Centres Programme, Govt of India discontinued provision of funds towards margin money loans under self employment scheme and have instructed that the requirements should be met from out of the District Industries Centres loaning provision.

## SPECIAL EMPLOYMENT SCHEMES:

The special Employment Scheme for educated unemployed was launched in the state on 15-8-1978. This scheme was meant for the exclusive benefit of candidates belonging to SCs/STs.

Under this Scheme, Industrial ventures, servicing activity and business ventures were promoted during 1978 and 1979-80. However during 1980-81, with a view to concentrate on promoting industrial activity and also due to paucity of funds, only industrial ventures and related servicing activities have been promoted. Sanction of margin money loans and imparting training to equip the entrepreneurs in industrial and business management and related skills, are the two main planks of the scheme. Margin money loans have been sanctioned upto 20% of the project cost, not exceeding Rs.20,000/- in any single case.Under the training programme, which is normally 2 to 3 months, candidates are paid stipends at Rs.75/- PM and an amount of Rs.100/- PM paid to the institution, imparting training as an institutional grant.

## SEEUY SCHEME:

The Prime Minister of India launched a new scheme for providing Self-Employment to Educated Unemployed Youth on the Independence day(1983). The objective of the scheme was to encourage the educated unemployed youth to undertake self employment ventures in industry;service and business sector by providing him with a composite loan upto Rs.25,000/- without any guarantee or margin. The scheme had also an element of in-built subsidy of 25% of the total loan availed.

The scheme covered educated unemployed youth who were between the age group of 18 to 35 years and those passed S.S.C. examination were eligible to get the benefit of the scheme. The scheme was applicable to all areas of the State except metropolitan cities.

At State level the scheme was implemented by the Commissioner of Industries and operated by the District Industries Centre at District Level. The selection of the beneficiaries was made through a Task Force with the General Manager, DIC as the chairman. Applications sponsored by the Task Force are considered by Banks and loans upto Rs.25,000/- were sanctioned without any margin or security. The composite loan carried interest at the rate of 10 percent per annum in the backward districts and in the remaining was 12 percent. The period of repayment was 5 to 7 years depending upon the nature of activity.

The subsidy amount to the extent of 25% of the loan sanctioned was given by the Central Govt. directly to the banks. This amount was adjusted towards repayment of the loan, when repayment to the extent of 3/4th was done by the entrepreneur. This scheme was replaced by Prime Minister's Rozgar Yojana during the year 1993.

## PMRY SCHEME:

Prime Minister's Rozgar Yojana, a centrally Sponsored Scheme, has been under implementation in the State since 1993-94 benefiting the educated unemployed youth in the age group of 18 to 35 years. The revised parameters of PMRY scheme which are in operation are shown in Annexure-1 (PMRY). The upper age limit is relaxed by 10 years in case of SCs, STs, physically handicapped, Ex-service persons and women. The minimum educational qualification is a pass in VIII standard. Preference is given to those who have been trained for any trade in Government recognised/ approved institutions for a duration of atleast six months. Family income of the beneficiaries should not exceed Rs.24,000/- per annum.

The total cost of the Project permissible under the PMRY scheme is Rs. 1.00 lakh for units in business sector and Rs.2.00 lakhs for the units in Industry and Service sectors. If two or more eligible persons join together in a partnership project cost, upto 10.00 lakhs can be considered. Selected candidates will be considered for loans by Banks varying from 80% to 95 % of the project cost. Subsidy will be limited to 15% of the project cost subject to a ceiling of Rs.7500/- per entrepreneur which will be kept in fixed deposit in the account of the beneficiary for adjustment towards repayment of last installment of loan. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost. There will be no insistence on collateral security for projects upto Rs 1.00 lakh. Exemption from Collateral security in case of partnership project will also be limited to an amount Rs. 1.00 lakh per person participating in the project.



The scheme envisages 22.5% reservation for SC/ST and 27% for other Backward Classes (OBCs). In case SC/ST/OBC candidates are not available, candidates from other categories can be considered under this scheme. Preference is given to Minorities and Women candidates

The candidates selected under the scheme are trained for 7 to 15 days and the trainees are paid stipends. The target is distributed to all the districts after a meeting with State Level Bankers Committee (SLBC).

## ANNEXURE-I (PMRY) PARAMETERS OF PMRY

Sl.No	Parameters	Existing	Revised
1.	Age	All educated unemployed between 18 to 35 years	For all educated unemployed 18-35 years in general, with the relaxation for SC/STs, Ex-servicemen, physically handicapped, and women..
2.	Educational Qualification	Matric (passed or failed) or ITI passed or have undergone Govt. sponsored technical course for a minimum duration of 6 months.	VIIIth passed. Preference will be given to those who have been trained for any trade in Government recognised approved institutions for a duration of atleast six months.
3.	Family Income	Not exceeding Rs.24,000/- p.a. of the beneficiary along with spouse and the parents of the beneficiary separately.	Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiaries shall exceed Rs.24,000/- p.a.
4.	Residence	Permanent resident of the area for atleast 3 years.	Permanent resident of the area for atleast 3 years.
5.	Defaulter	Should not be a defaulter to any nationalised bank/ financial institutions/co-operative bank.	Should not be a defaulter to any nationalised bank/ financial institution/co-operative bank. Further, a person already assisted under other subsidy linked Government Schemes should not be



Sl.No	Parameters	Existing	Present Role Revised
			eligible under this scheme.
6.	Activities covered	Industry, Service & Business activities. Not more than 30% enterprises from business sector	All economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising Crop, purchase of manure etc.
7.	Project Cost	Projects upto Rs.1 lakh are covered under the scheme in case of individuals. If two or more eligible persons join together in a partnership, the project with higher costs up to Rs.5 lakhs are covered under the scheme.	Rs.1.00 lakh for business sector, Rs.2.00 Lakhs for other activities, loan to be of composite nature. If two or more eligible persons joins together in partnership, project upto Rs. 10.00 lakhs are covered. Assistance shall be limited to individual admissibility.
8.	Subsidy & Margin Money	Subsidy will be limited to 15% of the project cost subject to ceiling of Rs.7,500/- per entrepreneur. Margin Money from the entrepreneur will be 5% of the Project cost.	Subsidy will be limited to 15% of the project cost subject to ceiling of Rs.7,500/- per entrepreneur. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost.

Sl.No	Parameters	Existing	Revised
9.	Collateral	The loans would not require any collateral guarantee. Only assets created under the scheme would be hypothecated to the Bank.	No collateral for project upto Rs.1.00 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs.1.00 lakh per persons participating in the project.
10.	Rate of Interest & Repayment Schedule	Normal bank rate of interest shall be charged. Repayment schedule may range between 3 years to 7 years, after an initial moratorium of 6 to 18 months.	Normal bank rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed.
11.	Training & Other assistance	The training expenses and operational expenditure to be covered within the ceiling of Rs.2,000/- per case. Norms of expenditure on individual items are, however, prescribed with the approval of Finance.	The training expenses and operational expenditure to be covered within the ceiling of Rs.2,000/- per case. The existing system of revising the scale of expenditure in consultation with the Finance for various activities and flexibility would be available to the implementing agencies of the State and Central levels subject to condition that over all training and operating expenses remain within the ceiling of Rs.2,000/- per case sanctioned.

Sl.No	Parameters	Existing	Revised
12.	Implementing Agency	The District Industries Centres and the Directorate of Industries shall mainly be responsible for scheme implementation along with banks. Other agencies may be desirable.	The District Industries Centres and the Directorate of Industries shall mainly be responsible for scheme implementation along with banks.
13.	Linkages of targets with recovery	-----	Basic minimum targets based on the population and the number of educated unemployed. Additional targets would be linked to the recovery of loans sanctioned, past performance of sanctions or special circumstances prevailing in the State/UT.
14.	Reservation	Preference should be given to weaker sections including women. The scheme envisages 22.5% reservation for SC/ST and 27% for other Backward Classes (OBCs). In case SC/ST/OBC candidates are not available, State/UTs Govt. will be competent to consider other categories of candidates under PMRY	Preference should be given to weaker sections including women. The scheme envisages 22.5% reservation for SC/ST and 27% for other Backward Classes(OBCs). In case SC/ST/OBC candidates are not available , State/ UTs Govt.will be competent to consider other categories of candidates under PMRY.

**Prime Minister's Rozgar Yojana (PMRY)**

The Targets and Achievements under Prime Minister's Rozgar Yojana (PMRY) Scheme since inception are as follows:

**Year-Wise Performance in Andhra Pradesh**

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 (as on 30-04-2000)
Target	3,335	18,200	31,900	31,900	34,200	34,200	33,600
Applications Recommended to the banks	6,340	37,874	57,912	52,958	54,741	60,280	56,287
Number Sanctioned	3,466	19,851	32,556	30,754	29,763	29,013	26,336
% to Target	103.92	109.07	102.05	96.41	87.03	84.83	78.38
Amount Sanctioned (Rs. in Lakhs)	2597.62	11152.-83	18552.79	18564.55	17406.96	17024.12	17768.86
Number Disbursed	2,520	14,769	23,677	21,766	20,724	19,027	8,156
% to Target	75.56	81.14	74.22	68.23	60.55	50.55	24.27
Amount Disbursed (Rs. in Lakhs)	1527.92	8141.51	13177.57	12059.49	11339.00	10494.92	4833.46
Per Capita Disbursement (Rs. in Lakhs)	0.60	0.50	0.56	0.55	0.55	0.55	0.59
Number Trained	3,023	16,472	27,562	25,918	23,982	22,683	17,019

## REVIVAL OF SICK UNITS:

### SICKNESS AMONG LARGE AND MEDIUM SCALE INDUSTRIES:

The Central Government enacted the Sick Industrial Companies (Special Provision) Act, 1985 for timely detection of the sickness in industrial units and adoption of protection, ameliorative, remedial and other measures which need to be taken in respect of such industrial units. This enactment defines a sick industrial company as an industrial company which has, at the end of any financial year accumulated losses equal to or exceeding its entire net worth and has also suffered cash losses for two successive financial years. The enactment provides for constitution of a Board of Experts, Board for Industrial and Financial Reconstruction (BIFR) and an appellate Authority (AAIFR).

*Special efforts are made for revival of Sick Major Industries through BIFR and by a package of concessions by State Govt. for SSI.*

The BIFR operates through an operating agency (IDBI, ICICI etc) which considers the possibility of revival, rehabilitation, amalgamation, sale or lease of the company found to be prima facie sick. Financial Institutions can provide relief to the units in respect of outstanding borrowings. The provisions of SICA override the provisions of the Company Law. BIFR can order winding up and liquidation as well.

As per the provisions under Section 15 of the Sick Industrial Company (Special Provision) Act, 1985 it is mandatory for industrial undertakings, both in public & Private sectors which have become sick that the Board of Directors of the Company shall make a reference to the BIFR for determination of the measures which shall be adopted with respect to the Company. Accordingly each sick company is expected to make reference to BIFR.

As on 31-08-1999, the State Govt. reported 57 companies as sick and reported their sickness to BIFR against which the BIFR sanctioned rehabilitation/revival scheme in respect of 2 companies. In respect of 17 companies the BIFR passed orders for their winding up and in respect of 3 companies, the BIFR ultimately rejected the applications of the companies. Thus there are 32 cases pending before BIFR, 3 companies were declared as no longer sick.



## SICKNESS AMONG SSI UNITS:

Recognising the important role that the small industries play in the national economy, the Central and State governments have taken several measures to promote and foster their growth. Consequent to several problems faced by the small industry, the growth of this sector has been badly affected and a good number of units have turned to be sick. Sickness of small industries is not confined to a particular product, state or region, it is more or less uniformly spread over all states and thus a National Problem.

The level of sickness in Andhra Pradesh is reported to be as high as 27% compared to the all-india figure of 21%. However, as per the RBI Report on Currency and Finance. 1993-94, the total number of sick units and the amounts outstanding with the sick units has been declining since 1992.

The State Govt. had requested the Administrative Staff College of India to conduct a study of the causes of sickness among SSI units in the State. The reasons for sickness, identified by the study, are poor quality of infrastructure, particularly power, lack of technological upgradation, high taxes, rigid labour laws and inadequate flow of credit-working capital, insistence on collateral securities by banks and SFC, inadequate marketing effort and facilities, managerial inefficiencies, delay in settlement of receivables, poor project appraisal, unreasonably short moratorium periods to cover gestation, compounding of interest, high interest rates, poor supervision and monitoring by bank officials, inadequate support and guidance from DIC officials.

## REVIVAL PROGRAMME:

Though Commercial Banks are charged with the responsibility of identifying incipient sickness of SSI units and drawing up rehabilitation programme, they are not successful, since the revival process is complex. Even though efforts are being made by the State Level Inter Institutional Committee and District Level Committees for revival and rehabilitation of sick SSI units, the results are not encouraging.

The State Level Inter Institutional Committee (SLIIC) functioning under the aegis of RBI, is chaired by the Secretary to Government, Industries & Commerce Department and convened by Deputy Chief Officer(RPCD) of Reserve Bank of India. The members of the Committee are Banks, Financial Institutions, S.I.S.I, S.I.D.B.I., and the State government organisations to examine the policy matters relating to the revival of sick



units.

The State Government are of the view that Statutory provisions for the revival of sick units on the lines BIFR may not be suitable for the small scale sector in view of the much larger number of units involved, as also the need for much greater flexibility in dealing with the small scale sector.

A Sub-committee of SLIC has been constituted under the Chairmanship of Deputy Chief Officer of R.B.I. to exclusively deal with the case of individual sick SSI units. The promoter of the unit, concerned Financial Institutions, representative of Commissioner of Industries, and SISI attend the meeting. Similar committees exist at District Level also under the chairmanship of the District Collector, Lead Bank Officer, concerned Bank Managers, Manager of APSFC and General Manager, District Industries Centres as members.

The State Government is offering certain concessions to such of those industries which are taken up for rehabilitation, as detailed in G.O.Ms.No.319, Industries & Commerce Department, dated 04-07-1989. The State Government extends the following reliefs and concessions to the sick SSI units.

- Payment of sale tax dues in installments spread over a period of 5 years with one year moratorium.
- The new management who takes over a sick unit by inter-se transfer of assets is eligible for State Incentives provided the previous management has not availed them. This is subject to certain conditions.
- The AP State Financial Corporation and Banks extend relief and concessions to sick SSI Units by waiving penal interest, re-scheduling principal and funding the interest, as per RBI guidelines.

In addition to the above, the State Govt., provide fiscal assistance in the shape of interest subsidy of Rs.5.00 lakhs as grant and of Rs.5.00 lakhs as Margin Money loan to such of those sick SSI units which are viable for revival and to whom simultaneously the financial Institutions/Banks have come forward to assist them under this nursing programme.

A Study of sickness in small scale industries in Andhra Pradesh was conducted and Based on the study report, it is proposed to extend support for revival of sick

industries in the state. An amount of Rs.80.00 lakhs has been proposed under the 9th plan provision for implementing this scheme.

## **INCENTIVES AND CONCESSIONS**

Several Concessions/Incentives are being extended by the State Govt. /Central Govt. for industrial units. Incentive Schemes to New Industries being set up in Andhra Pradesh have been in force since 1961. The Central subsidy scheme for sanction of capital subsidy to industries was in operation from 1st October 1970 to 30th October 1988. The State Govt. continued to extend incentives schemes from 1976 till the end of March 2000. The Target-2000 incentive scheme expired by 31-03-2000. The State Govt. are also providing incentives for development of I.T. industries. The details of various incentives provided over a period of time are listed below:

### **1. Central Subsidy Scheme(Period 1.10.1970to30.9.1988)**

With a view to remove regional imbalances the Government of India launched a Scheme called "Central subsidy Scheme" in certain notified parts of the country termed as "backward" Under this Scheme 89 Panchayat Samithis and 13 adjoining municipalities located in 13 districts of the state were covered. A subsidy of 15% on capital investment up to a maximum limit of Rs. 15.00 lakhs was granted. This Central Subsidy expired by 30-9-1988.

While Central Subsidy was still under operation, State Government had announced certain State Incentive Schemes to further accelerate industrial activity in backward areas of the State from time to time.

### **2. Power Tariff Concessions:**

In terms of G.O.Ms.No.654, Inds. & Com. dated 13-7-1976 all new industrial units are eligible for 25% Power Tariff Concession except 75 listed industries including 5 Power intensive industries as notified in G.O.Ms.No.146, Inds.& Com.(IFR) Dept. dated 25-4-1991 which are not eligible for the power tariff concession.

### **3. Revised State Incentives Scheme(RSIS)**

All new eligible industries and industries which go for substantial expansion (25%) are eligible for the following incentives as per G.O.Ms.No.224, dated

09-03-1976 of Inds. & Com. (II&CPS) Department dated 9-3-1976. The scheme was in operation from 1-1-1976 to 31-12-1980.

**a. Investment Subsidy:**

- i. 10% of fixed capital cost upto Rs. 10.00 lakhs in the areas declared as backward under Six Point formula .
- ii. 20% of fixed capital cost upto Rs. 15.00 lakhs in Scheduled Tribal Areas.

**b. Interest Subsidy:**

Upto 3% on interest payable to Financing Institutions for SES/Technocrat whose fixed capital cost does not exceed Rs.5.00 lakhs.

**c. Interest Free Sales Tax Loan:**

- i. 10% of Fixed Capital Cost in five years.
- ii. The APGST paid on construction material, plant and machinery and equipment.
- iii. Purchase Tax/Sales Tax amount paid under APGST/CST on raw materials, components and finished goods are eligible to claim under IFST Loan. This can be claimed annually.

**4. NEW SCHEME OF STATE INCENTIVES (NSIS):**

The Scheme of state Incentives announced in G.O.Ms.No.375, Inds & Com(IA) Dept., dated 23-8-1985 which was introduced first for three years from 1-4-1984 was extended till 2-10-1989.

**a. Intensive Industrial Development Areas:**

Three districts namely Srikakulam, Ananthapur and Adilabad are selected on the basis of their backwardness as intensive IDAs and 20 Growth Centres comprising of 79 Revenue Mandals in the district of Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur and Rangareddy.

Any large industry with investment Rs. 10.00 crores and above with employment

of 250 are eligible for the following incentives:

- |      |                    |   |  |
|------|--------------------|---|--|
| i.   | Land               | : | Upto 50 acres of dry land free of cost.  |
| ii.  | Investment Subsidy | : | 15% on fixed capital investment upto Rs. 15.00 lakhs.  |
| iii. | Power Rebate       | : | 25% power rebate for 3 years from APSEB and 2 years from Inds. Dept.   |
| iv.  | Water              | : | 75% on economic cost for the 1st year.   |
| v.   | Sales Tax          | : | Five years S. T. Deferment upto a maximum of Rs. 1.00 crores or 15% of Fixed assets subject to Condition S. T. Deferal should not exceed Rs. 30.00 lakhs in any particular year. |

For Other Industries:

- |      |                    |   |  |
|------|--------------------|---|--|
| i.   | Investment Subsidy | : | 15% subject to ceiling of Rs. 15.00 lakhs.   |
| ii.  | Power Rebate       | : | 25% Power tariff concession for first 3 years by APSEB and another 2 years by Industries Budget.                                   |
| iii. | Sales Tax          | : | Sales Tax Deferment upto a maximum of Rs. 50.00 lakhs or 15% of total fixed assets subject not to exceed Rs. 20.00 lakhs per year. |

**b. Growth Centres:**

All the 20 Growth Centres are eligible for the following incentives.

- |      |                    |   |  |
|------|--------------------|---|--|
| i.   | Investment Subsidy | : | 10% on fixed investment subject to a ceiling of Rs. 10.00 lakhs including Central Subsidy if any.                  |
| ii.  | Power Tariff       | : | 3 years concessional tariff by APSEB and further 2 years from industries budget.                                   |
| iii. | Sales Tax          | : | 15% of fixed assets upto a maximum of Rs. 45.00 lakhs and in any particular year shall not exceed Rs. 10.00 lakhs. |

**5. LIBERALISED STATE INCENTIVE SCHEME (LSIS'89):**

The State Government had introduced the Liberalised State Incentive Scheme

effective from 3-10-1989 (LSIS'89) vide G.O.Ms.No.498 dt. 16-10-1989 of Industries & Commerce(IA) Department. The following incentives were offered:

- A. Investment Subsidy : Srikakulam, Ananthapur ; and Adilabad District
- 20% of the capital cost not exceeding Rs.20.00 lakhs.
- 15% of the capital cost not exceeding Rs.15.00 lakhs.
- B. Sales Tax Holiday: 5 year sales tax holiday subject to a ceiling of Rs.25.00 lakhs.
- Sales Tax Deferment: Srikakulam, Ananthapur and Adilabad Districts.
- 100% of Fixed Capital Cost for a period of 10 years
- All Other industries:
- 50% to 75% of the Fixed Capital Cost for a period of 10 years.

## 6. NEW COMPREHENSIVE SCHEME OF STATE INCENTIVES (NCSSI'92)

In the year 1993 the Government had announced a New Industrial Policy vide G.O.Ms.No.117 dt.17-3-1993 called "New Industrial Policy 1992" the features of which are as follows:

### i. Investment Subsidy:

Area-I: Srikakulam, Ananthapur and Adilabad Districts.

20% of the capital cost not exceeding Rs.20.00 lakhs.

Area-II: Nalgonda, Mahabobnagar, Warangal, Khammam, Medak, Karimnagar, Nizamabad, Kurnool, Cuddapah, Nellore, Vizianagaram and Prakasam District.

15% of the capital cost not exceeding Rs. 15.00 lakhs.

Area-III: Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, R.R. and Hyderabad (except Vijayawada, Visakhapatnam, Hyderabad Municipal Corporation Limits.

10% of the Capital Cost not exceeding Rs. 10.00 lakhs.

ii. Sales Tax Holiday: 5 year sales tax holiday subject to a ceiling of 100% on fixed capital cost or Rs.35.00 lakhs. whichever is less during the entire holiday period in Areas I,II and III.

Sales Tax Deferment:

AREA-I

(Medium & Large Scale industries)

100% of Fixed Capital Cost for a period of 10 years.

AREA-II:

Upto 75% of the Fixed Capital Cost for a period of 10 years.

AREA-III:

Upto 50% of the Fixed Capital Cost for a period of 10 years.

iii. Power Rebate: 25% power rebate in power bills for a period of 3 years from the date of commencement of production Limited to Rs.50.00 lakhs in respect of large and Medium industries and Rs.30.00 lakhs in case of SSI units.

The policy was to be in force upto the end of the VIII Plan ie., 31-3-1997.

## 7. TARGET-2000 SCHEME:

Government have introduced a new industrial policy called Target-2000 in order to accelerate industrial development in the State vide G.O.Ms.No.108, Industries & Commerce Department dated 20-5-1996 offering following incentives to the new industries set up after 15-11-1995.



- i. Investment Subsidy : 20% of Fixed Capital Investment not exceeding Rs.20.00 lakhs.
- ii. Sales Tax Deferment/ Exemption. : Limited to 135% of Fixed Capital Cost allowable upto 14/7 years.
- iii. Power Rebate: : 25% power rebate in power bills for a period of 3 years from the date of commencement of production/date of power supply whichever is later limited to Rs.50.00 lakhs in respect of large and medium industries and Rs. 30.00 lakhs in case of SSI units.

### Special Incentives Scheme:

Special Incentives for New industrial units set up by Entrepreneurs belonging to Scheduled Castes and Scheduled Tribe Categories anywhere in the State subject to land use Laws of the Local Bodies.

Investment Subsidy : 25% of Fixed Capital cost, not exceeding Rs.50.00 Lakhs.

Interest Subsidy: : On the total credit i.e., Term Loan and Working Capital, Subsidy at 6% for a period of 5Years upto a maximum of Rs.5.00 lakhs per year.

Sales Tax Deferment/ Exemption : Limited to 202% of Fixed Capital Investment allowable upto 14/7 years.

Power Rebate : 25% Rebate in Electricity Charges for 3 years.

TARGET 2000 Scheme expired by 31-3-2000

## INCENTIVES FOR PROMOTING THE IT INDUSTRY

The State Government have introduced the incentives for promoting the IT

industry vide G.O.Ms.No.114 Finance & Planning (Plg.IT & C) Department, dated 25-5-1999. The following incentives are approved.

- a. IT Software industry is exempted from the purview of the AP Pollution Control Act, except in respect of power generation sets ( orders issued by Environment, Forest, Science and Technology Department Vide G.O.Ms.No.161, EFS&T(Environment) Department, dated 1-2-1999).
- b. IT industry is exempted from the purview of statutory power cuts (orders issued by Energy Department vide G.O.Ms.No.67, Energy(Power-II) Dept., dt.21-7-1998 and T.T.O.(Commercial) No.173, Transmission Corporation of A.P Ltd., dt.10-5-1999).
- c. Industrial Power Tariff and all other admissable incentives and concessions applicable to industries in respect of power shall be applicable to the IT industry including those in the urban areas(Orders issued by Energy Department vide G.O.Ms.No.67, (Power-II) Dept, :dt. 21-7-1998 and T.T.O.(Commercial) No. 173, Transmission Corporation of A.P. Ltd.dt.10-5-1999).
- d. 25% concessional power tariff shall be allowed to the new IT industrial units for a period of 3 years from the date of release of power or of going into actual commercial production whichever is earlier.
- e. As per G.O.Ms.No.67, Energy (Power-II) Dept. dt.,21-7-1998 totally exempted, Computer software from the payment of sales Tax payable under the provisions of A.P.General Sales Tax Act, 1957.
- f. IT software industry is exempted from zoning regulations for purpose of location.
- g. In priciple to self-certification/exemption as far as possible for the IT Software industry from the provisions of the following Acts/Regulations (Subject to issue of specific orders by the departments concerned in consultation with the I.T.&C Dept.,)
  - i. Factories Act
  - ii. Employment Exchange (Notification of vacancies Act)
  - iii. Payment of wages Act

- iv. Minimum wages act
  - v. Contract labour ( Regulation & Abolition ) Act
  - vi. Workmen Compensation Act.
  - vii. Andhra Pradesh Shops and Establishment Act and
  - viii. Employees State Insurance Act.
- h. General permission is accorded to run a three shift operation to the IT Software industry ( subject to issue of specific detailed order separately by the department concerned).
  - i. Rebate in the cost of land allotted to an industry at Rs.20,000/- per job created subject to certain conditions.

