

## **DIRECTORATE OF INDUSTRIES**

### **NOTE ON ANNUAL PLAN FOR THE YEAR 2016-17**

#### **Organization setup of the Department**

The Department is headed by Principal Secretary at Secretariat level and Director as Head of the Department. The Director is assisted by Assisted by an Additional Director, 5- Joint Directors, 7- Deputy Directors, 8- Assistant Directors, 9- Industrial Promotion Officers, 1- Accounts Officer and 1-Assistant Accounts Officer in addition to the Ministerial Staff.

The organization set up at district level consists of a General Manager in the Cadre of Joint Director, assisted by 1 or 2 Dy. Directors, 2 or 3 Assistant Directors and 10-12 Industrial Promotion officers with supporting ministerial staff in each District.

#### **Functions of the Department**

- 1) Providing assistance and guidance to entrepreneurs for promotion and establishment industrial units.
- 2) Assistance for arranging industrial approvals and clearances from various departments /agencies
- 3) Providing MSME / Udog Aadhar online registrations
- 4) Sanction of incentives to eligible industries
- 5) Creating transparent, congenial, hassle- free and business friendly environment for attracting more investment for accelerated growth of industrial sector in the State
- 6) Arranging for allotment of scare raw materials like Coal /Molasses /Rectified Spirit (RS) / DS to industrial units
- 7) Assistance in sanction of loans from Banks to educated unemployed youth under Prime Minister Employment Generation Scheme (Self employment scheme)
- 8) To provide marketing assistance to local industrial units.
- 9) To Rehabilitate Sick Industrial units
- 10)To settle disputes arising due to non–receipt of payment for the goods supplied by the local MSME suppliers from PSUs / Private companies through the Industrial Facilitation Council.

## **The Government of Andhra Pradesh is implementing the following Industrial Policies**

- 1. Industrial Development Policy (IDP) 2015-2020**
- 2. Automobile & Automobile Components Policy 2015-2020**
- 3. Textile & Apparel Policy 2015-2020**
- 4. Biotechnology Policy 2015-2020**
- 5. MSME Policy 2015-202.**
- 6. Aerospace & Defence Manufacturing Policy 2015-2020**
- 7. AP Food Processing Policy 2