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### MARKETING ASSISTANCE:

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*Reservation policy to purchase from SSI sector has been helpful in marketing their products to Government Departments Agencies.*

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The State Government announced several protective measures and provided facilities and concessions for marketing of products manufactured by the local small scale industries. The Central Govt. have also adopted reservation policy for exclusive purchase from small scale industries.

### PREFERENTIAL TREATMENT:

The first policy announcement was made on 23rd May, 1961 when the State Govt. issued instructions with regard to purchase of products manufactured in factories, industrial training cum production centres and workshops run by the Govt. or centres of an equal status and articles stored at Govt sales emporia, by all govt. departments giving first preference, directly from them and without the medium of central stores purchase Dept. By another order dated 21st November 1961, all the Heads of the Departments were empowered to give 5% price preference, which was later enhanced to 10% in 1965 but withdrawn later in 1994.

### RESERVATION POLICY FOR SMALL SCALE INDUSTRIES:

When the reservation policy was introduced the State Govt.

reserved 58 items to be purchased by all Govt. departments exclusively from small scale industries. It was enhanced to 158 items in 1970. It was further enhanced in accordance with reservation pattern followed by Govt. of India, to 384 items for exclusive purchase. 11 items upto 75% and 15 items upto 50% as per G.O.Ms.No. 437 Industries and Commerce (SSI) Department dated:05-09-1983. Two more items were added namely, PVC pipes and PVC blue casing pipes and A.C. pressure Pipes were subsequently added for exclusive purchase from small scale industries vide G.O.Ms.No.308 Industries & Commerce (SSI) Department dated: 11-10-1999.

During the year 1965, the Government for the first time reserved 58 items to be purchased by all departments exclusively from the Small Scale Industries sector. The list of reserved items for exclusive purchase by Govt. Departments, Public Sector undertakings, autonomous bodies, local bodies etc., was enhanced to 185 items by the Government vide G.O.Ms.No.437 dated 05-09-1983. The Govt. ordered for adopting the reservation pattern as adopted by Govt. of India in purchase of products from small scale industries.

The Government clarified that whenever tenders are called for by the Govt. Department for purchase of any of these items, they should specially stipulate that these tenders are being invited only from the registered small scale industrial units in the State. The commissioner of Industries shall monitor the implementation of these orders and also extend necessary help to the indenting agencies in effecting purchases and also take steps for standardisation of procedures for the purpose ensuring the quality of the items purchased, etc.

## EXEMPTION OF THE SECURITY DEPOSIT / E.M.A:

The Government stipulated in G.O.Ms.No.1020 Inds.& Com.(SSI) Dept.30-11-1976 that all Govt.departments/undertakings ( Statutory or otherwise ), corporations and quasi-Govt Bodies should exempt small scale industries having a valid SSI regn Certificate issued by the Dept of Industries from payment of Earnest Money deposit and Security deposit, in so far as the items of manufacture registered with the Dept of Industries are concerned.

## PURCHASES COMMITTEES:

All the Govt. Departments , Undertakings, corporations and Quasi - Govt. Bodies have been instructed to co-opt. a nominee of the Director of Industries on their

purchase committees constituting such committees where ever necessary at the level of the Head of the Department / organisation, region and District. The committee will also look with the cases of underquoting etc.

The above said Govt. Organisations should co-opt. a nominee of the Director of industries and other members about the quality or suitability to a product offered by a local manufacturing concern. A technical committee consisting of representatives of buying organisations, Dept of Industries, SISI and the Indian standards Institution (BIS), Hyderabad branch, shall examine and make suitable recommendations to the purchase committee.

The Govt. issued modified orders vide G.O.Ms.No.564 Home(Ptg-A) Dept dt 31-10-1980 and made it clear that the presence of the nominees of the commissioner of Industries or the APSSIDC shall alone constitute the quorum of the stores purchase committee and in case, they do not attend, the meetings should be postponed.

## PURCHASING REVIEW COMMITTEE:

The State Govt Constituted a purchase review committee through G.O.Ms.No. 147 industries & Commerce Dept. dated 12-03-1984 for strict implementation of the stores purchase policy of the State Government.

1.	Chief Secretary to Govt.	Chairman
2.	Secretary to Govt. Industries & Commerce Dept.	Member
3.	Secretary to Govt. Finance & Planning (Fin) Dept.	Member
4.	Commissioner of Industries	Member- Secretary.

The purchase made within the state, in respect of all purchases relating to 384 items reserved exclusively for small scale sector shall be from small scale industries only. Any exemption from this rule could be obtained only by placing the matter before the Purchase Review Committee constituted above.

## RATE CONTRACT SYSTEM:

The Government earlier nominated the APSSIDC as sole selling agency in respect of 17 items manufactured by local SSI units within the state to be procured by the Government Departments / Corporations / Autonomous bodies / Zilla Parishads /



Municipalities, etc. The Govt. in G.O.Ms.No.48 Industries & Commerce (SSI) Dept.dated 20-02-1999 have modified the Marketing Assistance Scheme for 17 items which was earlier dealt by the APSSIDC Ltd., Hyderabad as Rate Contract system and a Committee was constituted to finalise the rates for every year with the Commissioner of Industries as Chairman, representatives of 3 major indenting Departments viz, Social Welfare, Medical & Health and Municipal Administration and Urban Development as members with the Joint Director of Industries as Member-Convenor.

## TERMS & CONDITIONS OF RATE CONTRACT SYSTEM

The Rate Contract Agreement between the successful tenders and the Governor of Andhra Pradesh will be executed and it will be submitted to the Commissioner of Industries and Chairman/Rate Contract Committee for supply of the items by the Indenting Departments in Andhra Pradesh. The terms & conditions of Rate Contract System

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*Rate contract system introduced in 1999 has replaced the earlier MAS of APSSIDC and given more flexibility to SSI Units in Marketing their products.*

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1. The duration of the contract shall remain in force from the date of entering into agreement for a period of one year and in the event of breach of agreement at any time later on the part of the Contractor, the contract shall be terminable by the Commissioner of Industries and Chairman, Rate Contract committee.
2. As far as the delivery is concerned it shall be at any destination prescribed by the Indenting Departments within Andhra Pradesh and should deliver material within 15 days from the date of receipt of purchase order and if the contractor fails to deliver items within the stipulated time, the Indenting Department shall be entitled to purchase the items from other Rate Contract holder.
3. The Contractor shall take the responsibility for timely and safe delivery of goods at the stipulated destination, in case failure to do so, the Departments reserves the right to put the firm under Black List for the period of two years.



4. The Contractor is exempted for payment of EMD and security deposits as the firm is registered as SSI unit with Industries Department.
5. The Contractor shall inform the Commissioner of Industries/ Chairman Rate contract Committee in advance about reduction of prices otherwise action would be initiated for Black Listing the firm for a period of two years.
6. The Indenting Departments will be the sole judge for cancellation / reduction of orders / contract, if the goods are not delivered within the stipulated time and inferior quality of goods supplied.
7. The Contractor shall alone be responsible to the Department in matters connected to an arising out of this Rate Contract.
8. The Indenting Departments should satisfy themselves about the quality of supplies indented by the Government Departments before effecting payments and also effecting payment of necessary Sales Tax to the Commercial Tax Departments,

## INDUSTRY FACILITATION COUNCILS,

The Composition of the Industry Facilitation Councils in Andhra Pradesh to settle the issue of Delayed payments to SSI units in accordance with the interest on Delayed payments to small scale and Ancillary Industrial Undertakings Amendment Act, 1998 are under active consideration of the Government. The Government framed rules in this regard vide G.O.Ms bearing No. 307, Inds & Com.(SSI) Dept., dated 11/10/1999.

## LINKAGE OF GAUZE AND BANDAGE CLOTH:

The APSSIDC was entrusted with the responsibility of providing linkage for supply of Gauze and Bandage cloth to the small scale units under marketing Assistance Scheme. On the suggestion made by the Managing Director of APSSIDC the Govt cancelled the procedure of supply of Bandage and Gauze Cloth through APSSIDC and entrusted the responsibility of providing linkage through the Commissioner of Industries vide G.O.Ms.No.428 Industries & Commerce (SSI) Dept.dated:08-12-1998.

## INDUSTRIAL COOPERATIVE SOCIETIES:

The Department of Industries is administering the programme of Industrial cooperative from the Year 1958 in pursuance of the orders issued in G.O.Ms.No 1273. Industries Department dated 10-10-1958. The statutory control and developmental programmes in the Industrial Cooperative sector in Andhra Pradesh are under the purview of the department of Industries. Artisans, educated unemployed and small industrialists are the beneficiaries under the Industrial Cooperative sector. The Industrial cooperatives can be classified under the following categories.

1. Production and Sales Societies
2. Service Societies.
3. Societies undertaking production sales and services.

The Registering authority (i.e., the Officers of Industries Department) will examine the technical feasibility and economic viability of the proposed society with particular reference to the entrepreneurial aptitude, availability of skills, infrastructural facilities, availability of raw materials and market outlets for finished products, etc before registering the society.

Besides exercising Statutory control as laid down in the APCS Act, 1964, the Industrial Co-operatives wing of the department extends assistance to the societies in the following manner.

1. Preparation of viable schemes.
2. Providing technical assistance in running the schemes.
3. Providing Marketing facility to the products of industrial co-operative societies wherever necessary.
4. Providing training facility to members wherever necessary.
5. Recommending applications of the societies for financial assistance from co-operative Central Banks, Nationalised and other Commercial Banks.

## ORGANISATION AND CONTROL OF INDUSTRIAL COOPERATIVES:

Application for registration of industrial cooperatives has to be made in Form A as prescribed in Act and Rules and it has to be signed by atleast 10 different family members. The following information has to be furnished along with Form A.

1. Masooda form indicating the names of the members who have contributed to the Share capital of the Society.
2. A scheme showing the details of the proposed working of the society and its economics.
3. The name and address of the person with whom correspondence is to be made who is called the Chief Promoter.
4. The application has to be accompanied by six copies of bye laws of certificate of the financing bank indicating the deposit of Share Capital under suspense account.
5. Consent letter from the financial institution accepting for financing the society as per the pattern of the scheme.
6. 1/8th of the total cost of the scheme should be collected as Share Capital from the members.

As per amendment act No.21 of 1985, on receipt of an application from not less than 10 members, a Provisional Registration Certificate is granted within one month.

The Provisional Registration is valid for One Year. The Chief Promoters will have to collect the required Share Capital and complete other requirements to the satisfaction of the registration authority within one year, on receipt of which the Registrar if satisfied shall grant permanent registration to the society.

## PRESENT POSITION OF INDUSTRIAL COOPERATIVES IN A.P.

The Societies were promoted for the benefit of artisans/technicians. Cooperatives are considered suitable institutions for the group of artisans to avail the facilities and improve their earning capacity. Financial assistance from Khadi Board, Cooperative Banks etc. is also liberally available for the cooperatives. The State Government have been extending financial assistance to the cooperatives in the form of Share Capital Participation, Share Capital / Working Capital Loans, Reimbursement of Sales tax/ Purchase Tax, Interest Subsidy and Managerial Assistance till 1992.

Out of 3818 societies registered upto February, 1999, 2094 societies are dormant, 1252 societies are active, 472 societies out of dormant category are under liquidation. The percentage of dormancy in Khadi & Village Industries Societies is

about 61% while it is 44% in other Industrial Co-operative Societies.

For each District Industries Centre, a target of 10 societies for revitalisation of potentially viable dormant societies, 10 for further development of active societies and for liquidation of 10 hopelessly bad dormant societies is fixed for implementation under Annual Action Plan.

## **A.P.MUTUALLY AIDED CO-OPERATIVE SOCIETIES ACT 1995:**

The A.P.Mutually Aided Co-operative Societies Act 1955 came into force with effect from 1st June, 1995 with a view to facilitate and encourage voluntary formation of co-operative societies as accountable, competitive and self-reliant enterprises. The Act has been introduced to overcome the difficulties faced by the societies registered under the APCS Act such as intervention of the Government into the affairs of the society etc.

The Act provides for registration of new societies as well as conversion of existing societies already registered under APCS Act 1964. The Societies where there is no Government share capital is involved can be converted under APMACS Act, 1995. If any such society wants to come under the new Act, the share capital invested by Government has to be redeemed and seek conversion.

The Societies registered or converted under New Act, can avail facilities offered by various financial institutions directly without having any Government intervention. The new Act does not provide any periodical inspections as required under APCS Act.

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## **DEPARTMENTAL SCHEMES**

### **1. ESTABLISHMENT OF GROWTH CENTRES:**

The concept of Growth Centres announced on 3rd June, 1988 by Government of India is mainly to act as Magnets for attracting Industries in backward districts. It is envisaged to provide best infrastructure facilities available in the country in respect of power, water, telecommunications. The cost of setting up of each Growth Centre was calculated at Rs.25.00 crores to 30.00 crores. At present the contribution of financing of Central Government is in the ratio of 2:1. The Government of India has sanctioned four Growth Centres as mentioned hereunder:



1. Bobbili in Vizianagaram district.
2. Ongole in Prakasam district.
3. Hindupur in Ananthapur district
4. Vemsoor in Khamman district  
(now changed to Damarcherla near Nagarjun sagar in Nalgonda Dist.)

The work in the first 2 Growth Centres at Bobbili and Ongole is in progress and in case of the 3rd Growth Centre at Hindupur further works have not been taken up for want of water resources. The work in the Damarcherla Growth Centre has not yet been taken up.

Originally in 1988 the scheme was proposed with an investment of Rs.30.00 crores for each Growth Centre. The pattern of funding was that the Central Government would contribute Rs. 10.00 crores, the State Government Rs.5.00 crores and Rs. 15.00 crores were to be sought as loan from Financial Institutions. But due to non-participation by financial institutions in funding, the entire expenditure is being borne by the Central and State Governments.

The State Government vide G.O.Ms.No.50, Industries and Commerce (INF) Department dated 22-3-1999 accorded sanction for release of Rs.30.00 lakhs as central share for setting up of Growth Centres. The Government of India have so far i.e., uptill 1988-99 (as on 31-12-1998), contributed Rs.990.00 lakhs and the State Government have provided Rs.501.85 lakhs. The APIIC, which is the implementing agency, have spent Rs.2380.83 lakhs since inception against the total release of Rs.1491.85 lakhs.

## 2. INCENTIVE INDUSTRIAL PROMOTION CAMPAINGNS:

The Industries Informatics Centre operating at the Commissionerate of Industries is entrusted with the responsibility of reaching out to the investors within the country and abroad. The centre prepares publicity material in print, magnetic and audio-visual media and develops sophisticated software packages on investment oppurtunities for use during the promotion campaigns. The other important activities being undertaken by the Centre, include marketing the vast investment oppurtunities the State offers, assistance to investors on policy matters in selection of ventures, coordinating the visits of Foreign Missions & Delegations, organising conferences and seminars, maintenance of upto date data on State's resources and infrastructure facilities etc.

During the year 1998-99 the Industries Informatics Centre provided assistance

to over 2700 prospective entrepreneurs and also developed various software packages for Investment Promotion. The centre also coordinated the visit of Foreign delegations from Japan, Malaysia, Korea, Spain, Singapore, Canada, U.K., Belgium, Germany, Switzerland and United States of America (USA).

The state's Industrial delegation, under the leadership of the Hon'ble Chief Minister visited US and Switzerland (Davos) for attracting foreign investment to the State. The state was well represented during the National level / International campaigns such as Global Indian Entrepreneur's Conference, IIFT, NEPCON, India Economic Summit, Workshop on "Doing Business with Germany" Agro-Tech, The Dynamic South-US Investment Summit, Euromoney Conference, Linkage-98.

An amount of Rs. 1500.00 lakhs has been proposed in the 9th Five Year Plan Period.

### 3. DEVELOPMENT OF CLUSTERS IN TINY SECTOR:

It is well known fact that from the time immemorial, certain towns and villages has been famous for specific manufacturing activity. The very name of that place is identified for the specific manufacturing activity and it is in the memory of even the house-hold women leaving apart the men folk. There are many places in our State which are famous for such cluster of Industrial activity, such as Pambathi in Warangal district and Chandur in Nalgonda District for brass works, Rajahmundry for Crucibles, Kondapalli for Wooden toys, Pamidi in Ananthapur District for Ready made Garments, Karimnagar for Silver Filigree works, Pochampalli, Gadwal, Dharmavaram and Venkatgiri for sarees etc. But it is observed that in the absence of necessary support from the Government and other Organisations, these Clusters are slowly losing their importance and the industrial cluster is slowly withering. These clusters not only provide employment to the local skilled persons, but they also provide business to the society and there by revenue to the Government. In order to redevelop such clusters, Tiny Industries in the State, it is proposed to extend all possible help to rehabilitate the industrial activity in those places.

An amount of Rs. 130.00 lakhs has been proposed under Plan funds for the 9th Five Year Plan period.

### 4. CRITICAL INFRASTRUCTURE BALANCING SCHEME:

As per the new policy approved for Small Enterprises, the Government introduced a new scheme called the Critical Infrastructure Balancing Scheme under which funds will be made available to industrial estates or the Small Scale Industries



(SSI), clusters identified under the SSI Cluster Development Programme for the establishment of certain critical infrastructure which is considered essential to ensure the viability of new infrastructure projects and for the upgradation of the infrastructure facilities in the existing industrial estates. As per G.O.Ms.No.31, Industries and Commerce (SSI) Department dated 4-2-1999, orders have been issued constituting a fund called "Critical Infrastructure Balancing Fund" for the state of A.P. for which funds are made available by the Government from time to time. Sanctions will be given by the A.P. Small Scale Industries Development Authority constituted by the Government vide G.O.Ms.No.30, dated 4-2-1999 Industries and Commerce (SSI) Department with the chief Secretary to Government, as the chairman. Under this scheme, an amount of Rs.500.00 lakhs was sanctioned for the financial year 1999-2000 vide G.O.Ms.No.363 Industries & Commerce (SSI) Department, dated 29-11-1999.

#### **5(A) SKILL DEVELOPMENT PROGRAMME FOR PMRY / EDUCATED UNEMPLOYED:**

It has been observed that many educated unemployed youth approach the banks and financial institutions, for setting up tiny ventures with insufficient know-how to take up the manufacturing activity. Most of them are rejected for financial assistance in various programmes like PMRY and other self-employment programme under the plea that they do not possess the required know-how and experiences to take up the venture. It is also observed that many tiny units become sick due to this reason. In view of this, it is proposed to provide in-plant training and reorientation training in various technical and industrial fields to the educated unemployed from SC/ST/Women and other categories under PMRY and other schemes, before taking up the venture. This training will be much useful to the entrepreneurs and this will also help the banks and financial institutions in extending financial assistance.

An amount of Rs.350.00 lakhs has been proposed under the 9th Plan provision for undertaking this scheme with separate provisions for General, SC, ST and Women Entrepreneurs. The Government sanctioned Rs.14.00 lakhs towards implementation of Skill Development Programme in various Technical Trade by providing in Plant Training to educated Unemployed Youth under PMRY for the year 1999-2000.

#### **5(B) POWER CONNECTION CHARGES SUBSIDY (GRANT) TO THE TINY UNITS UNDER PMRY:**

In order to overcome the difficulties faced by the PMRY beneficiaries to pay

power connection charges to get power supply to their units, the Government introduced the Power Connection charges subsidy scheme to provide 50% subsidy(Grant) Subject to a ceiling of Rs. 10,000/- to the tiny units established under PMRY. An amount of Rs.70.00 lakhs was sanctioned towards implementation of this scheme during 1999-2000 vide G.O.Rt.No.342 Industries and Commerce (TEX) Department dated 22-5-1999.

## 6(A) GRANT FOR ISO-9000 CERTIFICATION:

The exports of Industrial goods require quality maintenance of International standards for easy acceptance of goods by foreign consumers. The quality conscious buyers prefer the pre-certification of the goods by the International Standard Organisation. The ISO-9000 is the quality marketing of International Standard.

The fulfillment of the terms and conditions of ISO-9000 Certification is an arduous task requiring a lot of investment for which the SSI units are not affording to get this certification. In order to provide reimbursement of 50% expenditure by way of incentives for those SSI units in obtaining the ISO-9000 Certification for their products with a maximum limit of Rs.75,000/- to each unit. Further the State Government is offering a grant of 25% of the expenditure limited to a maximum of Rs.25,000. About 600 SSI units will be covered during the 9th plan period under this scheme.

An amount of Rs.6.00 lakhs was sanctioned under plan funds during 1998-1999 to offer 25% of the cost of the expenditure for setting up of testing facilities essential for getting ISO-9000 certification by small scale industries vide G.O.Rt.No.648 Industries & Commerce (SSI) Department dated 6-10-1999.

## (B) BIS CERTIFICATION:

BIS Certification helps the sale of products required mostly by house-hold consumers. Many SSI Units, though manufacture quality products do not obtain BIS Certification on account of various reasons, including financial difficulties. It is therefore necessary to encourage all such manufacturers to obtain BIS Certification by extending financial aid. In order to bring quality consciousness among SSI entrepreneurs, the Government introduced a new scheme of incentives for Quality Certification of Small Scale Industries Products during 1997-98. The object of the scheme is for setting up of testing facilities essential for getting BIS Certification. As per the scheme guidelines, 50% of the cost of expenditure for acquiring testing facilities essential to BIS Certification is provided as subsidy subject to maximum of Rs. 10,000/- for each SSI unit.

It is proposed to extend this assistance to about 500 SSI units during the 9th Plan period. The Government sanctioned Rs.6.00 lakhs for implementing the above scheme during 1999-2000 vide G.O.Rt.No.614 Industries & Commerce (SSI) Department dated : 16-9-1999.

## 7. TECHNOLOGY DEVELOPMENT FUND:

In the changed environment of liberalised economy, the need for using modern technology in the manufacturing process is to be emphasized. However, individual SSI units with their meagre financial resources are finding it difficult to acquire the new technology or to upgrade the existing ones. It is in this context that the Government of India intend to give emphasis on technology upgradation and modernisation of SSI sector with involvement of Non-governmental Organisations and Industries Associations. It is proposed to involve CSIR Labs, Tool Rooms and Proto type product development centres for development of proto type designs, drawings and for dissemination of information through seminars/workshops and Technology, Transfer between Large and Small Scale Industries particularly for ancillarisation of vendor development. The State Government propose to take up this activity with the help of Government of India and related Organisations by creating a Trust Fund.

The State Government have also decided to provide financial assistance to the Confederation of Indian Industry, Hyderabad Chapter for the establishment of Andhra Pradesh Technology Development and Promotion Centre at Hyderabad to a tune of Rs.63.00 lakhs towards capital expenditure towards the Technology Service Division (TSD) and Industrial Support/Service Division(ISD) and sanctioned the same during 1998-2000. This amount is in addition to the grant of Rs. 10.00 lakhs already as the State Government's 1/3rd share towards the capital expenditure for the Technology Information Division (TID) Component vide G.O.Ms.No.272, Industries & Commerce (SSI) department dated 14-10-1997.

## 8. AWARDS TO SSI UNITS FOR PRODUCTIVITY, INNOVATION & SAFETY:

The scheme "Awards to Small Industries Units for Productivity, Innovations and Safety" has been introduced under State Scheme during 1997-98 and has been continued with an aim to encourage the SSI Units to improve their performance in Innovative and Productive nature and also for observing Safety measures while carrying on production. The awards are proposed to induce competitiveness among SSI units and also to inculcate qualities of splendour and enterprises among them.

The Government sanctioned an amount of Rs.6.00 lakhs towards implementation of the scheme during 1999-2000 vide G.O.Rt.No.618 Industries and Commerce (SSI) Department dated 20-09-2000.

## 9. ASSISTANCE TO ORGANISE INDUSTRY-INSTITUTE INTERFACE:

There is a long felt need to extend technical and scientific support to the SSI Sector by arranging need based research through Research Institutions within the country. The Research Institute under the control of CSIR, Department of Electronics, NSIC, and other Organisations are expected to undertake research work specifically suitable to the needs of SSI sector which on its own cannot undertake this job on account of meagre financial resources available at its disposal for such activity. The aim of Industry-Institute Interface meetings is to arrange for the transfer of technology from research institutes to the SSI Sector by the way of workshops and seminar. An amount of Rs.20.00 lakhs has been proposed for the 9th Plan period.

## 10. COMPUTERISATION & AUTOMATION OF INDUSTRIES DEPARTMENT:

The process of Computerisation and Automation of Industries Department in Andhra Pradesh commenced during the end of 1994 with the formation of the productivity & Office Automation Division which is responsible for Computerisation of the Industries Department. Since then, efforts are being made to quicken the pace of implementation of the ambitious programme of Computerisation in order to achieve better productivity and to improve the work culture with an ultimate aim of making this department a Paperless Office.

The Commissionerate of Industries is equipped with a Local Area Network(LAN) with about 75 Computers, 15 Printers, 3 Scanners and a V-SAT. As on date all the staff members of this office are well versed with the operation of basic software on Computers which include Lotus Wordpro, Lotus 123, Lotus Approach and Foxpro. This has been possible by intensive in-house training provided at Central Office and by regular evaluation of performance of all the Officers and Staff.

The District Industries Centres are equipped with two computers each and are connected to the Central office by NIC Network. There is regular correspondence



between the Central Office and the District Offices using this facility. The monthly periodicals are also being submitted by the DICs through E-Mail instead of the conventional reporting on paper.

The Productivity & Office Automation Division at the Commissionerate plans the requirements of Hardware and Software of both Central Office and DICs and the training of the staff. Certain user friendly packages have also been developed by this division for use at DICs as well as at Commissionerate. The important ones include a software on TBDC (Time Bound Disposal of Currents), Grant of Leave, Payrolls, INCAPS (Incentive application monitoring system), FILMOS (File Monitoring System) etc. Further software are under development for other services being offered by this department.

Among various Software, the one developed by M/s. IBM Global Services for offering Single Window Services by the Industries Department is worth mentioning. This application developed in Lotus Notes Software is helpful in quick approvals apart from providing online information to both the CM's Office as well as the Entrepreneurs about the status of clearances by various approving authorities. This has been made possible by connecting various approving authorities like AP TRANSCO, APPCB, HUDA, T&CP and Factories Department to the Commissionerate of Industries using Lotus Notes so that the status of clearance of any application is updated on regular basis on the Computers at Commissionerate by the respective authorities. The Entrepreneurs will be able to browse the status of clearance of their respective applications over the Internet at the web site apind.com. Presently any entrepreneur can file an application for getting the clearances under Single Window Services by obtaining the application available at the Industries web site.

In due course it is proposed that the entire Common Application Forms will be transmitted to the various Approving Authorities only through Lotus Notes and no application will be sent to them on paper hereby making the entire process of clearances Paperless.

An amount of Rs.25.00 lakhs was sanctioned by the Government for implementation of the Automation and modernisation of Commissionerate of Industries during 1999-2000 vide G.O.Ms.No. 240 Industries & Commerce (SSI) Department dated 31-7-1999.

# ORGANISATIONAL STRUCTURE OF THE DEPARTMENT

The Commissioner of Industries is the Head of the Department and is supported by several qualified technical personnel in various disciplines, and officers in the managerial fields with specific functional responsibilities. They are responsible for formulating operational schemes within the policy frame work of the Government and their implementation in DICs.

## STAFF POSITION AT COMMISSIONERATE:

*The Industries Department has been developed as a Technical Department with a strong base at district level for development of Industries.*

The Commissioner of Industries is assisted in the Central Office by two Additional Directors, 9 Joint Directors, 12 Deputy Directors and 13 Assistant Directors, 15 Industrial Promotion Officers, 2 Co-operative Sub-Registrars, 4 Senior Inspectors (Coop) and Ministerial Staff. At Central office, the Senior Officers and technical staff assist the Commissioner of Industries. The entire work is distributed among various Desks headed by a Joint Director designated as Chief Officer and supported by a Deputy Director/ Assistant Director. The Desk wise allotment of work is supervised by the Additional Directors of Industries. There is full fledged Library & fully Computerised Documentation wing in the Central Office. The chart showing the departmental hierarchy indicating the various categories of posts is enclosed.

## STAFF POSITION AT DISTRICT INDUSTRIES CENTRES:

At the district level, each District Industries Centre is headed by a General Manager of the cadre of Joint Director supported by 1 or 2 Deputy Directors and 2 Assistant Directors designated as managers. At the grass root level i.e., Mandal level the Industrial Promotion Officer is the Departmental functionary and he is attached with 5 to 6 Mandals. In addition, 1 Co-operative Sub-Registrar and 1 Senior Inspector of Co-operatives assist the General Manager operating in the field from the District Head Quarters.



The General Manager of District Industries Centre at district level implement the departmental schemes. At Regional level or Mandal level, there are no independent offices of Industries Department. An Industrial Promotion officer is kept in charge of 5 to 6 Mandals and works under the administrative control of the General Manager of the DIC located at the district headquarters. The Cadre strength of various functionaries at the District Industries Centres is reduced from 1437 to 821 after reorganisation of the department by abolishing 241 posts and continuing 375 posts on supernumerary basis. In addition to the above there are 24 IPO (Census) working on temporary basis at District Level. Besides the above, there are 348 posts including that of Commissioner and 2 Additional Directors at Head Office and 55 posts at DIC, Hyderabad, which are continued without any change after re-organisation. Hence, the present strength of the Department is 1483 covering all posts as detailed in the enclosed statement.

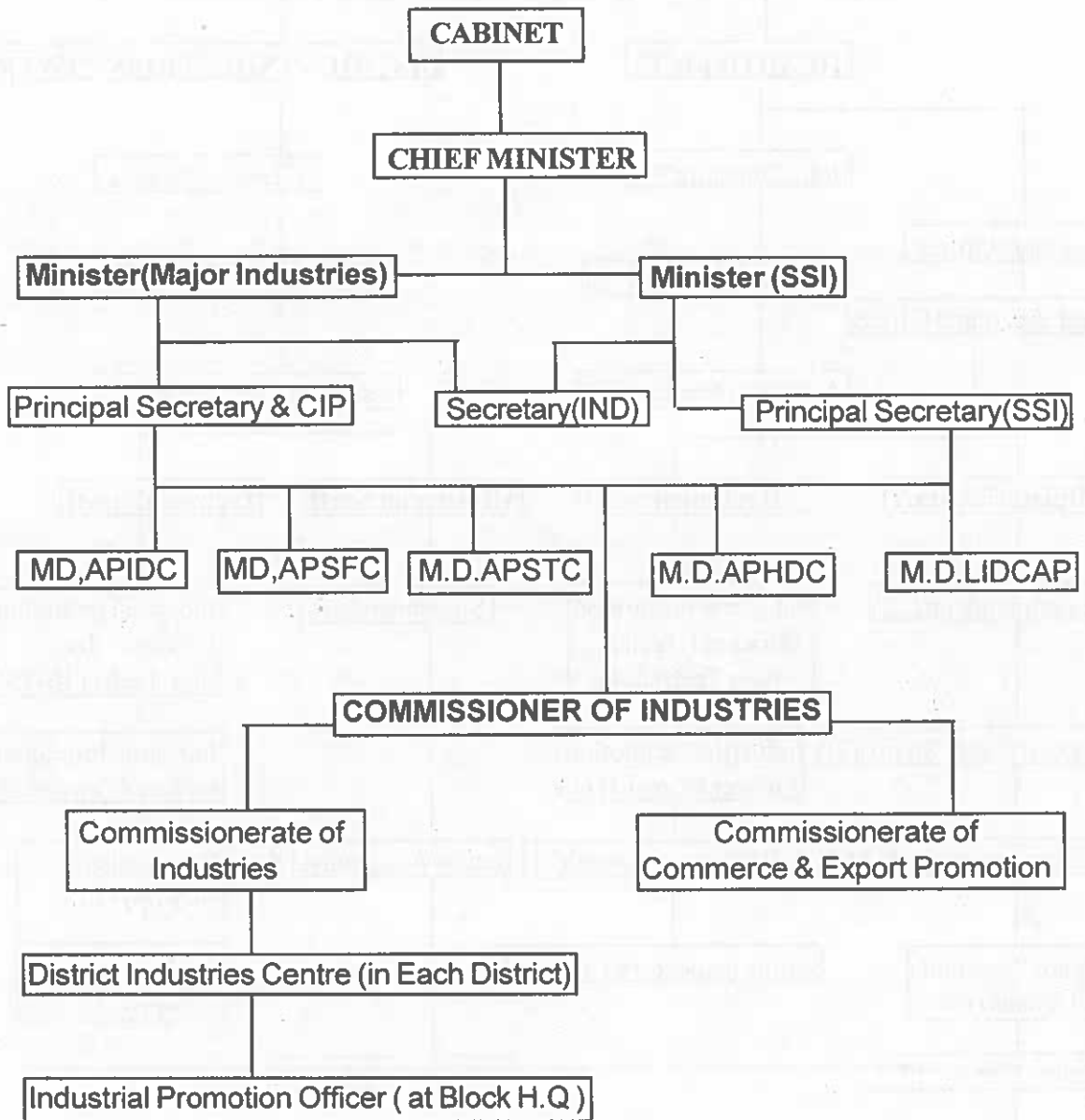
The charts showing the Organisational Structure from Secretariat to field level and of Commissionerate of Industries are enclosed along with the statement showing the posts sanctioned under various categories.

Sl. No.	Category	Number of Posts	Description
1	Commissioner	1	Commissioner, Hyderabad
2	Additional Director	2	Additional Directors, Hyderabad
3	General Manager	14	General Managers, District Industries Centres
4	Industrial Promotion Officer	24	Industrial Promotion Officers, District Level
5	Officer-in-Charge	10	Officer-in-Charge, District Level
6	Officer	10	Officers, District Level
7	Officer	10	Officers, District Level
8	Officer	10	Officers, District Level
9	Officer	10	Officers, District Level
10	Officer	10	Officers, District Level
11	Officer	10	Officers, District Level
12	Officer	10	Officers, District Level
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79	Officer	10	Officers, District Level
80	Officer	10	Officers, District Level
81	Officer	10	Officers, District Level
82	Officer	10	Officers, District Level
83	Officer	10	Officers, District Level
84	Officer	10	Officers, District Level
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87	Officer	10	Officers, District Level
88	Officer	10	Officers, District Level
89	Officer	10	Officers, District Level
90	Officer	10	Officers, District Level
91	Officer	10	Officers, District Level
92	Officer	10	Officers, District Level
93	Officer	10	Officers, District Level
94	Officer	10	Officers, District Level
95	Officer	10	Officers, District Level
96	Officer	10	Officers, District Level
97	Officer	10	Officers, District Level
98	Officer	10	Officers, District Level
99	Officer	10	Officers, District Level
100	Officer	10	Officers, District Level

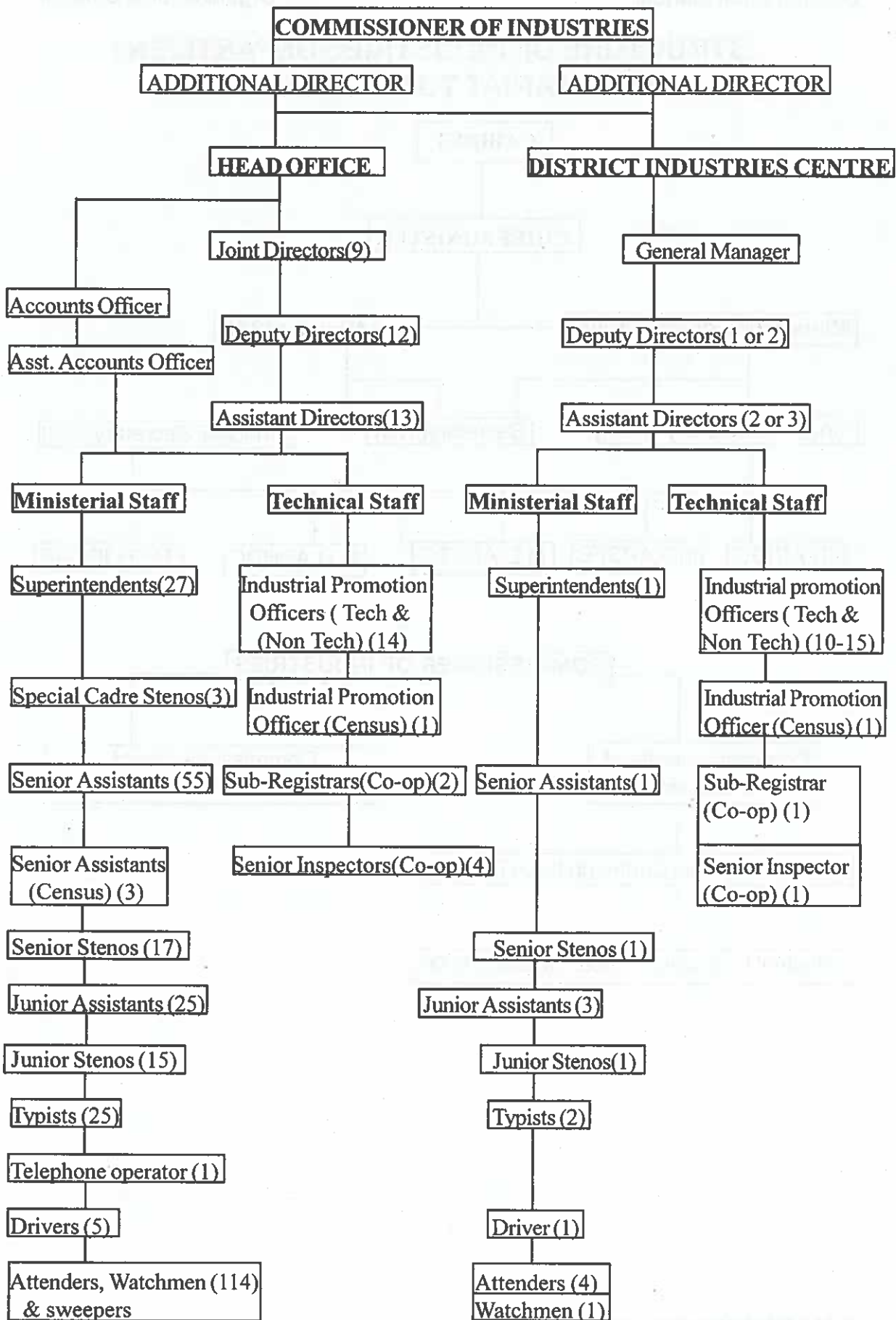
**CADRE STRENGTH OF THE DEPARTMENT**

Sl.No	Category	Sanctioned Strength Head Office	Sanctioned Strength DIC's	Total
1	Commisioner of Industries	1	--	1
2	Additional Director of Industries	2	--	2
3	Joint Director of Industries	9	23	32
4	Deputy Director of Industries	12	38	50
5	Assistant Director of Industries	13	48	61
6	Industrial Promotion Officers	14	336	350
7	Industrial Promotion Officers (Census)	1	24	25
8	Co-Operative Sub-Registrar	2	23	25
9	Senior Inspector of Co-Operatives	4	25	29
10	Superintendents	27	25	52
11	Asssitants (Census)	3	--	3
12	Senior Assistants	55	48	103
13	Special Category Stenographer	3	--	3
14	Senior Stenographer	17	23	40
15	Junior Assistants	25	69	94
16	Junior Stenographers	15	23	38
17	Typists	25	46	71
18	Telephone Operator	1	--	1
19	Other Posts including Drivers, Attenders, Sweepers, etc.	119	384	503
	<b>Total</b>	<b>348</b>	<b>1135</b>	<b>1483</b>

## STRUCTURE OF INDUSTRIES DEPARTMENT SECRETARIAT TO FIELD LEVEL



## STRUCTURE OF INDUSTRIES DEPARTMENT



## ROLE OF EACH CATEGORY

The District Industries Centres were reorganised in 1997 and keeping in view the reorganised staffing pattern as approved by the Government, various subjects have been distributed among the officers. On reorganisation pattern, the DIC is headed by a General Manager of the cadre of Joint Director and is assisted by 1 or 2 Dy. Directors and two Asst. Directors for smooth functioning of administration. The functions of the officers were redefined vide Commissioner of Industries Proceedings No. 14-3-7-1330/IC dated 29-08-1997.

The role of each category of functionary at Head Office and District Industries Centres is furnished in the following statements.

### HEAD OFFICE:

Sl.No.	Functionary	Functions
1.	Commissioner of Industries	He is responsible for the coordination and smooth functioning of the department. He will approve all important files and the files involving the policy matters pertaining to the subjects allocated to Additional Directors. He looks after personal administration and matters relating to Gazetted establishment except items of routine nature. He will monitor the work of subordinate officers in Central Office and General Managers, District Industries Centres. He is assigned with the responsibility of promoting large and medium industries and all matters connected in this regard including infrastructure facilities, approvals and clearances, approvals from Government of India, sanction of incentives etc. He keeps close liaison with Corporate Bodies, NIRs and other Foreign Investors providing all necessary information on state potentialities and infrastructure facilities. He coordinates with the Secretaries concerned in the Secretariat and offer suggestions / feed back / inputs to the government in formulation of industrial policies.

Sl.No.	Functionary	Functions
2.	Additional Director-1	<p>He assists the Commissioner of Industries in the subject matters assigned to him. He represents the Commissioner in all related meetings other than statutory and give feed back to the Commissioner. He coordinates with all the DICs and provide necessary guidance to the General managers to sort out departmental issues and smooth functioning of the administration. He looks after all matters relating to development of small scale and cottage industries, industrial cooperatives, handicrafts, coir, salt and allotment of raw materials, marketing assistance, PMRY programme and urban land ceiling. He deals with all SSI policy matters.</p>
	Additional Director-2	<p>He assists the Commissioner of industries in the subject matters assigned to him. He represents the Commissioner in all related meetings other than statutory, and give feed back to the Commissioner. He looks after CDCC Wing, sanction of incentives, revival of sick units, accounts, finance and planning, non-gazetted establishment. He monitors the implementation of all large and medium scale industries.</p>
3	Joint Director(II)	<p>He attends to the work relating to</p> <ul style="list-style-type: none"> <li>● Sanction of incentives</li> <li>● Convening SLC meetings</li> <li>● Release of capital subsidy to industries, issue of certificates for sales tax deferment / exemption,</li> <li>● Recovery of interest free sales tax loan</li> <li>● All audit paras and legal issues pertaining to Incentive Wing.</li> <li>● All policy matters on incentives</li> <li>● He is incharge of Desks 10,20 &amp; 30</li> </ul>



Sl.No.	Functionary	Functions
4.	Joint Director (SI DIC)	<p>He looks after all the following subjects</p> <ul style="list-style-type: none"> <li>● Allotment of scarce raw materials like alcohol, molasses, coal, LP gas etc., and imported raw materials and capital goods.</li> <li>● Development of mineral based industries, coir industries</li> <li>● All policy matters on SSI Registration</li> <li>● DIC programme, monitoring plan schemes, review, incentive campaigns, state level conferences of General Managers, DICs.</li> <li>● He is incharge of Desks 11 and 14.</li> </ul>
5.	Joint Director (P & OA )	<p>He looks after the following subjects</p> <ul style="list-style-type: none"> <li>● Systems analysis and Computerisation of office of the Commissioner of Industries and District Industries Centres.</li> <li>● Installation &amp; Maintenance of Computers and communication systems, office equipment and related matters.</li> <li>● Work Study, time study, method study and performance study in all the sections</li> <li>● Periodical review of performances of all officers and staff in Central Office and DICs</li> <li>● Periodical review of pendency of currents in all sections in Central Office and DICs</li> <li>● Inspection of DICs and other offices.</li> <li>● All Training Programmes of officers and staff in various disciplines.</li> <li>● Monthly Staff Meetings.</li> <li>● Administrative Reforms.</li> <li>● Vigilance</li> <li>● Confidential Reports of Gazetted and Non-Gazetted officers and correspondence related thereto.</li> <li>● Property Statements of Officers &amp; Staff of the Department of Industries.</li> <li>● Joint Director (P&amp;OA) shall be directly reporting to Commissioner of Industries</li> <li>● He is in charge of Desks 12 and 37.</li> </ul>

SlNo.	Functionary	Functions
6.	Joint Director (SES)	<p>He looks after the following subjects</p> <ul style="list-style-type: none"> <li>● All sorts of loan recoveries.</li> <li>● Audit Paras under P.A.C. Relating to above loans</li> <li>● PMRY and other Self Employment Schemes.</li> <li>● Skill Development &amp; Training of unemployed, ITI Training Programme related issues.</li> <li>● He is in charge of Desk 13 and Desk 18.</li> </ul>
7.	Joint Director (CDCC)	<p>He looks after the following subjects</p> <ul style="list-style-type: none"> <li>● Centralised Documentation and Clearance Cell ( CDCC )</li> <li>● 100% Export Oriented Units.</li> <li>● Full Licensing Committee, Environmental Clearance Committee &amp; Empowered Committee related issues.</li> <li>● L.A.Qs and R.S.Qs pertaining to Large &amp; Medium scale industries.</li> <li>● Co-ordination with Promotional Agencies / Boards / Corps. and related meetings.</li> <li>● He is incharge of Desk 15.</li> </ul>
8	Joint Director (F & P)	<p>He looks after the following subjects</p> <ul style="list-style-type: none"> <li>● Annual Plan preparation.</li> <li>● Departmental Clearance Committee and Project &amp; Programme approval Committee Meetings.</li> <li>● Annual Plan Budget, District Segments of Plan Budget, Monthly Programme Reports on Expenditure from DIC</li> <li>● Special Component Plan for SCs and Tribal Area Sub-Plan for STs</li> <li>● State Level Finance Committees and State Level Bankers Conferences, Institutional credits and related issues.</li> <li>● Issues related to revival of all Sick Industries And BIFR Case.</li> </ul>

Sl.No	Functionary	Functions
		<ul style="list-style-type: none"> <li>● Processing of Land Ceiling applications and Joint Inspections.</li> <li>● Industrial Growth Centres envisaged by Government of India.</li> <li>● Azamabad Industrial Area.</li> <li>● He is in charge of Desks 16, 27 and 28.</li> </ul>
9.	Joint Director (M&HC)	<p>He looks after the following subjects</p> <ul style="list-style-type: none"> <li>● Cooperatives Industrial Estates</li> <li>● Registration of Industrial Cooperative Societies and issues relating to Industrial Cooperatives.</li> <li>● Marketing assistance Programme related to work and Purchase Committee Meetings of Governments.</li> <li>● Ancillary Development Programme</li> <li>● All issues relating to Handicrafts Schemes.</li> <li>● K.V.I.I.B Programmes and meetings.</li> <li>● Scheme continuation Proposals and obtaining GOs in respect of Schemes not pertaining to the programmes related to other desks.</li> <li>● He is incharge of Desk 17 and 29.</li> </ul>
10.	Joint Director (INDIC)	<p>He looks after the following subjects.</p> <ul style="list-style-type: none"> <li>● Status reports on the present level of Industrialisation and sector wise analysis on future potential.</li> <li>● Compilation of Data on LSI, MSI &amp; SSI, Market potential of Industrial Products and Government purchases.</li> <li>● Estimating, Projecting and Planning the infrastructural requirements, Land, Power, Water, Communications and Human Resources in the State .</li> <li>● Entrepreneurs Guidance Cell and Library Preparation of reports to Government on Industrial development of A.P.</li> <li>● Press conferences and Public relations.</li> <li>● He is incharge of Desk 19.</li> </ul>

Sl.No.	Functionary	Functions
11	Joint Director(HRD)	<p>He looks after the following subjects.</p> <ul style="list-style-type: none"> <li>● Issues relating to Gazetted Establishment.</li> <li>● Issues relating to Ministerial Staff Establishment.</li> <li>● Organisational Discipline and issue of related office orders.</li> <li>● Vigilance.</li> <li>● Deputation of officers to other Departments.</li> <li>● Issues relating to Industries Subordinate services Establishment.</li> <li>● Maintenance of Attendance of Officers and all other staff.</li> <li>● Maintenance of Confidential Reports of all Gazetted officers and Record sheets of all Non-Gazetted Officers.</li> <li>● Issues relating to Last grade services Establishment, in the Department and relating to personnel on deputation.</li> <li>● Court Cases pertaining to Administrative Wing.</li> <li>● Maintenance of Office equipment, furniture and office premises etc.</li> <li>● He is incharge of Desks 22,23,24,25 and 26.</li> </ul>
12	Accounts Officer	<p>He looks after the following subjects.</p> <ul style="list-style-type: none"> <li>● Pay Bills, TA Bills of officers and staff of the Commissioner of Industries and Miscellaneous Contingent Bills.</li> <li>● Pay Fixations.</li> <li>● Number statements</li> <li>● P.A.C.Meetings</li> <li>● Budget releases under Plan&amp;Non plan schemes</li> <li>● Reconciliation</li> <li>● Pensions and Gratuity related issues pertaining to Commissionerate and DICs</li> <li>● Audit of DIC offices</li> <li>● Inspection of Accounts wing of DICs</li> <li>● Audit Objections and related correspondence with Accountant General</li> </ul> <p>He is incharge of Desks 32, 33, and 34</p>

Sl.No.	Functionary	Functions
13	Deputy Director & Assistant Directors Desks 10, 20 and 30.	They are attached to Joint Director (I.I). They process all the files being dealt by the concerned Desks and put up to the Joint Director for taking further action.
14.	Deputy Director & Assistant Directors Desks 12 and 37	They are attached to Joint Director(P&OA). He process all the files being dealt by the concerned Desks and put up to the Joint Director for taking further action.
15.	Deputy Director & Assistant Directors Desk13	They are attached to Joint Director (SES). He process all the files being dealt by the concerned Desk and put up to the Joint Director for taking further action.
16.	Deputy Director & Assistant Directors (4), Desk 15	They are attached to Joint Director (CDCC). He process all the files being dealt by the concerned Desk and put up to the Joint Director for taking further action.
17.	Deputy Director & Assistant Directors Desk 16, 27 and 28	They are attached to Joint Director (F&P). He processes all the files being dealt by the concerned Desk and put up to the Joint Director for taking further action.
18.	Deputy Director & Assistant Directors (3), Desk 19	They are attached to Joint Director (INDIC). They process all the files being dealt by the concerned Desks and put up to the Joint Director for taking further action.
19.	Assistant Director Desk 22, 23, 24, 25 and 26	They are attached to Joint Director (HRD). He process all the files being dealt by the concerned Desks and put up to the Joint Director for taking further action.
20.	Deputy Director & Assistant Directors Desk 17 and 19	They are attached to Joint Director (M&H.C). He process all the files being dealt by the concerned Desks and put up to the Joint Director for taking further action.
21.	Superintendent & Assistants(Census)	Supervising the staff working in the particular Desk. Processing of files put up by the Assistants to the

Sl.No.	Functionary	Functions
		higher officers according to the rule position
22.	Senior Assistant	Receiving the tappals and circulating the files to the Superintendent.
23.	Special category stenographers	Attached to the Commissioner / Additional Directors. They will take dictations from the officers and fair copy the same. They receive the files from the officers concerned and return the files after seen by the officers to the concerned.
24.	Senior Stenographers	Attached to the Commissioner / Additional Directors. They will take dictations from the officers and fair copy the same. They receive the files from the officers concerned and return the files after seen by the officers to the concerned.
25.	Junior Assistants	Receive the tappals and circulate files to the Superintendent.
26.	Junior Stenographers.	Attached to the Dy. Directors. They will take dictations from the officers and fair copy the same. They receive the files from the officers concerned and return the files after seen by the officers to the concerned.
27.	Typists	Fair copying the drafts approved by the officers.
28.	Telephone Operator	He operates the telephone board and book phonograms.



**DISTRICT INDUSTRIES CENTRE:**

Sl.No.	Functionary	Functions
1.	General Manager / Joint Director	<p>He attends to the following work at DIC:</p> <p><u>Essential Functions:</u></p> <ul style="list-style-type: none"> <li>● He shall have the overall responsibility and supervisory control over all the staff working in the District Industries Centre.</li> <li>● He is responsible for overall coordination and Development of Small Scale, Medium Scale and Large Scale Industries in the district.</li> <li>● Entrepreneur Guidance</li> <li>● Sanction of incentives through District Level Committee upto Rs. 15.00 lakhs capital investment.</li> <li>● Processing and recommendation of incentive applications involving above Rs. 15 lakhs investment to Head Office.</li> <li>● Convening Task Force Committee meetings for selection of candidates under PMRY and coordination with bankers for sanction of loans</li> <li>● Issue of approvals / sanction / clearances to Industrial Units under Single Window Scheme through DIPC</li> <li>● Convenor of all the District level Committee Meetings</li> <li>● Incharge of the Publicity and Public Relation aspects of the District Industries Centre and for</li> </ul> <p><u>Routine Functions:</u></p> <ul style="list-style-type: none"> <li>● Day - to - day Supervision of the District Industries Centre.</li> <li>● Administrative Control over all Officers of the District Industries Centre.</li> </ul>

Sl.No.	Functionary	Functions
		<ul style="list-style-type: none"> <li>● Review of the work done by all the officers and staff under his control.</li> <li>● Attend all the meetings at District Level.</li> </ul>
2.	<p>Manager / Deputy Director of Industries.</p>	<p>He attends to the following work at DIC</p> <p><u>Functions to be attended independently</u></p> <ul style="list-style-type: none"> <li>● Incharge of Entrepreneurs Guidance Cell and shall guide the entrepreneurs in preparing bankable project profiles and also Documentation Centre of the District.</li> <li>● Census of Small Scale Industries</li> <li>● Matters related to U.L.C.</li> <li>● Ancillarisation Programme &amp; P.L.C.Meetings</li> <li>● Processing of applications for sanction of financial assistance to banks / financial institutions.</li> <li>● Maintains liaison with Nationalised Banks/ Financial Institution and ensure clearance of applications.</li> <li>● Liaison with the Grameena Banks Survey of Sick industries and measures for their rehabilitation.</li> <li>● Assist in recovery of loans to banking institutions including A.P.State Financial Corporation</li> </ul> <p><u>Functions to be attended with the approval of General Manager:</u></p> <ul style="list-style-type: none"> <li>● Industrial Survey</li> <li>● Preparation of perspective plan / action plan for the Development of Village / Small Scale Industries / District Plan.</li> <li>● Identification and processing of all cases related to Industrial Infrastructure</li> <li>● All Incentives and subsidies</li> </ul>

Sl.No.	Functionary	Functions
		<ul style="list-style-type: none"> <li>● Liaison with A.P.I.I. C / A.P.S.F.C./A.P.S.E.B / APITCO etc</li> <li>● Planning and Development including Plan Schemes</li> <li>● Review of Physical Targets and Achievements as per the action plan and progress reports of DIC Scheme</li> <li>● Preparation of Annual Credit Plan / Perspective plan for Industrial Development of the District.</li> <li>● Recovery of loans under State aid to Industries Act. RIP Programme and Margin Money / Cyclone relief Self Employment / Special Employment Schemes.</li> <li>● Recovery of loans sanctioned under Self Employment and Special Employment Schemes including PMRY.</li> <li>● Attends the meeting convened by various financial institutions including the District Level SC/BC Cooperative Financial Societies / Women Welfare Corporation / I.T.D.A / DRDA</li> <li>● 20 Point Economic Programme / Pragati Padham.</li> </ul>
3.	Manager / Assistant Director of Industries	<p><b>Manager / Assistant Director ( Cadre ) - I</b></p> <p>He attends to the following work at DIC</p> <p><u>Functions to be attended to independently:</u></p> <ul style="list-style-type: none"> <li>● Development of Handicrafts / Coir / Salt / Leather / Sericulture.</li> <li>● Updating of technology by coordination and providing financial assistance and technical know how to all the artisans from various All</li> </ul>

Sl.No.	Functionary	Functions
		<p>India Organisations like All India Handicrafts Board, Coir Board, Sericulture board, Handloom Board, Khadi and Village Industries Board SISI/SIET and Research Institutions.</p> <ul style="list-style-type: none"> <li>● Survey of Village Crafts and Artisans</li> <li>● Temporary Registrations.</li> </ul> <p><u>Functions to be attended with the approval of the General Manager:</u></p> <ul style="list-style-type: none"> <li>● IRDP and TRYSEM Programme</li> <li>● All Promotional programmes related to SCs/ STs/Bcs and Women.</li> <li>● Implementation of Tribal Development Programmes with Coordination with ITDA and Girijan Cooperative Societies</li> <li>● Arranges Training Programmes to Artisans and prospective entrepreneurs</li> <li>● Maintains Liaison with societies for employment and training of the district</li> <li>● Intensive Campaigns &amp; Entrepreneurial Development Programme.</li> <li>● Artisan Complexes establishment and progress</li> <li>● Single Window Scheme/ DIPC Meetings and follow up</li> <li>● Registrations Permanent and De-registrations</li> <li>● Submission of progress reports of Ato E and all other related progress reports.</li> </ul> <p><u>Manager / Asst. Director ( Cadre ) -2</u></p> <ul style="list-style-type: none"> <li>● He attends to the following works at DIC</li> </ul> <p><u>Functions to be attended independently</u></p> <ul style="list-style-type: none"> <li>● Preparation of resources data and all</li> </ul>

Sl.No.	Functionary	Functions
		<p>statistics pertaining to raw material and machinery and equipment.</p> <ul style="list-style-type: none"> <li>● Survey of various products manufactured in the District and extend the scope for manufacturing of new products.</li> <li>● Devise strategy for providing marketing assistance to the products manufactured in the district including export promotion.</li> <li>● Works and requirements of machinery and equipment for the SSI , Tiny units and identify sources of supply and compile a data bank.</li> <li>● House keeping and maintenance of record room.</li> <li>● Maintenance of Registers / Master List for Scarce and Imported raw materials.</li> </ul> <p><u>Functions to be attended with the approval of the General Manager</u></p> <ul style="list-style-type: none"> <li>● Registration of SSI Units with DGS &amp; D/NSIC under Marketing Assistance Programme.</li> <li>● All establishment matters and accounts matters including budgeting, drawal of bills, audit objections</li> <li>● Industrial Cooperatives.</li> <li>● Assess and monitor Smooth and equitable distribution of raw materials including scarce and imported raw materials to all SSI and Rural Industries units in the district, and watch proper utilisation.</li> </ul>
4.	Industrial Promotion Officer	<p>He attend to the following work at DIC</p> <ul style="list-style-type: none"> <li>● Mandal Functionery and Incharge of 5 to 6 Mandals</li> <li>● Industrial potential survey</li> </ul>

Sl.No.	Functionery	Functions
		<ul style="list-style-type: none"> <li>● Identifying the candidates under PMRY programme</li> <li>● Follow up with the banks for obtaining sanctions / grounding of PMRY schemes.</li> <li>● Periodical inspection of the industrial units consuming scarce raw materials.</li> <li>● To assist the entrepreneurs in selecting the projects / location.</li> <li>● Issue of Provisional SSI registration</li> <li>● To assist the Bankers in recovery of loans.</li> <li>● Processing of Incentive applications.</li> <li>● To attend the work of Exhibitions, Seminars.</li> <li>● To attend the work pertaining to the weaker Sections Programmes under Special Component Plan.</li> </ul>
5.	Cooperative Sub Registrar and Senior Inspector of Cooperatives	<p>The Cooperative Sub-registrar attends to the following work at DIC</p> <ul style="list-style-type: none"> <li>● He shall attend to organise new industrial co-operative societies in the District and shall scrutinise the proposals recieved from Industrial Promotion Officer.</li> <li>● He shall conduct half-yearly inspection of atleast 5 Industrial co-operative societies in a month.</li> <li>● He shall attend to the revitallisation work of one society in a month. He shall discharge his duties as person in charge if appointed under section 32(7) and 34 of APCS Act.</li> <li>● He shall maintain DCB Register of Government financial assistance and attend recovery of Government dues as per the target fixed by the Assistant Director.</li> <li>● He shall conduct statutory inspection and enquires expeditiously within the time limit prescribed under the Act.</li> </ul>



Sl.No.	Functionary	Functions
		<ul style="list-style-type: none"> <li>● He shall ensure rectification of defects pointed out in Inspection, Audit and Enquiries.</li> </ul> <p>The Senior Inspector attends to the following work at DIC:</p> <ul style="list-style-type: none"> <li>● He shall conduct half-yearly inspection of atleast 2 industrial coop societies in a month.</li> <li>● He shall visit 3 industrial coop societies in a month where Government have sanctioned financial assistance and guide them in their maintenance of accounts and business,.</li> <li>● He shall attend revitalisation work of one dormant industrial coop society per month as entrusted by Assistant Director.</li> <li>● He shall enquire into petition and complaints entrusted by Asst. Director.</li> <li>● He shall conduct statutory enquiry and inspection with in the time limit prescribed.</li> <li>● He shall discharge his duties as person incharge when appointed.</li> <li>● He shall act as Election Officer when appointed.</li> </ul>
6.	Superintendent.	Supervising the staff working in the District Industries Centre. Processing of files put up by the Assistants to the higher officers according to the rule position.
7.	Senior Stenographers.	Attached to the General Manager. He will take dictations from the officer and fair copy the same. He receives the files from the officers concerned and returns the files after seen by the officers to the concerned.
8.	Senior Assistant	Receiving the tappals and circulate the files to the Superintendent.

Sl.No.	Functionary	Functions
9.	Junior Assistant.	Receive the Tappals and circulate the files to the Superintendent.
10.	Junior Stenographers	Attached to the Dy. Directors. They will take dictations from the officers and fair copy the same. They receive the files from the officers concerned and return the files after seen by the officers to the concerned.
11.	Typists.	Fair copying the drafts approved by the officers,.

# AREAS OF INTERFACE WITH THE PUBLIC AND WITH OTHER DEPARTMENTS / CORPORATIONS.

## A. AREAS OF INTERFACE WITH THE GENERAL PUBLIC:

The Industries Department deals with the following categories of General Public:

1. Non-Resident Indians and Foreign Investors.
2. Existing Industrialists.
3. Prospective Entrepreneurs for setting up large, medium and small scale industries.
4. Educated Unemployed youth.
5. Artisans and Skilled workers.

## INTERFACE WITH NRI/FOREIGN INVESTORS:

The NRIs and Foreign investors would like to bring finances and technical Know-how into the country and setup their ventures. They would be interested to know about the availability of land, infrastructure facilities like quality power, adequate water, effluent treatment, skilled manpower and support from the State Government. The State Govt. in turn is constantly pursuing the NRIs and Multi-Nationals to come to Andhra Pradesh to setup their Projects. Several countries have sent their Delegates to study the facilities available in Andhra Pradesh and expressed their desire to establish projects in the areas of Power, Ports, Expressways, Airports, World Trade Centre, Information Technology, Telecommunications, and other industrial ventures. As the policy of State Government is to encourage private investment from domestic and international fronts, an investor friendly atmosphere has been created. The economic liberalisation has lead to transparency in rules and regulations with more freedom to the investors. The Government have also taken steps to simplify the procedures, created single window Cells and constituted Committees to help the entrepreneurs.

The Central Government's liberalisation and economic reforms programmes aim rapid and substantial economic growth and integration with the global economy in a harmonised manner. The Government have taken several measures towards deregulation and simplification of procedures including exemption of industrial licenses except few items, expansion in the list of industries eligible for automatic approval for Foreign Direct Investment(FDI), greater delegation of powers to RBI and introducing

newer areas for FDI/NRI investment, such as Global Mobile Personal Communications by Satellites. The Government permits 100% FDI in most of the activities in the power, highways, and ports sector.

## **INTERFACE WITH EXISTING INDUSTRIALISTS:**

The Industrialists approach the department to interact on issues pertaining to their industries like clarification on certain policy matters, sanction of incentives, delay in sanction of working capital by banks, marketing problems, etc. They approach either directly or through their associations. The Government have recognised several industries' Association and taken their help in formulating new industrial policies on simplification of procedures and development of industries. The associations like Confederation of Indian Industry (CII), Federation of A.P. Chamber's of Commerce and Industry(FAPCCI), Federation of A.P. small Industry Association (FAPSIA), Association of Lady Entrepreneurs of AP (ALEAP) , and all India Manufacturers Association (AIMO) are actively participating in all Government programmes and are made members in several Departmental committees.

## **INTERACTION WITH PROSPECTIVE ENTREPRENEURS:**

For prospective entrepreneurs, the department has opened Entrepreneurs guidance cell in each District Industries Centre and in Head Office. There is a library and a documentation cell available with industrial information, project profiles and schemes on potential industries besides journals and other literature useful for the entrepreneur. A technically qualified officer will provide guidance in all matters relating to settingup of small scale industries from the stage of identification of new products, selection of viable project, single window clearances, facilities and incentives provided by the Government, and marketing assistance. He will also guide in selection of land either in industrial estates/Industrial Development areas of APIIC or private lands and in the selection of suitable machinery and their source. At Head quarters, each entrepreneur who got an IEM / Industrial Licence is provided with an escort officer to watch the project implementation and provide necessary guidance in getting approvals / clearances, and acquiring infrastructure facilities etc. Several Committees have been constituted by the Government like State Investment Promotion Committee, State Investment Promotion Board, State Level Committee ( for sanction of incentives), State level Empowered Committee, etc, for promotion and development of industries.

## **EDUCATED UNEMPLOYED YOUTH:**

The Industries Department is rendering all necessary help for setting up self employment and special employment schemes by the educated unemployed youth.



The department is associated from the stage of identification, selection, obtaining financial assistance from banks, and implementation of the schemes. The department also monitor the working of these units and assist them in getting additional finances, marketing assistance etc. The educated-unemployed youth were provided financial assistance earlier through SEEUY and presently through PMRY Programme.

### **INTERFACE WITH ARTISANS / SKILLED WORKERS:**

The Industries Department organises Industrial Cooperatives with the artisans and skilled workers and help them in getting financial assistance through banks and margin money assistance through DRDA and other agencies. It supplies bamboo at concessional price to bamboo workers cooperative societies and coal to brick societies. The department associates with other agencies in supply of improved tools to artisans, providing them technical guidance and skill upgradation. The department also conduct Exhibitions and Trades with the help of other organisations for marketing the products manufactured by the artisans and their societies.

### **INTERFACE WITH PUBLIC THROUGH INTENSIVE CAMPAIGNS:**

The underlying ideas of the Intensive Campaigns are to stimulate entrepreneurship and to create climate conducive to the development of small scale industries in specific areas. People of this area are informed about the facilities available for starting new industries, improving their existing crafts and the help that the Government would offer them in their efforts to industrialise their area.

Usually, Government agencies assisting industrial units approach them individually or perhaps, wait for the industrialists to come to them. But under this campaign, the officers of District Industries Centre, SISI and other agencies go to existing and prospective industrialists to solve their problems and guide them by suggesting suitable lines of investment, render technical assistance on the spot and improve their existing crafts.

### **ROLE OF COMMISSIONERATE OF INDUSTRIES:**

Industries Informatics Centre (INDIC), a Wing in Commissionerate of Industries, is entrusted with the job of marketing the opportunities the State offers to both domestic and overseas investors and it also acts as the Nodal agency to interact with entrepreneurs and meet their information needs.

The speed and quality of response to investor's queries has now emerged as the most important criteria and is seen as the main selling point by the various States in the country which are vying with each other in attracting investments.

Considering the above, certain measures have been introduced at Commissionerate level such as Computer Networking, Constant updating of information. Voice Processing System, Internet Connectivity. E-mail facility etc. in order to bring sophistication in working environment and to improve the quality and productivity of work.

## **USE OF TECHNOLOGY TO QUICKEN THE PACE OF THE WORK**

Computerisation of the Commissionerate was taken up during the month of January'95 and the local Area Network (LAN) was commissioned in September'95. The Installation and use of Local Area Network has resulted in quick and effective clearance of Currents by way of monitoring through computers. As on date, every staff member and officer at Commissionerate is able to use the basic Word Processing and Spread sheet software due to which disposals are faster. All basic data relating to existing industries, status of projects under implementation etc. have been fed into the computer for easy processing and retrieval.

The Voice Processing System installed at the Commissionerate is helpful to Entrepreneurs for getting information pertaining to Prime Minister's Rozagar Yojana, Single Window Clearance, Industrial Incentive Application status etc. over telephone from any part of the world. This has helped in avoiding trips hitherto being made by Entrepreneurs to the Commissionerate.

The National Informatics centre has provided E-mail and Internet Facility to the Office of Commissioner of Industries during March'97. The E-Mail address provided to this office is "comind @ ap.nic.in" This facility helps in establishing instant communication link with various organisations, Government Departments, Industrial Houses, Entrepreneurs etc., having similar facility. This will also help in accessing database libraries available on the Internet and to gather information required by us pertaining to various aspects of industries.

The INDIC has developed a Multi-Media Package in CD-ROM which contains exhaustive information on Government Policies, Resource availability, Opportunities



Departmental Manual Areas of Interface available for investment in various sectors, Procedural formalities to be compiled with, Statutory formats etc. for the benefit of prospective investors and analysts. This has already been placed as the Internet-(A.P.Web-site) for providing information to Web-surface across the globe. A similar package has also been developed on floppy Diskettes. Another Floppy DISC containing basic outline of 100 selected Project Profiles identified as Thrust Sector is under development.

## **B. AREAS OF INTERFACE WITH OTHER DEPARTMENTS / CORPORATIONS**

There are several departments and corporations constituted for promotion of industries in the state and for providing facilities and services necessary for their development. The State Government have set up several Departmental Committees in order to have effective coordination among all such departments / corporations, and to hasten the decision making process.

### **1. DEPARTMENTAL COMMITTEES**

The State Government constituted several departmental committees to facilitate interdepartmental coordination, minimise the delay in decision making process, provide developed land with adequate infrastructure facilities at reasonable price, provide marketing support and sanction of various incentives for the promotion of industries in Andhra Pradesh.

#### **i. State Investment Promotion Committee(SIPC):**

The State Investment Promotion Committee(SIPC) has been constituted vide G.O.Ms.No.223 Genl.Admn. (SC.E) Deptt., dated 18-05-1999 (attached) to sort out the issues concerning major industrial projects that need interdepartmental coordination. It will take a final decision regarding investment and promotion of industries in A.P.on the proposals of various departments. The Committee meets once in every month.

- |    |   |          |
|----|---|----------|
| 1. | Chief Secretary   | Chairman |
| 2. | Principal Secretary/Secretary to Government<br>T.R.&B Department      | Member   |
| 3. | Principal Secretary/Secretary to Government<br>M.A. & U.D. Department | Member   |
| 4. | Principal Secretary/Secretary to Government<br>Energy Department      | Member   |
| 5. | Principal Secretary/Secretary to Government                           |          |

## Departmental Manual

## Areas of Interface

- |     |  |          |
|-----|--|----------|
|     | Industries & Commerce Dept.  |          |
| 6.  | Principal Secretary to Govt./Secretary to Govt.<br>G.A.D.(Coordination) Department   | Member   |
| 7.  | Principal Secretary/Secretary to Government<br>Finance & Planning Department         | Member   |
| 8.  | Principal Secretary/Secretary to Government<br>Irrigation & Command Area Development | Member   |
| 9.  | Principle Secretary/Secretary to Government<br>Revenue Department                    | Member   |
| 10. | Commissioner of Industries.<br>G.O. Ms.No.223 enclosed                               | Convenor |

## ii. State Investment Promotion Board (SIPB):

The State Investment Promotion Board (SIPB) has been constituted with the following members for taking decisions on crucial policy issues relating to promotion of investment in the state vide G.O.Ms.No.390, Inds& Com.(IP) Department, Dt.14.12.1999.

- |    |  |                   |
|----|--|-------------------|
| 1. | Chief Minister   | Chairman          |
| 2. | Minister for Finance   | Member            |
| 3. | Minister for Revenue   | Member            |
| 4. | Minister for Energy  | Member            |
| 5. | Minister (Major Industries)  | Member            |
| 6. | Minister(Small Scale Industries)   | Member            |
| 7. | Minister(Commercial Taxes)   | Member            |
| 8. | Other Ministers connected with specific projects will<br>be special invitees whenever their projects are taken<br>up for consideration | Invitees          |
| 9. | Chief Secretary to Government  | Member / Convenor |

The Project proposals and other issues regarding investments and promotion of industries in Andhra Pradesh will be processed by the Industries & Commerce Department and will be submitted to the Board. The Industries & Commerce Department will simultaneously circulate the project proposals, with detailed notes, to all the concerned Departments for their action. The detailed note along with the reaction of the concerned Departments will be presented and discussed in the meeting of the Board before taking a final decision. It will also review the issuing of Government orders giving various sanctions for the new projects, after the approval of the Board. It will be ensured that all final and necessary decisions are given for the industrial

projects within a period of 4 weeks. Escort Officers are nominated at Commissionerate level on District wise basis. G.O. Ms. No. 390 enclosed.

### iii. **Andhra Pradesh Small Scale Industries Development Authority:**

In accordance with the Policy for Small Scale Industries, 1998, The Andhra Pradesh Small Scale Industries Development Authority has been set up vide G.O.Ms.No.30 Industries & Commerce (SSI) Dept. dated:04-02-1999(Annexure) to promote the development of Small Scale Industries in the State. It will consider issues relating to the implementation of the development schemes for SSI Units, coordinate the activities of all agencies involved in the development of infrastructure for industries and provide adequate infrastructure facilities at a reasonable cost, etc. It also acts as a forum to hear the grievances of Small Scale Industrial Units and consider complaints against various Government agencies for violating rules and regulations.

Andhra Pradesh Small Scale Industries Development Authority has been constituted with the following:

1.	Chief Secretary to Government	Chairman
2.	Secretary to Government, Industries & Commerce Department (Incharge of SSI )	Member-Convenor
3.	Secretary to Government, Revenue Department	Member
4.	Principal secretary to Government, Municipal Administration & Urban Development Dept.	Member
5.	Secretary to Government, Finance&Planning (Finance Wing)	Member
6.	Commissioner of Industries	Member
7.	Commissioner of Commercial Taxes	Member
8.	Commissioner of Labour	Member
9.	Director of Fisheries	Member
10.	Member-Secretary, A.P. Pollution Control Board	Member
11.	Vice-Chairman&Managing Director, HUDA	Member
12.	Managing Director, Hyderabad Metro Water Supply & Sewarage Board	Member
13.	Member-Secretary, A.P.State Electricity Board.	Member
14.	Vice-Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Ltd.	Member

Departmental Manual	Areas of Interface
15. Vice-Chairman & Managing Director, A.P.State Road Transport Corporation Nine Representatives of SSI Association Service Societies of Industrial Estates, representing equally the Coast, Telangana & Rayalaseema regions to be nominated by the Government	Member
Representatives of the Departments or agencies of Government of India such as Railways, Postal Services, Customs and Excise, Telecommunications etc or any other State Government officials as special invitees whenever necessary.	Member
G.O.Ms.No.30 enclosed.	

#### **IV. STATE LEVEL EMPOWERED COMMITTEE:**

In order to stimulate industrial growth by facilitating speedy grant of permits, clearances / No objection certificates, etc., the Govt. constituted a Centralised Documentation and Clearances Centre in the Commissionerate of Industries. In cases where the requests are denied, the applicants will have the right to appeal to the Appellate Authority under the relevant statute. The State Level Empowered Committee set up by the Govt. vide G.O.Ms.No.198 Industries & Commerce (IP) Department dated: 19-05-1993 shall have the power to take such decisions as are essential for ensuring expeditious clearances by the various departmental agencies and grounding of projects.

1. Chief Secretary to Government	Chairman
2. Principal Secretary to Government, Revenue Department	Member
3. Principal Secretary to Government, Finance & Planning Department	Member
4. Secretary to Government, Energy, Forest, Environment, Science & Technology Department	Member
5. Principal Secretary to Government Irrigation & Command Area Development Dept.	Member
6. Chairman, A.P. State Electricity Board	Member
7. Principal Secretary to Government, Industries & Commerce Dept.	Member
8. Commissioner of Industries	Member- Convenor

Special Invitees as may be necessary.

G.O.Ms.No.198 enclosed



## V. DISTRICT INDUSTRIES PROMOTION COMMITTEE (DIPC):

It is similar to the State Empowered Committee functioning at the district level. This committee will deal with issues pertaining to industries in respective districts. The District Industries Promotion Committee at the District Level is constituted with the following.

- |     |   |                      |
|-----|---|----------------------|
| 1.  | District Collector  | Chairman             |
| 2.  | Joint Collector   | Member               |
| 3.  | Superintending Engineer/Divisional Engineer,<br>A.P.State Electricity Board | Member               |
| 4.  | Environmental Engineer, A.P. Pollution Control Board                        | Member               |
| 5.  | Deputy Chief/Inspector of Factories   | Member               |
| 6.  | District Medical & Health Officer   | Member               |
| 7.  | District Panchayat Officer  | Member               |
| 8.  | Commissioner, Municipality / Urban Development                              | Member               |
| 9.  | General Manager, District Industries Centre                                 | Member-<br>Convenor. |
| 10. | Special Invitees as may be necessary.                                       |                      |

The Committee at the District Level will deal with issues pertaining to industries in the respective Districts and shall meet every month on a fixed day and proceedings of these meetings shall be furnished to the Commissioner of Industries for review. The decisions taken by this Committee shall be binding on the other district Departmental Agencies and important problems brought to the notice of the District Collector by Medium and Large Scale Industries should be reported to the Commissioner of Industries. The General Manager, District Industries Centre who will function under the control of the District Collector will co-ordinate the activities of the several promotional agencies operating in the District like A.P. Industrial Infrastructure Corporation Limited, A.P. Industrial Development Corporation Limited, A.P. State Financial Corporation Limited, A.P. Electronics Development Corporation Limited, A.P. State Trading Corporation Limited, A.P. Handicrafts Development Corporation Limited etc.

## VI. STORES PURCHASE REVIEW COMMITTEE:

The Government have constituted a Stores Purchase Review Committee vide G.O.Ms.No.147 Industries & Commerce (SSI) Dept dated: 12-03-1984 to ensure strict implementation of the stores Purchase Policy of the State Government with the following members:-

Departmental Manual	Areas of Interface
1. Chief Secretary to Government	Chairman
2. Secretary to Government, Industries & Commerce Department	Member
3. Secretary to Government, Finance & Planning (Fin) Department	Member
4. Commissioner of Industries G.O. Ms. No. 147 enclosed.	Secretary.

## **VII. RATE CONTRACT REVIEW COMMITTEE:**

The Government in G.O.Ms.No.48 Inds & Com (SSI) Dept.dated 20-02-1999 have modified the Marketing Assistance Scheme hitherto dealt by APSSIDC for 17 items as Rate Contract System and a committee was constituted to finalise the rates for every year with the following members.

Commissioner of Industries	Chairman
Representatives of 3 major indenting Departments Viz; Social Welfare, Medical and Health and Municipal Administration and Urban Development	Members
Joint Director of Industries	Member-Convenor.
G.O. Ms. No. 48 enclosed.	

## **VIII) STATE INCENTIVES COMMITTEE :**

The following Committees at the State Level and District Level are constituted vide G.O.No. 117 Industries & Commerce Department dated: 17-03-1993 to scrutinise and sanction incentive claims of the industrial units. The State level committee deals with claims of the units involving eligible capital investment of above Rs. 15.00 Lakhs and District level committee below 15.00 lakhs.

### **State Level Committee:**

1. Commissioner of Industries, Hyderabad	Chairman
2. Additional Secretary/Joint Secretary/Deputy Secretary to Govt. Finance & Planning (Fin.Wing) Deptt. Dealing the subject	Member
3. President of Federation of A.P. Chambers of Commerce and Industry	Member
4. Managing Director, A.P. Chambers of Commerce	



Departmental Manual and Industry	Areas of Interface
	Member.
5. Managing Director, A.P. Industrial Development Corporation, Hyderabad	Member
6. Managing Director, A.P. Industrial Infrastructure Corporation, Hyderabad	Member
7. Managing Director, A.P. Small Scale Industrial Development Corporation	Member
8. Commissioner of Sericulture, A.P. Hyderabad	Member
9. Commissioner of Commercial Taxes, Hyderabad	Member
10. Director of Tribal Welfare, A.P. Hyderabad	Member
11. Nominee of Industrial Development Bank of India	Member
12. Co-opted Members from the concerned National Banks	Member
13. Additional Director of Industries dealing with the subject Incentives	Member

### **District Level Committee:**

1. District Collector	Chairman
2. Deputy Commissioner of Commercial Taxes	Member
3. District Treasury Officer	Member
4. Project officer, ITDAs of I.T.D.A. District	Member
5. District tribal Welfare Officers of other districts	Member
6. Executive Officer, District Scheduled Castes Co-op Finance Corporation	Member
7. Branch Manager, A.P. State Financial Corporation	Member
8. Regional Manager, A.P. Industrial Infrastructure Corporation, Hyderabad	Member
9. Nominee of the President of Federation of A.P. Chambers' of commerce and Industry	Member
10. a. Deputy Director, Sericulture of the concerned District in respect of D.L.C.s of Ananthapur, Kurnool & Chittoor Districts.	Member
b. Assistant Director, Sericulture, Cuddapah in respect of the Cuddapah District	Member.
c. Assistant Director, Sericulture, Vikarabad in respect of the D.LC's of Ranga Reddy and Hyderabad District	Member
11. Co-opted Member from the concerned National	

Departmental Manual	Areas of Interface
Bank Branches	Member
12. General Manager, District Industries Centre	Member
	Secretary
G.o. Ms. No. 117 enclosed.	

## **IX. Andhra Pradesh Small Scale Industries Advisory Board :**

A forum to review the policies for the promotion of the small scale and tiny industries was constituted vide G.O.Ms.No. 219 Industries & Commerce (SSI) Department dated 14-12-1995 (Annexure) with officials and SSI associations. The Board also discuss the problems faced by the small scale and tiny sectors and find solutions to them.

1. Chief Minister	Chairman
2. Minister for Power	Member
3. Minister for Commercial taxes	Member
4. Minister of Labour	Member
5. Representative of Confederation of Indian Industry	Member
6. Representative of A.P. Federation of A.P.Chambers of Commerce & Industry, Hyderabad	Member
7. Representative of A.P. Federation of Small Scale Industries, Hyderabad	Member
8. Representative of the Association of Tiny Entrepreneurs of Andhra Pradesh, Hyderabad	Member
9. Representative of Federation of Small Industries Associations, Balanagar (FAPSIA)	Member
10. Representative of A.P. Small Industries Association, Vijayawada	Member
11. Principal Secretary & Commissioner for Industrial Promotion, Industries & Commerce Department A.P.Secretariat, Hyderabad	Member.
12. Commissioner of Industries, A.P. Hyderabad	Member
13. Director of Factories , Hyderabad	Member
14. Commissioner of Commercial Taxes, Hyderabad	Member
15. Commissioner of Labour , Hyderabad	Member
16. Commissioner, Municipal Administration, Hyderabad	Member
17. Chairman, APSEB, Hyderabad	Member
18. Member Secretary, APPCB, Hyderabad	Member
19. Director, SISI, Hyderabad	Member

20.	Principal Director , NISIET , Hyderabad	Member
21.	Chairman, BLBC , Hyderabad	Member
22.	Deputy General Manager , SIDBI , Hyderabad	Member
23.	Managing Director , APSFC, Hyderabad	Member
24.	Managing Director , APSSIDC	Member
25.	Managing Director , APIIC	Member
26.	Secretary (SSI), Industries & Commerce Department	Secretary

G.O.Ms.No. 219 enclosed

## II. INTERFACE WITH CORPORATIONS

### **1. A.P. Industrial Infrastructure Corporation Limited (APIIC)**

The Government of Andhra Pradesh with a view to achieve rapid industrialisation and balanced development, have established the A.P. Industrial Infrastructure Corporation to provide infrastructure facilities of higher quality and on a large scale. The industrial Estates and Autonagars established by the Industries Department earlier were transferred to the APIIC after its formation in 1973. The functions of the corporation are,

- (a) To identify and develop potential growth centres in the State fully equipped with developed plots/sheds, roads, drainage, water, power and other infrastructure facilities to cater to the needs of Small, Medium and Large Scale Industries besides providing constructed sheds for small entrepreneurs.
- (b) To develop Commercial complexes/Common facilities centres to accommodate small traders and to provide office accommodation to the service institutions, such as banks, post office etc, in the industrial Development Areas/Industrial Estates
- (c) To develop Autonagars to reduce the congestion of vehicular traffic in cities / towns and to help auto technicians and other traders to develop and demonstrate their skill.
- (d) To provide social infrastructure, like housing for workers under HUDCO and self finance housing schemes near industrial zones
- (e) To co-ordinate with the concerned agencies for providing tele-communications, transport and other facilities.
- (f) To preserve ecological balance in the industrial areas.
- (g) To develop environmental friendly IDAs to combat hazards of pollution and to help the entrepreneurs in setting up common effluent treatment plants, dedicated drains for discharge of effluents, green belts, proper drainage system, seeks technical assistance wherever required.

The Government of Andhra Pradesh with a view to achieve rapid industrialisation, balanced development and improvement of quality of life of the

people of the state, infrastructure facilities of higher quality and on a large scale are required to be provided. The Government of Andhra Pradesh directed APIC to embark on Mega Infrastructure Projects by inviting private sector participation.

## **2. A.P. Industrial Development Corporation Limited (APIDC)**

Andhra Pradesh Industrial Development Corporation Limited was set-up on December 16, 1960 by the Government of Andhra Pradesh for planned development of Medium and large Industries in the State. The activities of the Corporation are,

- Project Promotion - Generation and implementation of new projects
- Guidance and comprehensive escort service to new Entrepreneurs
- Participation in Equity Capital
- Providing term Loans
- Providing Bill Discounting Facility
- Providing Guarantees
- Merchant Banking
- Venture Capital Fund for IT Industry.

The APIDC also provides long term loan, short term loan, Equity participation Bill discounting and Merchant banking schemes.

## **3. A.P. State Finance Corporation Limited (APSFC):**

APSFC was established in 1956 with the main objective of extending financial assistance for setting of industrial and service units in tiny, small scale and medium scale & service enterprises. The term loan assistance from the Corporation is available upto Rs. 150 lakhs per unit. The promotional schemes being offered by the Corporation are Mahila Udyam Nidhi Scheme, Composite loans Scheme, Single Window Scheme, Self-Employment Scheme for Ex-Servicemen, Special Capital Scheme for SC/ST Entrepreneurs and National Equity Fund Scheme, etc. Besides the above schemes, the Corporation is also operating schemes such as the Schemes for Physically Handicapped, Industrial Estates, Equipment Finance, D.G. Sets, and Modernisation programme.

## **4. A.P. Electronics Development Corporation**

The A.P. Electronics Development Corporation Limited was established in 1981 and its main functions are,

1. Project Promotion and Disinvestment
2. Marketing electronic goods.
3. Infrastructure Department.



#### 4. Computer Training.

The A.P. Electronics Development Corporation Limited is doing marketing through institutional besides limited commercial sales from branches in Vijayawada, Visakhapatnam, Tirupati and Hyderabad.

The Corporation is instrumental in bringing C-MET, VLSI design centre, Software Technology Park and ER & DC extension Centre to Hyderabad.

### 5. **A.P. HANDICRAFTS DEVELOPMENT CORPORATION LTD (APHDC):**

The A.P. Handicrafts Development Corporation Ltd., Hyderabad was formed in the year 1982. All the Lepakshi Emporia along with staff working in these units are transferred to A.P. Handicrafts Development Corporation at the time of its formation. The main objectives of the Corporation are promotion, development and marketing of handicrafts besides implementing several schemes, for the welfare of the artisans.

The Corporation has been implementing a number of promotional and development and welfare schemes with the financial assistance from the Government of India and with matching financial support from the State Government. The Corporation organises Exhibitions in various prominent places all over the country. Some of the programmes are assisted by the Development Commissioner for Handicrafts, Ministry of Textiles, Government of India, New Delhi. The Corporation organises training programmes of selected crafts where the craft is less known and languishing for want of adequate patronage and awareness. The Corporation is also implementing several welfare schemes like House-cum-worksheds and awards for the crafts-persons with distinction in their skills at State level and National Level every year.

### 6. **LEATHER INDUSTRIES DEVELOPMENT CORPORATION**

The Leather Development Corporation of Andhra Pradesh Limited has been established during October, 1973 under Companies Act, 1953 with the twin objectives (1) to develop the leather industry in the State by converting the Raw - Hide in to finished product and (2) to improve the social & Economic conditions of traditional Leather Artisans who are below the poverty line.

The LIDCAP has taken up developmental schemes for the benefit of the S.C. practicing Artisans like road side Kiloska, Raw Hide Collection Centres, Raw Material Depots, Training Programmes etc.

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**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Power Section, Transport, Road and Buildings Sector and new Industrial Policy-  
Constitution of State Investment Promotion Committee-Orders-Issued.

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**GENERAL ADMINISTRATION (SC(E) DEPARTMENT)**

G.O.Ms.No.223

Dated: 18.05.1999

Read the following:

1. G.O.Ms.No.282, Gen 1. Admn.(cabinet) Deptt., dt.5.7.1999.
2. G.O.Ms.No.284, Energy (Power.I) Deptt., dt.30.09.1995.
3. G.O.Ms.No.202, Ind. & Com. (IP) Deptt., dt.01.12.1995.
4. G.O.Ms.No.224, Genl. Admn. (SC.B) Deptt., dt.18.05.1999.

**ORDER:**

1. In the Government order first read above orders were issued constituting a Task Force for the Transport, Roads and Buildings Department to deal with privatisation of roads, ports, inter-national airports and Light Rail Transport Systems.
2. In the Government Order second read above, orders were issued constituting a Task Force to monitor the Implementation of private and public sector power projects in Andhra Pradesh.
3. In the Government Order third read above, orders were issued constituting an official committee called as State Investment Promotion Committee for taking final decisions regarding investments and promotion of industries in Andhra Pradesh on the proposals recieved from various departments.
4. Government have reviewed the entire matter and consider that a single committee to be known as state investment promotion committee be constituted to take decisions on the matters relating to power project, Transport, Light, Rail, Transport, Road, Port, International Airports and Investments and promotion of the industries in the state.
5. Now therefore, in supersession of the committes constituted in the G.O.Ms.No.282, General Administration(Cabinet) Department, dated 05.07.1995, G.O.Rt.No.284, Energy (Power.I) Department, dated 30.09.1995 and G.O.Ms.No.202,

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Industries and commerce (IP) Department, dated 01.12.1995, the government hereby constitute the STATE INVESTMENT PROMOTION COMMITTEE" with the following:

- |    |  |           |
|----|--|-----------|
| 1. | Chief Secretary to Government  | Chairman. |
| 2. | Principal Secretary / Secretary to Government,<br>T.R and B.Deptt.   | Member    |
| 3. | Principal Secretary/ Secretary to Government, Municipal<br>Administration and Urban Development Department | Member    |
| 4. | Principal Secretary / Secretary to Government Energy<br>Department   | Member.   |
| 5. | Principal Secretary / Secretary to Government<br>Industries and Commerce Department                        | Member    |
| 6. | Principal Secretary / Secretary to Government<br>(Coordination), General Administration Dept               | Member    |
| 7. | Principal Secretary / Secretary to Government Finance<br>and Planning Department                           | Member    |
| 8. | Principal Secretary / Secretary to Government Irrigation<br>and Command Area Development Dept              | Member    |
| 9. | Principal Secretary / Secretary to Government Revenue<br>Department.                                       | Member    |

6. The concerned Principal Secretary / Secretary to Government dealing with the subjects mentioned in para 4 above shall be the convenor at such meetings. They will circulate notes, call for the meeting of the Committee, record the minutes, and take all further steps as may be required depending upon the nature of decisions that are taken at such meetings.

7. To avoid inordinate delays in the decision making process, whenever a new investment proposal is received the concerned Principal Secretary / Secretary to Government will identify the departments concerned with the same and communicate copies of the proposals and issues for decision to various departments including Principal Finance Secretary to Government with a request to finalise their response within a period of two weeks. Whenever there are delays or any other difficulties a meeting of the State Investment Promotion Committee will be convened to expedite the decision making. The Committee shall scrutinise the investment proposals and finalise the views of various departments connected with the project and place the issue before the State Investment Promotion Board for their consideration and approval of the project. The Committee will also review the issue of Government orders giving various sanctions for the new projects after the approval of the Board.

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8. The State Investment Promotion Committee is empowered to make recommendations on the following to the state Investment Promotion Board, among others:

- a. Privatisation of roads, ports, international Airports and Light Rail Transport System;
- b. monitoring the implementation of private and public sector power projects and
- c. investments and promotion of industries.

9. It is also hereby ordered that the decisions of the State Investment Promotion Committee shall be excluded from the purview of enquiry by the Anti Corruption Bureau, and the Andhra Pradesh Vigilance Commission shall not cause enquiry into the decisions taken by the State Investment Promotion Committee as per the amendment issued in the G.O.fourth read above.

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

V. ANANDA RAO  
CHIEF SECRETARY TO GOVERNMENT.

To

The Chairman and all members of the Committee.

All Departments of Secretariat

All Heads of Departments

The Secretary, A.P.Electricity Transmission Corporation, Hyderabad

The Member-Secretary, A.P.Pollution Control Board, Hyderabad.

The Secretary, A.P.Chamber of Commerce & Industry, Hyderabad.

All the Vice-Chairman and Managing Directors of State level Public Enterprises.

The President, Confederation of Indian Industry, New Delhi

The Secretary, Confederation of Indian Industry, Hyderabad

The Director-General Anti Corruption Board, A.P.Hyderabad

The vigilance Commissioner A.P.Hyderabad

The Secretary to Vigilance Commissioner, A.P., Hyderabad

The Genl. Admn. (Cabinet) Department

The Energy Power .I Department

The Industries & Commerce (IP) Department.

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FORWARDED BY ORDER

SECTION OFFICER (SC)

**APPENDIX**  
**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Government of Andhra Pradesh-New Industrial Policy 1995, Constitution of State Investment Promotion Board-Inclusion of Minister (Maj. Industries), Minister (SSI) and Minister (Commercial Taxes) as members of State Investment Promotion Board Amendment-Orders-Issued.

Industries & Commerce (IP) Department

G.O.Ms.No.390

Dt:14-12-99

Read the following:

1. G.O.Ms.No.201, Industries & Commerce (IP) Dept., dt:1-12-95.
2. Note from Commissioner of Industries, Hyderabad No. 15-1-9-0993, Dt:4-12-99

**ORDER**

In the G.O.1st read above, Government after careful consideration have constituted the State Investment Promotion Board with the following:

- |    |  |                 |
|----|--|-----------------|
| 1. | Chief Minister   | Chairman        |
| 2. | Minister for finance   | Member          |
| 3. | Minister for Revenue   | Member          |
| 4. | Minister for Energy  | Member          |
| 5. | Other Ministers connected with specific projects will be special invitees whenever their projects are taken up for consideration | Invitees        |
| 6. | Chief Secretary to Govt  | Member/Convener |

2. In the circumstances explained by the Commissioner of Industries, in the reference second read above, Government decided to include Minister (Major Industries), Minister (Small Scale Industries) and Minister (Commercial Taxes) as members in the State Investment Promotion Board Accordingly, the following Amendment is issued.

## AMMENDMENT

3. It is hereby ordered that the following shall be substituted between SI.Nos.4&5 of Para-3 of G.O.Ms.No.201 Industries & Commerce (IP) Department, Dt: 1-12-95:

- |                                      |        |
|--------------------------------------|--------|
| 5. Minister (Major Industries )      | Member |
| 6. Minister (Small Scale Industries) | Member |
| 7. Minister (Commercial Taxes)       | Member |

4. The existing SI.Nos.5&6 of Para-3 of G.O. shall be read as SI.Nos.8&9.

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

V. ANANDA RAO  
CHIEF SECRETARY TO GOVERNMENT

To  
The Chairman and Members  
The Member-Convenor  
All Departments of Secretaries  
All Heads of Departments  
The Members Secretary, A.P.Pollution Control Board, Hyd.  
The Chairman, A.P.Genco, Vidyutsoudha, Hyderabad  
The Chairman, A.P.Transco Vidyusoudha, Hyd.  
All Vice-chairman & Managing Directors of State Level Public Enterprises.  
The Secretary, A.P.Chamber of Commerce & Industry, Hyd.  
The Secretary, Confederation of Indian Industry, New Delhi  
The President, Confederation of Indian Industry, New Delhi  
The Director of Information and Public Relations, Hyd for favour of Publicity  
All Officers/Sections is industries & Commerce Department  
Copy to:  
Genl.Admn.(SC)Dept.  
SF.SC

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## GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Industries and Commerce Department - Constitution of the Andhra Pradesh Small Scale Industries Development Authority - Orders - Issued

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### INDUSTRIES AND COMMERCE (SSI) DEPARTMENT

G.O.Ms.No.30

Dated 04-02-1999

\* \* \*

#### ORDER:

1. The Policy for Small Enterprises, 1998 envisages that a State Level Organisation to be called the Andhra Pradesh Small Scale Industries Authority will be set up to promote the development of small scale industries in the State. This authority will be chaired by the Chief Secretary.

2. The Government hereby constitute the A.P. Small Scale Industries Development Authority with the following officials and non-officials.

- |     |   |                 |
|-----|---|-----------------|
| 1.  | Chief Secretary to Government   | Chairman        |
| 2.  | Secretary to Government,<br>Ind & Com Dept. ( Incharge of SSI ).                      | Member-Convenor |
| 3.  | The Secretary to Government,<br>Revenue Department                                    | Member          |
| 4.  | The Principal Secretary to Government,<br>Municipal Admn & Urban Development Dept.    | Member          |
| 5.  | The Secretary to Government,<br>Finance & Planning (Fin.Wing) Dept.,                  | Member          |
| 6.  | The Commissioner of Industries, Hyderabad   | Member          |
| 7.  | The Commissioner of Commercial Taxes,<br>Hyderabad                                    | Member          |
| 8.  | The Commissioner of Labour, Hyderabad   | Member          |
| 9.  | The Director of Factories, Hyderabad  | Member          |
| 10. | The Member-Secretary,<br>A.P. Pollution Control Board, Hyderabad                      | Member          |
| 11. | The Vice Chairman & Managing Director,<br>HUDA, Hyderabad                             | Member          |
| 12. | The Managing Director,<br>Hyderabad Metro Water Supply &<br>Sewerage Board, Hyderabad | Member.         |

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13. The Member Secretary,  
A.P.State Electricity Board, Hyderabad Member.
14. The Vice Chairman & Managing Director,  
A.P. Industrial Infrastructure Corporation  
Limited, Hyderabad. Member
15. The Vice Chairman & Managing Director,  
A.P. State Road Transport Corporation  
Hyderabad Member  
Nine representatives of SSI Associations/  
Service Societies of Industrial estates,  
representing equally the coastal, Telangana  
& Rayalaseema regions to be nominated  
by the Government Member

Representatives of the Departments, or agencies of Government of India such as Railways, Postal Services, Customs and Excise, Telecommunications etc., or any other state Government Officials or experts may be invited by the Authority as special invitees whenever necessary.

3. The terms of the Office of the Non-Official Members of the Authority shall be for a period of one year.
4. The functions of the Andhra Pradesh Small Scale Industries Development Authority will be as follows:-
  - I. Consider issues relating to the implementation of the development schemes for SSI Units in Andhra Pradesh.
  - II. Facilitate over ability of adequate infrastructure at a reasonable cost in an integrated manner for the small scale industries in the State.
    - (a) Coordinate the activities of all agencies involved in the development of infrastructure for industries in the State and particulars for small scale industries.
    - (b) Facilitate creation of all essential facilities in an integrated manner in the industrial estates by State Government/Central Government agencies and private agencies.
    - (c) Examine if the cost of the developed land and services is reasonable.
    - (d) Sanction schemes and lay down guidelines for infrastructure development and operate the Critical Infrastructure Balancing Fund under the Critical Infrastruc-

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ture Balancing Scheme.

- III. Act as a forum to hear the grievances of Small Scale Industrial Units.
- IV. Consider complaints against various Governmental agencies for violating rules and regulations or for providing substandard services or for charging exorbitant rates.
5. The Andhra Pradesh Small Scale Industries Development Authority shall hold meetings as often as possible and in any case, atleast once every quarter.
6. No meeting of the Authority shall be proceeded with unless there is a quorum of (8) members.

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

DR. SHEELA BHIDE  
SECRETARY TO GOVERNMENT

To  
The Commissioner of Industries, Hyderabad.  
All the Members.

## **GOVERNMENT OF ANDHRA PRADESH ABSTRACT**

**INDUSTRIES - ESTABLISHMENT OF INDUSTRIES IN THE STATE - CREATION OF EMPOWERED COMMITTEE AT THE STATE LEVEL AND INDUSTRIES PROMOTION COMMITTEE AT THE DISTRICT LEVEL - INDUSTRIAL INVESTMENT PROMOTION IN THE STATE- ORDERS - ISSUED.**

( G.O.Ms.No.198, Industries & Commerce (I.P.)

Department Dated 19.5.1993.)

### **ORDER:**

It has been felt by the Government that in the context of liberalised industrial environment, further Governmental initiative will stimulate industrial growth. Taking note of the procedural delays and difficulties reported by the entrepreneurs, the Government hereby announce the following measures to facilitate grant of permits / Clearances / No objection Certificates etc. required to be obtained by the entrepreneurs and faster grounding of industries in the State.

### **2. Documentation and Clearances Centre at the Commissionerate of Industries:**

There shall be established a centralised Documentation and Clearances Centre with the existing computer facilities and available man-power in the Commissionerate of Industries. Prospective entrepreneurs for Medium and Large Scale Industries / Industrial Entrepreneurs Memorandum holders / those seeking assistance from Industries Department will prefer applications in prescribed number of copies in the standardised proforma to the officer incharge of the Centre. An acknowledgement will be issued to the applicant under the signature of the officer incharge of the Centre after scrutiny of the application by him specifying the time frame for response. Copies of these applications will be sent to the Departmental Agencies nominated by the Departments by the Officer incharge of the Centre promptly with a request to communicate decision thereon to the applicant direct with copy with a request to the Centre with in the prescribed period. Cases where decisions are not so communicated or delayed beyond the specified period will be brought to the notice of the concerned Department of the Secretariat and also the State Level Empowered Committee with full details by the Commissioner of industries. In cases where the requests are denied, the applicants will have the right to appeal to the Appellate Authority under the relevant statue. Further guidelines and operational details will be issued by the Commissioner of Industries after approval by the Government.

**3. A State Level Empowered Committee with the following is constituted:**

- |    |   |                     |
|----|---|---------------------|
| 1. | Chief Secretary to Government   | Chairman            |
| 2. | Principal Secretary to Government,<br>Revenue Department                                  | Member              |
| 3. | Principal Secretary to Government, Finance<br>and Planning Department                     | Member              |
| 4. | Secretary to Government, Energy, Forest,<br>Environment, Science & Technology Department. | Member              |
| 5. | Principal Secretary to Government, Irrigation and<br>Command Area Development Department  | Member              |
| 6. | Chairman, A.P. State Electricity Board.   | Member              |
| 7. | Principal Secretary to Government, Industries and<br>Commerce Dept.                       | Member              |
| 8. | Commissioner of Industries  | Member-<br>Convenor |
| 9. | Special Invitees as may be necessary.   |                     |

The Committee shall have the power to take such decisions as are essential for ensuring expeditious clearances by the various departmental Agencies and grounding of projects. This Empowered Committee at the state level will mainly deal with the issues pertaining to the Medium and Large Scale Industries in the State, in particular provision of land, power, water, infrastructure facilities etc. and shall meet every month on a fixed day. The directions issued after approval of the proceedings of the Committee by the Government to the Departmental Agencies on subject within the jurisdiction of the State Government shall be binding on them .

**4. Co-ordination of the promotional agencies:**

The Commissioner of Industries will co-ordinate the activities of the several promotional agencies of the industries department operating at the State Level like A.P State Financial Corporation, A.P. Industrial Development Corporation Limited, A.P. Industrial Infrastructure Corporation Limited, A.P., Small Scale Industrial Development Corporation Limited, A.P. Electronics Development Corporation Limited, A.P. State Trading Corporation Limited, A.P. State Non-Resident Indian Investment Corporation Limited, A.P. Handicrafts Development Corporation Limited etc.

**5. Industries Promotion Committee At the District level:**

A District Industries Promotion Committee at the District Level is constituted with the following:



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- |     |   |                      |
|-----|---|----------------------|
| 1.  | District Collector  | Chairman             |
| 2.  | Joint Collector   | Member               |
| 3.  | Superintending Engineer / Divisional Engineer,<br>A.P. State Electricity Board. | Member               |
| 4.  | Environmental Engineer, A.P. Pollution Control Board.                           | Member               |
| 5.  | Deputy Chief / Inspector of Factories   | Member               |
| 6.  | District Medical & Health Officer   | Member               |
| 7.  | District Panchayat Officer  | Member               |
| 8.  | Commissioner, Municipality / Urban Development                                  | Member               |
| 9.  | General Manager, District Industries Centre                                     | Member-<br>Convenor. |
| 10. | Special Invitees as may be necessary.   |                      |

The Committee at the District Level will deal with issues pertaining to industries in the respective Districts and shall meet every month on a fixed day and proceedings of these meetings shall be furnished to the Commissioner of Industries for review. The decisions taken by this Committee shall be binding on the other district Departmental Agencies and important problems brought to the notice of the District Collector by Medium and Large Scale Industries should be reported to the Commissioner of Industries. The General Manager, District Industries Centre who will function under the control of the District Collector will co-ordinate the activities of the several promotional agencies operating in the District like A.P. Industrial Infrastructure Corporation Limited, A.P. Industrial Development Corporation Limited, A.P. Small Scale Industrial Development Corporation Limited A.P. Industrial infrastructure Corporation Limited, A.P. Electronics Development Corporation Limited, A.P. State Trading Corporation Limited, A.P. Handicrafts Development Corporation Limited etc. Taking advantage of the incentives package offered for the establishment of new industries in the industrial Estate set up by the Government time-bound action plans will be drawn up and implemented.

6. The institutional mechanisms devised in the past like Andhra Pradesh Assistance Centre for Entrepreneurs (APACE), Council for receipt of Applications from Industry for sanctions and permissions (CRISP), Nodal Agency etc. stand abolished. The personnel employed will be redrafted by the Commissioner of Industries for implementation of the present orders.

7. This order shall come into force with immediate effect.

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

M.V. NATARAJAN,  
Principal Secretary to Government.

## **GOVERNMENT OF ANDHRA PRADESH ABSTRACT**

Stores Purchase-Purchase of goods manufactured by Small Scale Industrial Units within the State-Strict Implementation of the Policy of the Government constitution of a -Purchase Review Committee-Orders issued.

### **INDUSTRIES AND COMMERCE(SSI) DEPARTMENT**

G.O.Ms.No.147

Dt.12-3-1984.

Read the following-

1. G.O.Ms.No.1020/Industries & Commerce (SSI) Department dt.30-11-1976.
2. G.O.Ms.No.564, Home (Ptg.A) Dept., dt 31-10-1980.
3. G.O.Ms.No.437. Industries And Commerce (SSI) Department dt 5-9-1983.

Read also-

4. From the chief Secretary to Government of Andhra Pradesh D.O.Lr.No.2491/SSI/83-1.dt:24-10-1983.

### **ORDER:**

1. In order to encourage the establishment and growth of the Small Scale Industrial units for rapid industrialisation of the State, the Government have issued several orders instructions from time to time providing various facilities and concessions, such as price and purchase preferences for marketing the goods manufactured by the small Scale industrial units.

2. The Stores Purchase Policy of the Government laid down in the Government Order 1st read above stipulates that the products of local small scale industrial units have to be preferred over the products of the medium and large scale industries of this State or outside the State. Further, certain concessions, such as exemption from the payment of Earnest Money Deposit and Security Deposit etc, have also been provided to the Small Scale Industrial Units in the above G.O.It was also ordered that the Government Departments Undertakings (Statutory or otherwise ) Corporations, Quasi Government Bodies, such as Zilla Parishads, Panchayat Samithis, Municipalities, Land Development Banks etc., should implement the orders strictly and that they should constitute Purchase Committees with nominee of the Commissioner of Industries.

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3. In the G.O. 2nd read above, orders were issued again for constitution of the Stores Purchase Committee with the nominees of the Commissioner of Industries and the Andhra Pradesh Small Scale Industries Development Corporation Limited. It was also made clear in this order that the presence of the nominee of the Commissioner of Industries or the Andhra Pradesh Small Scale Industrial Development Corporation Limited shall alone constitute the quorum of the Stores Purchase Committee and in case, they do not attend the meetings should be postponed.
4. In the G.O third read above, the Government have issued orders reserving 410 items for exclusive purchase from the local Small Scale Industrial units with a view to encourage small scale Industrial Sector. In this order the Government have again made it very clear that in case where there is no response to a tender or when the Commissioner of Industries certifies that there are no Small Scale Industrial Units in the State manufacturing a particular product, then only action shall be taken by the indenting agencies to procure such items by inviting open tenders from the Medium and Large Scale Industries within the State and outside the State. The Government have also ordered that while strictly observing the above reservation in favour of the Small Scale Industrial Sector, the purchasing Departments and Organisations should ensure that preference is given to locally manufactured products in preference to the purchase from other states, even if the choice is in favour of non-small scale industries in the state.
5. In the G.O. letter fourth read above, while reiterating the above position the chief Secretary has requested all the Secretaries to Government to issue suitable instructions to all the Government Departments / Companies / Corporations / Boards under their administrative Control to strictly implement the orders on the subject and that any violations will be viewed seriously.
6. However, several instances of Major violations of the above policy by many Government Departments / Corporations / Companies / Boards and Autonomous Bodies, such as Panchayat Samithis, Zilla Parishads and Municipalities have come to the notice of the Government. In the case of some of these organisations the Stores Purchase Committee have not even been constituted yet and they are very frequency resorting to purchases from outside the State ignoring the States Purchase Policy of the Government on reasons such as:
  1. The Purchasing Departments feel that all purchase made outside the State attract a lower sales tax of 4% and as such they gain by making purchases from outside the State.

## Departmental Manual

2. There is a general feeling that the quality of the goods manufactured within the State is not good. This is more in the case of goods produced in the Small Scale Industries.
3. Some specific brands of items like lightings, tyres, tubes etc, have acquired an undue glamour and people taking to purchase them though the quality of the goods manufactured within the state, particularly in the Small Scale Industrial Sector, is certified to be according to Indian Standard Institute Standards.

7. The Government have since reviewed the Stores Purchase Policy of the Government and decided to constitute a Purchase Review Committees with the following officers to ensure strict implementation of the Stores Purchase Policy of the Government.

- |    |   |                      |
|----|---|----------------------|
| 1. | Chief Secretary to Government                                   | Chairman             |
| 2. | Secretary to Government, Industries & Commerce<br>Department    | Member               |
| 3. | Secretary to Government, Finance & Planning (Fin)<br>Department | Member               |
| 4. | Commissioner of Industries                                      | Member-<br>Secretary |

8. It was also decided to issue clear and simple instructions on the Stores Purchase Policy of the Government as follows:

- a. All Departments of Government, Public Enterprises should Purchase goods from within the State only. In case it is considered necessary by the Purchase Committee of a particular Department / Organisation / Body, to deviate from the above orders of the Government and make purchases from outside the state, such cases should be brought to the notice of the Purchase Review Committee through the Commissioner of Industries and general or Specific exemption should be obtained.
- b. The purchases made within the State, in respect of all purchases relating to 384 items reserved exclusively for Small Scale Industries in the G.O. third read above shall be from Small Scale Industries only. Any exemption from this rule could be obtained only by placing the matter before the Purchase Review Committee constituted above.



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- c. Any purchase made in violation of the above orders without obtaining the prior clearance of the Purchase Review Committee will be viewed very seriously.
- d. The Purchase Review Committee will meet on 1st Saturday of every month.

9. All the Departments of Secretariat are requested to issue suitable instructions to bring the above orders to the notice of all the Government Departments / Companies / Corporations and Boards under their control with instructions to implement the above orders strictly failing which suitable disciplinary action will be taken against the concerned for violation of the policy of the Government .

This order issues with the concurrence of the Finance and Planning Department vide their U.O.No.497/PSFP/84, dated 17-2-1984.

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

A. RAGOTHAMA RAO  
Joint Secretary to Government.

To

All Secretaries to Government.

All Heads of Departments.

All the Departments of Secretariat.

All Collectors.

All Companies / Corporations / Boards in the State.

The Accountant General, A.P. Hyderabad.

The pay and Accounts Office, A.P. Hyderabad.

All the District Treasury Offices.

The Director, Treasuries and Accounts, A.P. Hyderabad.

The Commissioner of Industries, A.P. Hyderabad.

The Director, Printing Stationery & Stores Purchase (SP Wing) Hyderabad.

The Director, Small Industries Service Institute, Hyderabad

All sections in Industries & Commerce Department.

The General Administration (I&PR) Department.

Copy to :

The P.S. to Chief Secretary to Government.

The P.S. to Secretary to Government Industries & Commerce Department.

The P.S. to Secretary to Government

The P.S. to Secretary to Government Inds & Com Dept.

The P.S. to Secretary to Government Finance and Planning (Fin) Department.

SF/SC.

----Forwarded by Order-----

Sd/-  
Section Officer.



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**GOVERNMENT OF ANDHRA PRADESH  
COMMISSIONERATE OF INDUSTRIES, HYDERABAD**

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Marketing Assistance Scheme-Revision of Scheme-Proposal examined-Orders-Issued.

**INDUSTRIES & COMMERCE (SSI) DEPARTMENT**

G.O.Ms.No.48

Dated: 20-2-1999

Read the following:

1. G.O.Ms.No.181, Inds & Commr.,(SSI) Dept., dt 9-4-1985.
2. G.O.Ms.No.240, Inds& Commr.(SSi&SP) dept. dt22-5-1989.
3. G.O.Ms.No.204, I&C (SSI&SP)Dept.,4-6-1992.
4. G.O.Ms.No. 495,I&C (SSI & SP) Dept., dt.15-6-1995.
5. From the Vice Chairman, Managing Director, APSSIDC, Hyderabad D.O. Lr.No.SIDC/M10/MAS / Order / 95-96, dt 12-7-1996.
6. G.O.Ms.No.385, I&C (SSI) Dept.,Dt6-11-1998.
7. G.O.Ms.No.34, I&C (SSI) Dept., dt. 4-2-1999.

**ORDER:**

Government in order to encourage the establishment and growth of local small scale industrial units, have been issuing orders and instructions from time to time providing various facilities and concessions, such as price and purchase preference for marketing the goods manufactured by the local small scale industrial units, based on the guidelines/ instructions from the Government of India.

2. In the G.Os first to third read above, orders have been issued nominating the APSSIDC Ltd., as the Sole Selling Agency in respect of 17 items manufactured by local SSI units within the State to be procured by the Government Departments / Corporations / Public Sectors undertakings/ Autonomous Bodies/ Zilla Parishads/ Municipalities etc., from the SSI units under the Marketing Assistance Scheme. The Salient features of the scheme are as follows:

- a. The indenting departments / Corporations/ Undertakings etc., are required to place their requirements of the reserved items on APSSIDC for procurement

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and supply.

- b. The APSSIDC will call for tenders from all the SSI units registered with it.
- c. A Purchase Committee headed by the Commissioner of Industries will finalise the rate contract and circulate the same to all the concerned Departments.
- d. Another Committee headed by the Commissioner of Industries will fix the prices of the items.
- e. The APSSIDC is required to pay 90% of the bill amount to the supplying SSI units and pay balance 10% amount after the receipt of payments from the indenting departments.
- f. The indenting departments are required to make 90% of the bill amount as advance payment to the APSSIDC and balance 10% after the receipt of the goods.
- g. The APSSIDC will charge 3% of the value of the products as nominal service charges.
- h. The purchasing departments can buy their requirements from other sources in respect of 17 reserved items, only if APSSIDC issues a non-availability certificate for the item.

The items reserved for exclusive purchase from the registered SSI units are as follows:

### **LIST OF ITEMS**

1. Steel furniture such as Alimarahs, Tables, Chairs, Steel Cots, Racks, Cash Boxes etc.
2. Absorbent and non-Absorbent cotton.
3. Phenyl and Detergent Liquid and Powder.
4. Tarpaulins.
5. Electrical chokes, Condensers, Starters and Fittings.
6. Ferric and Non-Ferric Alum.
7. Room Air Coolers.
8. Aluminium Utensils.
9. Dust Bins and Wheel Barrows.
10. Manhole covers.
11. Sewing Machines.
12. I.V. and Blood Donor sets.
13. Sterile Cotton
14. Stainless Steel Utensils.
15. Antiseptic Lotion and Lysol.
16. Quality Control and Lab Equipment/Instruments/Chemicals

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### 17. Coir Mats, mattings and other Coir based products.

3. In the G.O.4th read above, orders have been issued constituting a Committee headed by the Vice Chairman and Managing Director, APSSIDC., with a representative from the Commissionerate of Industries, Hyderabad and also a representative from the Indenting Departments to decide placement of orders on SSI units under the Marketing Assistance Scheme.

4. In his letter 5th read above, the then Vice Chairman and Managing Director, APSSIDC, brought to the notice of the Government that because of the procedure laid down by the Government for fixing prices and for distribution of orders, the Corporation is not able to bag orders from the Government departments and is therefore sustaining losses. He has pointed out that while APSSIDC, procures the items only from SSI units, the other organisations, such as State Trading Corporation, FEDCON, HACA, SETWIN etc., which are basically trading organisations, are able to procure the items from the open market or front manufacturing units whether small or not. They have flexibility in quoting prices which APSSIDC, does not. He has suggested that only APSSIDC., should be allowed to implement the scheme.

5. The proposal of the APSSIDC., has been examined in consultation with the Departments concerned. They have complained against the quality of the products supplied and the delays in effecting supplies under the Marketing Assistance Scheme and have also objected to the charging of a high commission of 3% by the APSSIDC., Limited, Hyderabad.

6. As the matter thus stood, Government received the recommendations of the Subrahmanyam Committee and also the Cabinet Sub Committee constituted for restructuring of State Level Enterprises. One of the recommendation pertaining to the APSSIDC is that in view of the heavy losses being incurred by the Corporation all Commercial activities of the APSSIDC., should be stopped immediately. Accordingly, instructions have been issued by the Government in this regard.

7. In order to help SSI units in the state and to face the challenges of liberalisation and globalisation, Industries Department organised a series of interaction meetings with the SSI entrepreneurs to deliberate on the policy initiatives required from the Government side to give further boost for the growth of the SSI sector, Based on the deliberations, Government approved a new policy for Small Enterprises vide G.O. 6th read above. In respect of the Marketing Assistance Scheme the policy envisages that:

“The Marketing Assistance Schemes will be modified to a rate contract

## Departmental Manual

system. The Departments will be free to place orders directly on any of the units participating in the rate contract. The Department will pay the amount directly to the supplier unit on delivery of the item, after paying the necessary sales tax to the Commercial Tax Department. The implementation of the Scheme will be monitored by the Andhra Pradesh Small Scale Industries Dev. Authority as constituted vide G.O.Ms.No.31, I&C Dept., dt.4-2-1999".

8. In pursuance of this policy, Government hereby directs that the Commissioner of Industries shall finalise the rates every year of the reserved items under the rate contract system. A committee to finalise the rates is hereby constituted as below:

Commissioner of Industries.	Chairman.
Representatives of 3 major indenting departments} viz., Social Welfare, Medical and Health and } Municipal Administration and Urban Development}	Members
Joint Director, Industries	Member-Convenor.

9. In the above circumstances Government hereby permit all the Government Departments/ Corporations / Public Sector Undertakings / Autonomous Bodies / Zilla Parishads / Municipalities etc., in the State to follow the policy enunciated in para-7 and 8 above in respect of "Marketing Assistance Scheme" scrupulously. The indenting departments should satisfy themselves about the quality of supplies made before payments are effected.

10. All the Departments of Secretariat are requested to bring the above policy of the Government to the notice of all the Heads of Departments, Undertakings etc., under their administrative control and ensure its implementation.

11. The Marketing Assistance Scheme introduced and covered by different G.Os issued from time to time shall be deemed to have been modified to the extent of orders in para 7, 8, and 9 above.

12. This order issues with the concurrence of Finance & Planning (FW) Department vide their U.O.633/FS/R&E/99, dt. 12-2-1999.

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

DR.SHEELA BAIDE,  
SECRETARY TO GOVERNMENT.

## GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Industries-New Comprehensive Scheme of State Incentives for setting up of new industries in Andhra Pradesh - orders -Issued.

Industries & Commerce (IFR) Department

G.O.Ms.No.117

Dated: 17-3-1993

Read the following:

1. G.O.Ms.No.498, Inds & Com. (IA) Deptt. dt 16-10-89.
2. G.O.Ms.No.146, Inds. & Com (IFR) Deptt. dt. 25-4-91
3. G.O.Ms.No.311, Ind & Com (IFR) Deptt. dt.30-8-91.
4. Govt. Memo. No. 2125/IA/89-1, dt 15-9-90
5. G.O.Ms.No.654, Industries & Commerce (II & CP) Deptt. dt. 13-7-76
6. A.P.State Electricity Board B.P. Ms.No.691, Commercial dt. 10-8-76.
7. G.O.Ms.No.379, Inds & Com (IA) Deptt. dt. 27-7-89.
8. G.O.Ms.No.305, Inds & Com, (IFR) Deptt, dt 27-8-91.
9. Government Memo No. 152/IFR/91-4, dt. 19-8-92.

### ORDER:

1. Government have introduced a Liberalised State Incentive Scheme for setting up new industries in the State of Andhra Pradesh vide G.O. 1st read above for a period of three years with effect from 3-10-1989. Government have also announced a Scheme of Special Incentives for new small scale industries to be set up by entrepreneurs belonging to S.C. and S.T. categories in the G.O. 3rd read above, for a period of 3 years with effect from 3-10-1989. In the G.O.5th read above, an incentive by way of 25% rebate in power charges (demand and energy) for three years from the date of commencement of commercial production was being allowed to new industries through Andhra Pradesh State Electricity Board. This rebate was however not available for the product lines included as in-eligible list.
2. In their New Industrial Policy Statement 1992 announced in May 1992, the Government have proposed to extend the general incentives scheme as in the G.O. 1st read above and also the Special Scheme of State Incentives for Scheduled Castes and Scheduled Tribe entrepreneurs till the end of 8 th Plan Period i.e. , upto 31-3-1997.



## Departmental Manual

3. After careful review and examination of the package of incentives, Government have decided to introduce certain modifications in order to accelerate Industrial Development in the State, the details of which are specified hereunder.
4. All the districts in the State have been grouped into three areas for the purpose of incentives as hitherto before:

Area-I	Srikakulam, Ananthapur and Adilabad Districts.
Area-II	Nalgonda, Mahboobnagar, Warangal, Khammam, Medak, Karimnagar, Nizamabad, Kumool, Cuddapah, Nellore, Vizianagaram and Prakasam districts.
Area-III	Visakhapatnam, (except Visakhapatnam Municipal Corporation Limits) East-Godavari, West Godavari, Krishna, (except Vijayawada Municipal Corporation limits) Guntur, Ranga Reddy and Hyderabad (except Hyderabad Municipal Corporation Limit ) districts.

5. The following are the concessions under the New Comprehensive Scheme

### **A. INVESTMENT SUBSIDY**

New Industries other than those listed out in Annexure-I to be located in Areas-I, II and III are eligible for the following Incentives.

#### **(i) Thrust Sector and Sunrise Industries.**

New agro based industries, including horticulture based industries, food processing, electronics software, Industries manufacturing pollution control devices, Industries manufacturing non-conventional energy equipment and also captive power plants up to 1500 KVA/K.W. will be eligible for investment subsidy at the rates of 20% subject to a Maximum of Rs.20.00 lacs throughout the state except in the eligible areas viz., Municipal Corporations of Hyderabad Visakhapatnam and Vijayawada.

#### **(ii) Tiny, Small, Medium and Large Scale Industries:**

Area	Percentage of Subsidy.
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## Departmental Manual

Area-I	20% of the Capital cost not exceeding Rs.20 lakhs.
Area-II&III	15% of the Capital cost not exceeding Rs. 15 lakhs.

All new industrial units coming up in Industrial Estates/Industrial Development Areas where occupancy ratio as on 3-10-92 is less than 50% and located in Areas-I, II & III above, promoted by Andhra Pradesh Industrial Infrastructure Corporation will be eligible for an additional 5% Investment Subsidy in addition to the percentage of subsidy mentioned in clause (A) & (D) of this para not exceeding Rs. 5.00 lakhs in addition to the subsidy available as mentioned in the said clauses. This additional subsidy will not be admissible when the occupancy ratio exceeds 50%.

### **B. DEFERMENT/TAX HOLIDAY ON SALES TAX:**

Sales Tax percentage of Deferment/Tax Holiday and period (On products manufactured in the New Industrial Units).

#### **(i) Medium and Large Scale Industries-Sales Tax Deferment:**

Area I	Deferment limited to 100% of fixed capital cost in a period of 10 years.
Area II	Deferment limited to 75% of fixed capital cost in a period of 10 years.
Area III	Deferment Limited to 50% of fixed capital cost in a period of 10 years.

#### **(ii) Tiny & Small Scale industries-Sales tax (Holiday) Exemption:**

Areas I,II & III	5 years Sales Tax Holiday ( Exemption from Sales Tax subject to a ceiling of 100% on fixed capital cost or Rs.35 lakhs whichever is less during the entire holiday period.)
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#### **Note:**

- a. Large and Medium Scale Units can avail deferment of Sales Tax to extent of eligibility fixed for a period of less than 10 years also. The deferment allowed to a unit to the full extent should be paid back in lumpsum at the end of 10th year thereof without interest. Belated payment will carry 21.5% interest or as decided by the Government from time to time ( from the due date )
- b. The Tiny and Small Scale industrial Units have an option to avail the Sales Tax exemption in less than 5 years also and are liable to pay the Sales Tax after exhausting the eligibility limit.

## Departmental Manual

- c. The Sales Tax Incentives mentioned above will not be available for industries indicated in Annexure-I.

### iii. Expansion / Modernisation / Diversification:

Expansion / Modernisation / Diversification projects involving an enhancement of 25% of the fixed capital Investment as well as enhancement of capacity by 25% for the projects of the same product line will be eligible for proportionate Sales Tax deferral for the period of 10 years from the date of deferment for the original unit, subject to the same limits and conditions as specified in para (B) (i) & (ii) above.

### C. REBATE IN ELECTRICITY CHARGES:

All new industries, other than those listed in Annexure-I and those set up in Municipal Corporation areas of Hyderabad, Vijayawada and Visakhapatnam will be eligible for 25% rebate in power bills ( both demand and energy) for a period of 3 years from the date of commencement of commercial production. The rebate shall be allowed by the A.P. State Electricity Board in their monthly bills. The maximum admissible rebate for the total 3 years period will be Rs.50 lakhs in respect of large and medium industries and Rs 30 lakhs in respect of small scale industries.

### D. SPECIAL INCENTIVES FOR NEW TINY AND SMALL SCALE INDUSTRIES TO BE SET UP BY ENTREPRENEURS BELONGING TO SCHEDULED CASTE AND SCHEDULED TRIBE CATEGORIES:

#### (i) Investment Subsidy:

Area	Percentage of Subsidy
Area I	25% of capital Cost not exceeding Rs.20 lakhs.
Area II & III	20% of capital cost not exceeding Rs 20 lakhs.

#### (ii) Sales Tax exemption ( Holiday) on the products manufactured in the new industrial Units.

Area I, II & III	5 years Sales Tax Exemption (Holiday ) subject to a ceiling of 100% fixed capital cost or Rs.35 lakhs whichever is less during the entire Holiday period.
------------------	---

**(iii) Interest Subsidy:**

The total credit i.e., Term Loan and Working Capital Subsidy, at 6% for a period of 5 years up to a maximum of Rs. 1.00 lakh per year for Areas-I, II and III.

**Note:** Units listed in Annexure-I will be eligible for the grant of Capital Subsidy but will not be eligible for the concessions of Sales Tax exemption and Interest Subsidy.

6. The above incentives including Sales Tax incentives will be inclusive of any incentives of State Government/Central Government / Institutions/ Agencies already availed/ Central incentives which may be announced from time to time by the Government of India and other such incentives extended by any other Government agencies.
7. Guidelines laid down by the Government for implementing the Liberalised State Incentives Scheme 1989 vide reference 4th read above will continue to be followed for implementing this scheme except to the extent modified in this scheme. Orders on simplification of procedures will be issued separately.
8. The following Committees at the State level and District Level are constituted.

### **STATE LEVEL COMMITTEE**

- |    |   |          |
|----|---|----------|
| 1. | Commissioner of Industries, Hyderabad   | Chairman |
| 2. | Additional Secretary/Joint Secretary/Deputy Secretary to Government, Finance&Planning (Fin.Wing) Deptt. Dealing with the subject. | Member   |
| 3. | President of Federation of A.P. Chambers of Commerce and Industry   | Member   |
| 4. | Managing Director, A.P. Industrial Development Corporation, Hyderabad   | Member.  |
| 5. | Managing Director, A.P. State Financial Corporation, Hyderabad  | Member   |
| 6. | Managing Director A.P. Industrial Infrastructure Corporation, Hyderabad   | Member   |
| 7. | Managing Director, A.P. Small Scale Industrial Development Corporation  | Member   |
| 8. | Commissioner of Sericulture, A.P. Hyderabad   | Member   |
| 9. | Commissioner of Commercial Taxes, Hyderabad   | Member   |

## Departmental Manual

- |     |   |                     |
|-----|---|---------------------|
| 10. | Director of Tribal Welfare, A.P. Hyderabad                            | Member              |
| 11. | Nominee of Industrial Development Bank of India.                      | Member              |
| 12. | Co-opted Members from the concerned National Banks.                   | Member              |
| 13. | Additional Director of Industries dealing with the subject incentives | Member<br>Secretary |
9. The above committee shall scrutinise and sanction the claim of units involving eligible capital investment of above Rs. 7.50 lakhs.

## DISTRICT LEVEL COMMITTEE

- |     |   |                  |
|-----|---|------------------|
| 1.  | District Collector  | Chairman         |
| 2.  | Deputy Commissioner of Commercial Taxes   | Member           |
| 3.  | District Treasury Officer   | Member           |
| 4.  | Project Officer, ITDAs of I.T.D.A. District   | Member           |
| 5.  | District Tribal Welfare Officers of other districts   | Member           |
| 6.  | Executive Officer, District Scheduled Castes Co-op Finance Corporation  | Member           |
| 7.  | Branch Manager, A.P. State Financial Corporation  | Member           |
| 8.  | Regional Manager, A.P. Industrial Infrastructure Corporation, Hyderabad   | Member.          |
| 9.  | Nominee of the President of Federation of A.P. Chambers of Commerce and Industry  | Member           |
| 10. | (a) Deputy Director, Sericulture of the concerned District in respect of D.L.Cs of Ananthapur, Kurnool & Chittoor Districts | Members          |
|     | (b) Assistant Director, Sericulture Cuddapah in respect of the Cuddapah District.   | Member           |
|     | (c) Assistant Director, Sericulture, Vikarabad in respect of the D.L.Cs of Ranga Reddy and Hyderabad Districts              | Member           |
| 11. | Co-opted Member from the concerned National Bank Branches   | Member           |
| 12. | General Manager, District Industries Centre   | Member Secretary |
10. The above Committee shall scrutinise and sanction the claims of the units to the concerned District involving eligible capital investment of Rs. 7.5 lakhs and below.



11. The decisions of the State Level Committee shall be final in scrutinising/deciding the eligible investment and sanctioning the incentives, condoning the delays in filling of applications for registration and claims for eligible industries.
12. In so far as new units coming up in Industrial Estates/Industries Development Areas of Andhra Pradesh, Industrial Infrastructure Corporation, only those units which obtain allotment of plot/shed from A.P. Industrial Infrastructure Corporation on or after 3-10-1992, are eligible.
13. Government have earlier ordered making seed Production Units in Sericulture Sector eligible for the investment subsidies on par with the other industrial units in the State vide G.O.Ms.No.305 Industries & Commerce (IFR) Department dt.27-8-1991. These orders will continue to hold good making seed grainage / manufacturing units in Sericulture Sector continue to be eligible for investment Subsidy at para 5 A above.
14. The concession of rebate in power charges at para 5 C above will be available for new industries which go into production on or after 3-10-1992. The existing procedure of issuing Eligibility Certificate by the District Industries Centre and admission of claims by A.P. State Electricity Board will continue.
15. These orders shall take effect from 3-10-1992 and will be inforce till 31-3-1997. Commissioner (industries) shall devise an appropriate proforma and report to the Government every month before 7th of the succeeding month the Financial and Physical achievements incorporating the information obtained from the districts.
16. This order issues with the concurrence of Finance and Planning (Fin.Wing) Department vide their U.O No. 1592/SSF/92 (Expenditure Industries ) dt 28-1-1993.

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

Sd/-

M.V. NATARAJAN

Principal Secretary to Government

Departmental Manual

To

The Commissioner of Industries, Hyderabad  
Accountant General, Andhra Pradesh, Hyderabad

Copy to :

Pay and Accounts Office, Hyderabad

All District Collectors

All Heads of Departments

All Departments of Secretariat

All Government Companies/Corporations.

Finance and Planning (Fin.Wing. Exp.Indus). Departments.

All Sections in the Department.

SF/SC

## **ANNEXURE-I**

### **LIST OF IN-ELIGIBLE INDUSTRIES**

1. All Processes of Edible Oil Seeds/Cakes viz; 1. Ground-nut 2. Sesamum 3. Safflower 4. Rape seed/ Mustard 5. Coconut (both tender and dry) 6. Sunflower 7. Niger 8. Cotton seed except, Solvent extraction plants of cotton seed cake and Rice bran with or without refinery. ( All processes include Decorticating, Expelling, Crushing, Roasting, Parching, Frying, Solvent extraction thereof & Refining of expelled oil/ Solvent extracted oil, Hydrogenation Vanaspati Margarine, Fatty Acids, Packing etc.)
2. Rice, Dal and Flour Mills including Roller Flour Mill, Modern Rice Mills & Parboiled Mills, idli Rava, Parched/Flaked Rice ( Poha ) & Murmura.
3. Coffee Roasting, Grinding, Tea Processing & Packing excluding Instant Coffee.
4. Cocoa Products.
5. Ice cream, Ice Cream Powder, Food Additives, Ice Candy, Kulfy, Ice Fruit, Pepsy, Tuty Fruty etc.
6. Chocolates, Peppermints and Confectionary, Chewing Gum except those having ISI, A.G. mark or FPO mark.
7. Aerated Waters including Soft Drinks.
8. Nut Powder including Raw Nut processing, Chikini Powder & Pan Masala.
9. Khandasari Sugar and Sugar Mills.
10. Powders of Chilly, Turmeric, Masala, Species, Curry, Sambar etc.
11. Sweets.
12. Pickles & Chutneys other than 100% EOUs.

## Departmental Manual

13. Beer and other Alcoholic Drinks.
14. Rectified Spirit ( Alcohol ) from out of Molasses.
15. Alcohol based industries except Pharmaceuticals and Drug Industries and Units approved by SRMC.
16. Cotton Ginning Mills.
17. Cotton/Jute/Iron Scrap Bailing Presses.
18. All table meat, animal rearing/farms like poultry, piggery etc.
19. Hatchery.
20. Slab Polishing except Granite Cutting & Polishing.
21. Soap Making Units not operated by powder driven Machinery.
22. Manure mixing industry
23. Chloral Hydrate.
24. Products of Camphor
25. Naphthalene Balls.
26. Shampoos and other Cosmetic items except those having ISI marks.
27. Tooth Powder/Paste
28. Distilleries, Breweries
29. Varnishes and Thinners.
30. Lime Kiln/Burnt lime/Hydrated Lime.
31. Treadle operated conventional Printing Presses including Offset, Litho etc.
32. Powder Laundries.
33. Beedi/ Cigarette manufacture and other Tobacco Products.
34. Tobacco Barons, Tobacco Re-drying/processing
35. Saw Mills & all types of Wooden Furniture manufacturing including wood based laminated products, industrial and decorative laminates.
36. Road Metal/Stone Crushing/ Coal Pulverizing.
37. Drinking Straws.
38. Cinematography / Video Parlours/ Theatres & Video graphy
39. Book Binding/Note Books/Registers, Ledgers, File Pads, Office Files etc.
40. HDPE/PP/Woven sacks.
41. Tailoring other than ready-made garments.
42. Steel Structural and Fabrication works other than heavy structurals.
43. Aluminium re-rolling and Utensils manufacturing.
44. Stainless Steel Utensils including Re-rolling Mills of Stainless Steel
45. Steel Re-rolling Mills, Rolling Rods, including Tor Steel, angles, Channels, Flats etc.
46. G.I., Buckets, Gamelas, Boiling Pans, Trunks, Spaders, Mamotees, Shovels & Bins.
47. Steel Furniture except units set up in town / village with population of below one

## Departmental Manual

lakh as per 1991 census.

48. LPG Cylinders.
49. Corrugated Sheets from G.P. / B.P. Sheets.
50. Hamilton poles and Tubular poles
51. Steel Gates and Grills and Brite Bars.
52. Metal Containers, M.S. Drums and Barrels.
53. Mangalore tiles/ Asbestos Products.
54. Hotels except (a) Motels (b) Hotels set up in the State Government approved Tourist Centres of Districts.
55. X-Ray Clinics and Clinical / Pathological Laboratories.
56. Photo Studios & Colour film Laboratories.
57. All Industries of Mobile Nature like Rigs, Concrete mixing plants, Road Metal Mixing etc, including site oriented industries.
58. Servicing and /or Repairing units except Xerox units ( Set up institutional Finance only ) Auto Servicing and / or repairing units, Retreading, Industrial Materials Testing Labs., General Engineering Machinig Workshops, Common Effluent treatment plants, CAD and / or CAM, Cold Storage/ Heat treatment, Electro-Plating, Galvanizing, Seed proceedings, Desk top printing. However Servicing and / or Repairing units will not be eligible for Sales Tax incentives.
59. Composite units set up for manufacture of an eligible item along with in-eligible item.

## POWER INTENSIVE INDUSTRIES

60. Mini Steel Plants.
61. Steel Ingots/Billets.
62. Alloy Steel Castings Manufacturing Units with induction furnace more than 500 KVA capacity.
63. Ferro Alloys Manufacturing.
64. Calcium Carbide and Silicon Carbide manufacturing.

The following items will be in-eligible for the incentives of 25% power rebate only.

1. Caustic-soda.
2. Sodium Metal

Sd/-

M.V. NATARAJAN

Principal Secretary to Government

## ANNEXURE-II

### SPECIAL PROVISION FOR NEW TINY/SMALL SCALE UNITS SET UP BY SCHEDULED CASTE AND SCHEDULED TRIBE ENTREPRENEURS

#### Para 5-D of the G.O. :

Incentives at Para 5-D of the G.O. are applicable to the Units to be set up by Scheduled Caste/ Scheduled Tribe Entrepreneurs who have obtained Provisional SSI Registration from 3.10.1992 to 31.03. 1997. The Provisional SSI Registration should have been obtained prior to taking effective steps. No separate eligibility registration under this scheme is required. The Registration obtained by the entrepreneurs in terms of provisional SSI Registration with the Department of Industries will hold good for claiming incentives under the scheme.

Tiny/Small Scale Industrial Units either promoted wholly by the S.C./S.T. Entrepreneurs as proprietary/Partnership/Private Limited Company or the units promoted along with Non-SC/ST Entrepreneur members with at least 51% of the share holding/partnership belonging to SC/ST entrepreneurs are eligible under the scheme.

Industrial Co-operative Societies which are promoted exclusively for the benefit of Scheduled Caste or Scheduled Tribe Entrepreneurs by the S.C or S.T. entrepreneurs and engaged in the industrial activity are also eligible subject to fulfilling other conditions.

In case of units set up by SC/ST entrepreneurs, transfer of ownership is not normally permitted. However, transfer from one SC/ST to another SC/ST or to Non SC/ST entrepreneurs may be allowed with the prior approval of the Director of Industries/ Commissioner of Industries subject to the conditions that ultimately 51% Shareholding of the SC/ST entrepreneurs is protected / Maintained. These conditions are required to be incorporated in the affidavit/agreement bonds to be executed by the beneficiary units.

The units set up by SC/ST entrepreneurs and availing eligible subsidy under the schemes like Gramodaya (SEEUY), DRDA etc., and the schemes under Coir Board, Handicraft Board, Khadi & Village Industries Board etc., and the Institutions like A.P Scheduled Caste Cooperative Finance Corporation Limited, A.P.Women's Co-operative Finance Corporation Limited, A.P. Scheduled Tribe Corporative Finance Corporation Limited, ( TRICOR), ITDA etc., shall not be eligible for subsidy under the scheme.



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The SC/ST entrepreneurs are eligible for interest subsidy. The total credit i.e., term loan component and working capital component is eligible for reimbursement of interest subsidy at 6% for a period of five years from the date of charging the interest by the concerned Financial Institutions upto a maximum of Rs.1.00 lakh per year. The Interest accrued and paid to the Financial Institutions for the that year shall be reimbursement either on term loan or on working capital loan or on both. The applications for reimbursement shall be routed through the concerned financial institutions.

The units availing interest subsidy or eligible for the said concession under the schemes like composite loaning scheme of DRI Scheme ( Differential Rate of interest Scheme)and other Institutional Schemes of Andhra Pradesh Khadi and Village Industries board, Integrated Rural Development Programme, Women / SC/ ST Corporation Schemes etc., are not eligible for interest subsidy.

Regarding utilisation of funds under Tribal Sub-Plan priority may be given to the requirements of Scheduled Tribe Entrepreneurs in ITDA areas and the remaining funds can be utilising in non-ITDA Tribal Areas including for the units set up by scheduled tribes entrepreneurs in non-tribal areas ( Plain Areas).

The funds required for disbursement to the sanctioned units shall be kept with the Andhra Pradesh Small Scale Industrial Development Corporation in respect of Scheduled Caste Entrepreneurs and with the Andhra Pradesh Scheduled Tribe Co-operative Finance Corporation Ltd. (TRICOR) in respect of Scheduled Tribe Entrepreneurs for being release to the concerned entrepreneurs against the proceedings of the Commissioner of Industries.

Sd/-

M.V. NATARAJAN

Principal Secretary to Government.

**GOVERNMENT OF ANDHRA PRADESH**

COMMISSIONERATE OF INDUSTRIES, HYDERABAD

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries-Advisory Board for Small Scale Industries-Constitution of Small Scale Industries-Board Review of Government policies for promotion of Small Scale and Tiny Industries-Proposals-Accepted-Orders-Issued.

INDUSTRIES& COMMERCE (SSI) DEPARTMENT

G.O.Ms.No.219

Dated 14-12-1995

Read the following

From the Commissioner of Industries Lr.No.02252/Desk. 14 (N) /94 dt 27-9-94 and 25-10-94.

**ORDER:**

1. In the reference read above, the Commissioner of Industries has reported that although the general policy towards the Small Scale Sector is formulated by the Government of India, the responsibility for the promotion of Small Scale Industries Primarily rests with the State Government. He has therefore recommended that the request of the several Small Scale Industries Association in Andhra Pradesh to constitute an APEX Body for the purpose may be considered favourably as it would be provide a forum to discuss the problems faced by the Small Scale and Tiny Sectors and to find solutions to them. He has suggested the constitution of a Small Scale Industries Board with the Hon'ble Chief Minister as Chairman and other officials and non-officials as members.

2. After due examination of the proposals of Commissioner of industries Andhra Pradesh, Hyderabad, the Government hereby constitute the Andhra Pradesh Small Scale Industries Advisory Board for reviewing the policies for the promotion of the Small Scale and Tiny Industriies in the State with the following members.

- |    |                               |          |
|----|-------------------------------|----------|
| 1. | Chief Minister                | Chairman |
| 2. | Minister of Power             | Member   |
| 3. | Minister for Commercial Taxes | Member   |

**Departmental Manual**

4.	Minister for Labour	Member
5.	Representative of Confederation of Indian Industry	Member
6.	Representative of Federation of A.P. Chambers of Commerce & Industry Hyderabad	Member
7.	Representative of A.P. Federation of Small Scale Industries, Hyderabad	Member
8.	Representative fo the Association of Tiny Entrepreneurs of Andhra Pradesh , Hyderabad	Member
9.	Representatives of Federation of Small Industries Association, Balanagar ( FAPSIA)	Member
10.	Representative of A.P. Small Industries Association, Vijayawada	Member
11.	Principal Secretary & Commissioner for Industrial Promotion Industries&Commerce Department, A.P. Secretariat Hyderabad	Member
12.	Commissssioner of Industries, A.P. Hyderabad	Member
13.	Director of Factories, Hyderabad	Member
14.	Commissioner of Commercial Taxes, Hyderabad	Member
15.	Commissioner of Labour, Hyderabad	Member
16.	Commissioner of Municipal Administration, Hyderabad	Member
17.	Chairman, APSEB, Hyderabad	Member
18.	Member Secretary, APPCB, Hyderabad	Member
19.	Director, SISI, Hyderabad	Member
20.	Principal Director, NISIET, Hyderabad	Member
21.	Chairman, SLBC, Hyderabad	Member
22.	Deputy General Manager, SIDBI, Hyderabad	Member
23.	Managing Director, APSFC, Hyderabad	Member
24.	Managing Director, APSSIDC,	Member
25.	Managing Director, APIIC, Hyderabad	Member
26.	Secretary (SSI), Industries & Commerce Department	Secretary

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

S.R. GOVINDARAJAN,  
PRINCIPAL SECRETARY &  
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, Hyderabad

All Members in the Committee through the Commissioner of Industries

Copy to

SSI Associations / Members of Advisory Board.

P.S.to Principal Secretary & C.A.P. , Inds& Com. Dept.

P.S.to Secretary (II), Inds& Com. Dept.

## FUTURE VISION

The Government of India's liberalisation and economic reforms programme aims at rapid and substantial economic growth and integration with the global economy in a harmonised manner. The industrial policy reforms have reduced the industrial licensing requirements, removed restrictions on investment and expansion and facilitating easy access to foreign technology and foreign investment.

### DRIVING ANDHRAPRADESH'S INDUSTRIAL GROWTH

A major element of Andhra Pradesh's growth agenda will be building a thriving and prosperous industrial sector.

By 2020, Andhra Pradesh's industrial sector will be growing at 11 per cent a year in real terms. Andhra Pradesh will be preferred destination for industrial investment. The State will have a competitive economy, driven mainly by private investment. Furthermore, it will pursue sustainable development, through investments and approaches that conserve resources and safeguard the environment.

To achieve this vision, the State will aggressively pursue strong industrial growth, focus on employment generation and target the levels of investment required.

- **Industrial growth:** Andhra Pradesh will target a quantum leap in industrial growth, to achieve an average annual growth rate of 11 per cent in real terms over the next 25 years. This will bring about a 13-fold increase in industrial GSDP from around Rs. 13,000 crore in 1995-96 to around Rs. 1,70,000 crore in 2020.
- **Employment generation:** As Andhra Pradesh's economy develops, more jobs will be created in industry and services. This process will be complemented by a shift of surplus labour from agriculture to other sectors as agriculture itself becomes more productive, efficient and technology-intensive, and moves from being a subsistence activity to an economic one. By 2020, Andhra Pradesh's industrial sector will account for 21 per cent of its economy and will need to provide 43 percent of new jobs in the State.
- **Investment:** To achieve the growth levels envisaged by 2020, Andhra Pradesh will need a total investment of roughly Rs. 11,65,000 crore. Most of this investment will have to be raised through private investment.



## FOCUSSING ON SELECT GROWTH ENGINES

Specific sectors that offer high growth opportunities will be the growth engines of the economy. Each growth engine satisfies at least one of the following criteria, it builds on the State's strengths; it has the potential to create great economic impact, it can capture opportunities created by global trends.

- **Builds on the State's strength:** In a globally competitive world, each region has to exploit its comparative advantage to maximise economic opportunity. Western Australia, for example, has exploited its significant mineral wealth to develop one of the most competitive, technologically advanced mining industries in the world. New Zealand has used its large pasture lands to great advantage to built an efficient, cost-competitive, large-scale and export-oriented dairy industry that corners as much as 30 per cent of the world dairy trade. Malaysia has used its low labour costs to become a key centre for global electronics assembly. And Singapore has effectively used its strategic location ( at the centre of the world's major shipping routes) to become a major trading centre and an international logistics hub, linking Asia to the rest of the world.
- **potential for significant economic impact:** The growth engines need to be large and high growth industries. Furthermore, to ensure that growth is equitable, they should have the potential to generate large-scale employment. China, for example, has focused on the manufacture of export-oriented, labour-intensive goods like garments, leather products, and toys. With exports amounting to nearly \$50 billion, these industries are now a key element of china's economic growth. More importantly, they have generated large-scale employment for China's vast pool of workers.
- **Builds on oppurtunities created by local trends:** The expansion of global trade has created tremendous opportunities. Singapore, the Netherlands, and the US recognised this trend early and built major trade and logistics centres in their countries. By taking advantages of India's increasing participation in global trade and its geographic position, Andhra Pradesh will similarly innovate to create India's premier logistics centre.

**Another key trend is at work:** Computing and communication technologies are overriding the limitations of physical distance, allowing many services to be provided remotely (that is , far away from the customer/patron of the service) and spawning entirely



new and exciting IT-based industries. An increased emphasis on knowledge and a trend towards knowledge-based industries and services is pushing the limits of research and its application, for example in biotechnology, and genetic science. Israel has leveraged its scientific talent to build a strong presence in information Technology and biotechnology. Korea and the Philippines are taking advantage of increased connectivity to provide remote services in Animation and entertainment to US-based corporations. And Malaysia has already set up an ambitious project-the Multimedia Super corridor-to become a key player in the global IT and multimedia arena. Andhra Pradesh's IT and Knowledge corridor initiatives are aimed at ensuring the high penetration of information technology services and telecommunications and developing new and rapidly growing industries.

Finally, global deregulation and the opening up of markets are creating opportunities for many other industries. The reduction and ultimate removal of quotas (with the phasing out of the Multi-Fibre Agreement) will create opportunities in garment manufacturing and exports. Greater adherence to Intellectual Property Rights will boost remote R&D services and pharmaceuticals manufacturing in India.

The growth thrust will focus on three types of industries Knowledge-based, resource-based and labour intensive. Knowledge-based industries include Information Technology(IT), Bio-technology, and pharmaceuticals. Resource based industries include mining, construction and agro-industry. Labour intensive industries include garments and leather products. The small sector will be encouraged as an important sector in the State's economy. This sector will be developed through the comprehensive programme which includes the creation of basic and specialised infrastructure, policy reforms and deregulation, skill building and promotion of the state to investors.

## **INFORMATION TECHNOLOGY:**

India is already a key player in the global Information Technology (IT) Software and services arena. IT software and services could be India's largest exports industry and the first one in which the country develops several world class companies. This rapid growth in IT offers tremendous opportunity for the State. Andhra Pradesh will leverage information technology to attain a position of leadership and excellence in the information age and to transform itself into a knowledge society. The State will use information technology to improve the quality of life of its residents and help them achieve higher incomes and employment. It will also aggressively promote the pervasive use of IT to achieve higher levels of efficiency and competitiveness in both public and private enterprises.

By 2020, Andhra Pradesh will have achieved one of the highest levels of IT literacy in the world. IT applications will have transformed the day-to-day life of Andhra Pradesh's people. IT will deliver services and information to the People's doorstep and be used in every aspect of their lives. The State will have a well-endowed information technology industry, spanning the areas of hardware, software and human resources.

Long before 2020, Andhra Pradesh will be a premier Centre for IT and will be recognised globally as a key location for IT companies. It will be the destination of choice for IT professionals and IT companies, both domestic and foreign. Having created outstanding institutions and attracted the world's best professionals, the State will be India's most important IT educated Centre. Andhra Pradesh will be one of the leading information-based societies of India and the world and a model state in the use of IT.

The State has already moved to develop a world class IT base. It is now a preferred location for global IT players like Microsoft, Oracle, Baan and Metamor. In recent times, the state capital, Hyderabad, has generated much momentum in attracting global players. Recent initiatives include the setting up of the Indian Institute of Information Technology, a creative collaboration between the Government and the private sector. This has spurred prominent companies such as IBM, Microsoft, Oracle and Sun Microsystems to set up training institutes in the state. In addition, the Government has initiated the development of the Hi-tech City complete with state-of-the-art infrastructure. Finally, the Government is taking the necessary steps to boost IT usage in the State and create India's first Electronic Government.

Andhra Pradesh has also made much progress in developing an IT base. The Government is making IT a part of people's lives through the Electronic Government initiative. The State is setting up a wide area network using the existing fiber optic networks of the Department of Telecommunications connecting the State administration at Hyderabad with the districts. The State wide Area Network will provide connectivity for a Government Intranet and will support intra-governmental communications for data, voice and video. The state Government is also in the process of finalising a joint venture with a Singapore-based company to deliver value added network services to citizens.

The Presence of public sector companies, such as CMC and ECIL and of private sector IT companies has created a strong technology base in the State. Today, over 150 companies (as compared to 14 in 1992) are registered with Hyderabad

include software Technology Park (STP) Prominent companies in Hyderabad include Satyam Computers, Baan, Software Oracle, Metamor and Intergraph. More recently, Andhra Pradesh attracted one of the most important global software players to the State when Microsoft decided to locate a software development centre in Hyderabad focussing on cutting edge technologies. Andhra Pradesh also has over a hundred Professional training institutes producing between 12,000-15,000 IT personnel annually.

Capitalising on this start, Andhra Pradesh will work towards achieving its vision for the IT sector by accelerating its five-pronged programme.

Developing world-class IT infrastructure, including broad band digital connectivity.

Making Andhra Pradesh the hub for developing Electronic Government applications.

Promoting Andhra Pradesh as the premier location for world class IT companies.

Developing education and research institutions to make Andhra Pradesh a premier IT Education centre in India.

Bringing IT into the service of the people in all parts of the State.

## **PROMOTING THE STATE AS A PREMIER IT LOCATION**

To become a premier location and sustain this position, Andhra Pradesh will need to act on two fronts. First, it must provide companies and professionals with infrastructure and living conditions comparable to any other location in the world. IT professionals are highly valued globally and have their pick of choice jobs and living conditions all over the world. They will choose to move to Andhra Pradesh only if working and living conditions are close to those of other countries of the world. Second, the State must develop and implement a compelling promotional programme to attract enough IT companies to create critical mass in Hyderabad within the next five years.

### **BUILDING INFRASTRUCTURE:**

The first task will be to create infrastructure. The State will need to develop a much larger area than Hi-Tech city as the State's IT hub and equip it with world class facilities. Hi-Tech city is only one square kilometre whereas the US Silicon Valley is an 80 Km strip and Malaysia's Multimedia Super Corridor (MSC) is a 750 km strip. By planning a large location early, Andhra Pradesh will be able to avoid the unnecessary

congestion that occurred in some states and keep real estate prices at reasonable levels for a longer period of time. Specific initiatives on this front will include developing a Master Plan for creating a significantly expanded version of Hi-Tech city in the area around Hyderabad and planning in advance for additional centres like Visakhapatnam (IT professionals typically prefer to live in cosmopolitan urban or suburban areas)

Business areas with cutting edge facilities will need to be supplemented by outstanding residential facilities and living conditions. The State Government will invite private sector participants to create satellite townships near the Hi-Tech City and the other IT hubs it plans to develop in the near future.

## **PROMOTING ANDHRA PRADESH**

The State will go all out to attract the world's top 500 IT companies and get the maximum number to locate in Andhra Pradesh. It will aim to attract a large number of companies to invest in the State by 2000. The promotion campaign will comprise three initiatives. First, the State will develop a specific programme aimed at top global companies. This will consist of targeted promotions in Silicon Valley and Europe. Second, the State will develop alliances with targeted countries such as Japan, Singapore and Germany to encourage companies in these countries to set up IT centres in Hyderabad, Tirupati or Visakhapatnam with dedicated links to their IT hubs. Third, the State will promote the use of venture capital to make Hyderabad the hub of new start-ups. This will include launching its own venture capital funds and attracting key global venture capitalists to develop Andhra Pradesh - focussed funds.

## **PHARMACEUTICALS & BIOTECHNOLOGY:**

Andhra Pradesh has a dominant position in the Indian Pharmaceuticals industry. Roughly one-third of the country's bulk drugs is produced in and around Hyderabad. Andhra Pradesh's pharmaceuticals sector is well known internationally for its skill in chemical synthesis and process engineering, and its name in the market. The State can capitalise on these strengths-acting quickly in the windows of opportunity provided by regulatory change-to build a strong, globally competitive pharmaceuticals industry.

By 2020, a large part of India's pharmaceuticals activity (manufacturing of bulk drugs, intermediates, and formulations, as well as research and development) will be based in Andhra Pradesh. The State will be the preferred location for investment in pharmaceuticals, for Indian as well as multinational companies. It will also be a centre for pharmaceuticals and health care education and research, and will be known for



- Indian and India-based companies will build strong positions in the domestic formulations and the international generics market. They will also strengthen, their R&D effort to conduct basic research and undertake the development of new molecules.
- Andhra Pradesh will use the opportunities to unleash the rapid growth of its pharmaceuticals sector by moving quickly to
  1. Building the requisite infrastructure (such as Bulk Drug Estates and Exports Promotion Zones for formulations) to attract international and domestic players.
  2. Create favourable policy and simplify procedures to make it easy to operate in the State.
  3. Create, or facilitate the creation of , specialised educational and research facilities.

## **BUILDING INFRASTRUCTURE FACILITIES**

To make Andhra Pradesh one of India's key pharmaceuticals and health care centres in India, the State will undertake specific initiatives to set up the requisite infrastructure.

To facilitate the manufacture of bulk drugs, a large scale drug estate will be set up close to the coast. The estate will have common integrated facilities for effluent treatment, waste disposal, etc. and a pipeline of at least 200 metres running into the sea to dispose of treated waste. It will be connected by a highway to the nearest airport/port and Hyderabad. The estate will also be provided with tele-communications infrastructure, including dedicated links to Hyderabad, assured water and power supply, and air travel facilities between Hyderabad and the nearest city.

The State will also set up two formulations parks, one close to Hyd, and the other an Exports Processing zone possibly close to the bulk drugs estate. These parks will also be provided with assured power and water supply, good roads and telecommunications facilities. The EPZ will be connected to the nearest airport/port by a highway and will share the bulk drugs estate's air travel infrastructure. Both the bulk drug estate and the EPZ will be provided with local townships complete with housing and amenities such as hospitals and schools.



## **CREATING SPECIALISED EDUCATIONAL AND RESEARCH FACILITIES:**

To develop a knowledge and information-intensive sector such as pharmaceuticals, knowledge-building institutions are critical. In fact, a key reason for the mushrooming of the bulk drugs industry around Hyderabad has been the presence of government-owned research institutions such as the Centre for Cellular and Molecular Biology (CCMB) and the Indian Institute of Chemical Technology (IICT), as well as the research base of Indian Drugs and Pharmaceuticals Ltd (IDPL). This has helped Hyderabad develop world-class process engineering skills. However, to develop and sustain the pharmaceuticals sector in Andhra Pradesh long term, substantially higher investments in skill-building and knowledge building are required. The State will need to facilitate the development of institutions providing specialised education in pharmacy, pharmacology, biotechnology and medicine.

Andhra Pradesh's knowledge Corridor with three distinct zones, one of which revolves around Medical Sciences and Biotechnology. This zone will have a University of Medical Sciences/Life Sciences to spearhead research in bio-technology, pharmaceuticals, and disease prevention and cure. Linked to this university will be hospitals, focussed on areas like cancer treatment or cardiovascular diseases, and research institutes, focussed on areas like tropical diseases. Apart from providing specialised medical services, these institutions will also provide opportunities for clinical drug testing, drug development, and so on. The State Government will take the lead in setting up educational and research institutes to further development of areas like alternative medicine (homeopathy, ayurveda) where the private sector may not be willing to make substantial investments.

## **MINING ACTIVITY:**

Andhra Pradesh has huge reserves of key minerals such as coal, limestone, granite, bauxite and barytes. In fact, the State is estimated to have a third of India's total mineral wealth. Andhra Pradesh is the only southern state with coal deposits and has 20 percent of India's limestone reserves and 27 percent of its bauxite reserves. The world's best granite, Black Galaxy, is found only in Andhra Pradesh.

By 2020, Andhra Pradesh will have a strong mining sector, growing at 10-12 per cent a year. The State will have a strong mineral-based industries like cement, alumina and granite and healthy, growing exports of minerals like granite. 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 utilised in an environmentally and socially sustainable manner.

- To achieve this vision, the State will implement the following programme.

### **Focussing on developing select, high potential minerals :**

Today, Andhra Pradesh's mineral wealth is largely untapped. Though it ranks second in reserves, the State ranks only fifth in mineral production in India. Annual coal production is an almost negligible proportion of reserves (0.3 percent) . The State produces only 14 percent of India's lime stone though it has 20 per cent of its reserves, it does not mine bauxite at all, though it has 27 per cent of India's reserves.

Accordingly, the State will focus on developing three or four key minerals, coal, granite, limestone and bauxite. These minerals have a tremendous potential to create economic impact either directly or through the development of downstream industries. Coal mining alone can generate incomes of about Rs.5,000 crores, while an increased supply of limestone can stimulate significant cement production. Coal, granite and limestone are the State's strong suits and Andhra Pradesh should be able to build a reasonably strong position in these industries. In the case of bauxite, However, almost all deposits are to be found in the tribal areas of the state and the law prohibits the exploitation of any resource located in tribal areas except by the Government or tribals themselves.

Apart from developing the four minerals listed above, the State will actively encourage exploration and prospecting in beach sands for gold, diamonds, and natural gas continuous exploration and prospecting is necessary to ensure that Andhra Pradesh has enough reserves to develop over the long term.

### **AGRO-INDUSTRIES:**

Andhra Pradesh can capitalise on its agricultural advantages to further develop its agro-industries using raw materials such as cotton, sugar, tobacco, chillies etc Further more, agro-industry can create considerable economic impact through value addition, higher export earnings, and high employment, especially in rural areas.

### **GARMENTS & LEATHER PRODUCTS:**

Andhra Pradesh will initially focus on developing the garments and leather products industries for four reasons: the large international market for these

products. India's well-established and growing international presence in garments and leather products; the phasing out of quotas imposed by the Multi-Fiber Agreement, and the highly labour intensive nature of these activities.

Garments and leather products are the highest value added segments of the textile and leather value chains. Much more income can be generated through the export of garments than the export of cotton, yarn or fabric and through the export of leather products than that of leather.

## **BUILDING A WORLD CLASS EXPORTS PROCESSING ZONES**

Exports of garments and leather products from Andhra Pradesh will be promoted by building world class Exports Processing Zones (EPZs). Critical factors in the success of these EPZs will be an advantageous location, the provision of essential facilities such as well-developed infrastructure, conducive policy, a good physical environment and support services, and training research and skill-building mechanisms, and most importantly, focused intensive marketing to attract investment in the EPZs. Since developing the EPZs will require investment of a level beyond the means of industry today, the initial investments will have to be made by the Government. However, the Government will actively involve the private sector in building infrastructure services, and in the management of the EPZs.

### **An Advantageous location:**

Andhra Pradesh will set up, develop and promote two EPZs, one near Secunderabad for garments and one towards the southern border, close to a port, for both garments and leather products. The Secunderabad EPZ will be the Apparel Export Park (AEP) situated 18KM from Secunderabad railway station and 3 KM from National Highway-7. Already under development, the AEP offers several advantages. It is close to an international airport, Hyderabad, making it easily accessible to international buyers, experts and investors. It is also close to an existing garments industry base (at Hyderabad and Secunderabad) and hence skilled labour will be available in plenty.

The park will bring about the consolidation of a large number of small-scale garment making units in and around Hyderabad and other parts of the State and country. It will also have skill-building institutions such as the Apparel Design Training Centre and the National Institute of Fashion Technology. It will be provided with the entire range of basic and social infrastructure required for successful operation. This will

include assured power supply, adequate water supply, good roads, warehousing, truck terminals, banks, shopping complexes, training institutions, creches, and so on.

## **DYNAMIC SMALL SCALE INDUSTRIES-VISION 2020**

### **Introduction:**

Andhra Pradesh has embarked up on a Mission, which is, to be at the forefront of industrial development in the country by the year 2020. The Government is conscious that fulfilling this Mission needs not only ideas and dreams but also a lot of hard, realistic planning guided by well spelt out policy directions.

In 1995, the Government enunciated its Industrial Policy-"Target-2000" which set the tone for adopting a new approach to industrial development in the liberalised economy. One of the objectives of this New Industrial policy has been to promote the growth of small scale and cottage industries to help the small entrepreneurs.

The State today has nearly 2,30,000 Small and Tiny industries established in the State. The contribution of the Small Scale Sector to the State's economy cannot be under estimated. Employing a work force of over 22 lakhs, the sector contributes about Rs.4800 Cr. to the NSDP and accounts for roughly 35-40% of the State's export. The potential of the Sector to utilise locally available resources, skills and entrepreneurial ability is of enormous importance for a State faced with the daunting task of removing regional imbalances through dispersal of economic activity and of providing employment opportunities. Added to this, the low operational costs and flexibility of adopting production process suited to differing requirements, make the sector well suited to the capabilities of small entrepreneurs.

The sector has, however, been beset with several difficulties. While infrastructural and resources centred bottlenecks are common with large and medium industries, the SSI sector today faces certain peculiar problems like lack of access to credit, marketing problems, complying with cumbersome procedures, harassment by inspecting Governmental functionaries, technological obsolescence, rigid labour laws impeding operational flexibility etc. These unique problems require special solutions. They therefore call for adoption of specific and will thought out strategies to meet the needs of the Small Scale Industry. The policy of State Government aims to create a congenial atmosphere conducive to the healthy growth of Small Scale Industries.

### **Dynamic Small Scale Industries:**

Many growth engines selected for focused development, e.g. construction and



pharmaceuticals, will give rise to many opportunities for small-scale industries. The sector will thus be a major focus in the strategy to create rapid growth in the state.

By 2020, Andhra Pradesh will have many dynamic and profitable small-scale industries. Propelled by technological development and capability building, small scale units will flourish all over the state. The proliferation of these industries will provide many opportunities for entrepreneurship and employment, leading to a significant rise in income for the State's people.

The approach to developing small scale industries will focus on :

- Building skills and promoting technological development.
- Providing infrastructure and credit.
- Reforming policy and simplifying procedure.
- Providing assistance with marketing.
- Encouraging the development of special categories of entrepreneurs ( women, scheduled castes and tribes, backward classes etc.).

## **Building, Skills and promoting Technological Developments**

**Building Skills:** To meet the growing need for skilled manpower in the sector the State will invest, as well as attract private investment, in vocational education and training by increasing the number of Industrial Training Institutes, Polytechnics, engineering colleges, and other skill-building institutions.

The focus will be on ensuring that training in these institutions is oriented towards the needs of industry. This will be achieved in many ways. Advisory Committees with representation from industry will be set up to advice on curricula, equipment, on-the-job training and campus recruitment. Practising entrepreneurs will be invited to teach or take some classes in training institutions. Finally, students will receive practical training in local industries.

Land will be allotted in every industrial estate for training institutes for training of workers and for up-gradation of their skills and for training of SSI entrepreneurs, SSI Associations / NGOs will be actively associated in this training.

Government of India will be addressed to amend the Apprenticeship Act to make the apprenticeship training concurrent with the formal training at the Industrial Training Institute and provide for Joint evaluation of the performance of the candidate both at the Institute and the factory by the Head of the training Institute and of the



factory to which he is attached for apprenticeship. This will make the candidate take the apprenticeship training seriously and also make the training more practical oriented. The vocational training methods adopted in Germany will be examined and adopted in the State if found suitable.

## Promoting Technological Developments:

The State Government will take an active role in promoting technological development in the small scale sector. The small scale units can aim at global competitiveness by acquiring ISO 9000 certification. The cost of acquiring such certification is about Rs 2 to 3 lakhs at present. The Government of India gives 75% of the cost of acquiring the certificate as a subsidy, limited to a ceiling of Rs.75,000 for the first 100 units throughout the country. The State Government has introduced a scheme to subsidise an additional 25% of such cost, limited to a ceiling of Rs 25,000 per unit for all those units which are located in Andhra Pradesh. In order to encourage the small scale industry to improve productivity levels, annual awards have been instituted by the State Government for SSI units which achieve high levels of productivity, quality in products.

To become globally competitive, the small-scale sector will have to invest in modernising and upgrading its technologies. This will be achieved through collaboration with research institutes, setting up a technology exchange and setting up a technology development and modernisation fund.

- **Collaboration with Research Institutes:** Small Scale Industries will interact closely, with research institutes such as the Indian Institute of Chemical Technology, the Centre for Cellular and Molecular Biology, and the Institute of Tool Design, to upgrade their technology through the latest advances in knowledge in their segment since transfer to small units is currently restricted by the 24 percent limit on equity participation by large units, the State will lobby the Government of India to increase this limit to at least 49 per cent.
- **Technology Exchange:** The Andhra Pradesh Technology Development Corporation will set up a technology exchange to provide information to small entrepreneurs about the latest technological developments worldwide, including the scope for Technology transfer. The exchange will operate in close association with industry associates such as the Confederation of Indian Industry, consultants and international organisations such as the world Assembly of Small and Medium Enterprises. The SSI units will be assisted through suitable software

packages to adopt information technology to enhance their competitiveness.

- **Technologies Development and Modernisation Fund:** The Small Industries development Bank of India set up this fund in 1995. So far, small-scale industries in Andhra Pradesh have received Rs. 1.5 crore through this fund. Going forward, it will be given wide publicity to encourage more small-scale units to make use of this mechanism for securing funds.

## PROVIDING INFRASTRUCTURE AND CREDIT:

As in most other sectors, small-scale industry will need both basic and specialised infrastructure to achieve the growth envisaged. The initiatives to promote growth engines such as garments, knowledge-based services, and information technology will also benefit this sector. Thus, the theme parks, such as the Apparel Exports Park and Biotechnology Park will provide infrastructure and infrastructure services to small scale industries situated in these parks, through their own or private investment. Providing captive mini power plants, industrial water supply, roads, street-lighting, sanitation etc., will be an integral part of this approach. Similarly, the provision of infrastructure, such as international airports, ports, warehouses, cold storage chains, cargo-handling facilities and container services, will help to boost exports in the small scale sector.

The Government will also encourage the setting up of private industrial estates to introduce competition in the provision of infrastructure services. Special facilities, such as clearances from the Pollution Control Board, Municipalities, the State Electricity Board, etc., will also be provided to these private estates.

A major impediment to the growth of small-scale industries is their lack of access to institutional credit. Faced with tighter capital adequacy norms and pressure to improve profitability, commercial banks are reluctant to lend to this sector and try to hedge their risk by insisting on collateral to fully cover loans. Furthermore, there are long delays in sanctioning loans. The share of tiny and cottage industries of the overall advances by the Commercial Banks should be increased from the present level of 2.6% (as per survey of January, 1998 of RBI in Andhra Pradesh) to atleast 40% through simplification procedures, lowering of interest rates, more flexible norms for assessment of their credit requirements and repayment schedules, and for advancing composite loans upto Rs. 10 lakhs ( covering tiny and cottage industries).

The State Government will actively work with the Reserve Bank of India to ensure

that small scale units get adequate and timely credit. The government will also ensure that the specific needs of this sector are met. This include ensuring credit for the tiny and cottage industries sector and providing mechanisms for the meeting of dues to small scale suppliers from defaulting large and medium units.

A Collateral Reserve Fund should be created and administered by SIDBI to provide support to first generation entrepreneurs who do not have collateral securities to offer. Collateral for loans should not be insisted for loans upto Rs. 1. lakh as against the present limit of Rs. 50,000.

SIDBI should be given access to low cost funds so as to lower interest rates on refinance to banks for loaning to tiny and cottage industries, for infrastructure schemes for SSI clusters, and for modernisation schemes for SSI units.

More SSI bank-branches should be set up with staff specially trained in and motivated for SSI lending so as to cover every district and more than one branch in those districts where the number of SSI units exceeds 1000.

The RBI should set up independent Grievances Redressal Tribunals in each State which will hear grievances of the SSI entrepreneurs against SFC and commercial banks and issue directions to resolve the problems after given a hearing to all the parties concerned.

Debt Recovery Tribunals should be set up in each state. The small scale entrepreneurs, who have defaulted to a bank, should be given adequate opportunity to explain their case before the Tribunals.

A credit rating schemes for SSIs should be introduced by banks with special benefits for SSI units who have good track record in repayment of loans by way of lower interest rates, ad hoc credit limits, lower margins etc.

In order to ensure the continuous flow of institutional credit to the small industries sector, effective monitoring will be done of recoveries of loans advanced by commercial banks under any welfare scheme or programme such as PMRY and the like which are sponsored by the State or Central Government, applying the Revenue Recovery Act where necessary.

## REFORMING POLICY AND SIMPLIFYING PROCEDURE:

### Reforming Policy:

The two major areas of reform would be fiscal concessions and labour law.

- **Fiscal Concession:**

In 1996, liberal fiscal concessions were provided to all new industries, large, medium or small. As a result, older units are finding it hard to compete with newer ones and becoming sick. Moreover, these fiscal concessions are being misused in several ways. For instance, a unit coming to the end of a tax holiday period is declared sick and closed down. The same entrepreneur then registers a new unit merely to get the tax concession once again. Such fiscal incentives also lead to un-healthy competition between states, which offer all kinds of concessions, justifiable or not, to attract investment in their state.

The Government will revise its policy to remove these anomalies. In addition, to improve the competitiveness of the small scale industries, a dialogue will be initiated with the neighbouring States to adopt a uniform policy as regards fiscal incentives so that, henceforth, investments are made on the basis of economic rather than fiscal considerations and the unhealthy competition amongst states to attract industries through fiscal incentives is curbed.

The Government propose to review the Sales Tax rates in the State to bring about rationalization and harmonization keeping in view the tax rates in the neighbouring States. This will improve the competitiveness of the industries located in the State and at the same time ensure better tax collection through higher compliance. VAT will be introduced in a phased manner and the tax collection system simplified.

The Government will adopt a strategy to provide non-fiscal rather than fiscal incentives to new industries, particularly by way of improved infrastructure in industrial estates at reasonable cost. Towards this goal, the Government will henceforth release investment subsidies under the existing State Incentive Scheme in respect of SSI units, which are set up in APIIC's industrial estates, directly to APIIC towards adjustment against the payments due from the SSI unit owners for the cost of the developed plots 80% of the subsidy will be released on the basis of the project cost to APIIC in advance without waiting for the unit to go into commercial production. Priority will be given for the release of such amounts to APIIC out of the budgetary outlay available each year



After the unit goes into commercial production, Commissioner of Industries will scrutinise the incentive proposals as usual and release the balance 20% subsidy to APIIC. The APIIC will transfer the title of the plot to the entrepreneur only after five years from the date the unit goes into commercial production. In case the units does not go into commercial production, the APIIC will return the subsidy amount to Commissioner, Industries. This procedure for releasing subsidies will be extended to private industrial estates also.

- **Labour Law:** The strength of small scale units lies in their flexibility in production. The multiple labour laws, however, sometimes restrict this flexibility. These different laws need to be revised and combined into a single legislation. The State Government has already set up an Industrial Commission to study and recommend the consolidation of these laws and will pursue this issue with the Centre.

## **SIMPLIFYING PROCEDURES:**

As for most industry in India, the setting up and operation of small scale industries is severely hampered by the tangled web of procedures to be followed and clearances to be obtained. For small scale industries, the most problematic procedures are the multiple registrations, certifications, and inspections required.

Some action has already been taken up to address these issues. The Central Documentation and Clearances Centre (CDCC), set up in the Commissionerate of Industries, helps entrepreneurs obtain all the necessary clearances with in a specific time and attach an escort officer to every project to follow up with Government departments. A voice-mail system has also been installed through which entrepreneurs can get information about the state of their applications. In addition, the Commissioner of Industries will also work to simplify and consolidate procedures.

To rationalise inspection processes, the Government will allow accredited private agencies with a credible track record to under take inspections and issue certificates.

The procedure for registration of an SSI unit by the DIC will be simplified. A single point registration and a common registration number to be adopted by all concerned departments for a unit will be instituted.



Government will take measures to eliminate harassment of small scale entrepreneurs due to frequent and un-scheduled inspections by Government officials. Statutory inspections will be carried out henceforth only once in a year as per a schedule of inspections to be fixed and announced in advance by the inspecting department. Inspections, other than such annual statutory inspections will be permitted only in the case of written, signed and verifiable complaints of violation of any rule or regulation by a unit. Surprise inspections will be permitted only by an officer not below the rank of an Assistant director or an officer of equivalent post with the prior authorisation of either the Head of the Department or the Regional or Zonal Officer in case there is sufficient reason to believe that the unit has violated any rule or regulation and the reasons are recorded in writing by such authorising agencies. The Heads of Department will monitor the conduct of the surprise inspections by the departmental staff and shall ensure that there is no harassment.

A complaint cell will be set up in the office of the Chief Minister and of Minister (SSI), to receive complaints from office bearers of registered SSI Associations against any government official indulging in unwarranted harassment of an SSI entrepreneur.

## **PROVIDING ASSISTANCE WITH MARKETING:**

Small-scale units also need assistance in marketing themselves and their products. The Government will provide this assistance indirectly by providing supporting infrastructure and opportunities for trade exchanges.

The Government will set up permanent exhibition-convention centres in district head quarters and large industrial towns. While the Government will invest in the construction of these centres, their management will be handed over to associations of small-scale units or professional agencies.

In addition, the Government will set up an International Trade Fair and a large Convention Hall in Hyderabad. This centre will organise international exhibitions, fairs and conferences to help local industries market their products in international markets. The Government will also help small-scale units participate in foreign exhibitions and organise visits of foreign trade and industry delegations to Andhra Pradesh.

Furthermore, to encourage ancillarisation by large manufacturing units, the Government will organise vendor development programmes in major cities of the State. The State Government will also bring large, medium and small companies together on a common platform through the "Linkage" programme to identify areas of common

interest and to forge linkages through sub-contracting and ancillarisation, so that the advantages enjoyed by the small units in production such as lower overheads, flexibility in production, ability to take small orders etc can be combined with the marketing strengths of the large units with their adherence to quality standards, capacity to take large orders etc, for mutual benefit of both. The State Government will also persuade the Industry Associations to set up sub-contracting exchanges.

The Government will encourage development of SSIs through a cluster approach so as to facilitate implementation of development programme and marketing of the products of these clusters easier.

## **ENCOURAGING THE DEVELOPMENT OF SPECIAL CATEGORIES OF ENTREPRENEURS**

In keeping with the general policy towards the development of the small scale sector, entrepreneurship amongst women, BCs, SCs and STs will be encouraged through several ways.

First, emphasis will be placed on identifying industrial activity suitable to areas in which disadvantaged groups live, and to the creation of infrastructure, augmentation of credit, and capability building, for these groups. This will include helping them to acquire technical and managerial skills through training programmes. To ensure access to credit, the State Government will encourage the setting up of local area banks and exclusive banks for women. Second, entrepreneurs from disadvantaged groups will be offered special fiscal concessions such as enhanced tax limits.

The State Government is supporting the initiative of the Association of Lady Entrepreneurs of Andhra Pradesh to set up a premier institute for entrepreneurial development in Hyderabad, particularly for small entrepreneurs, in collaboration with the Entrepreneurship Development Institute of India, Ahmedabad.

This integrated approach will bring the resurgence of small-scale industry in Andhra Pradesh, fostering economic growth and bringing prosperity to all groups and regions of the State.

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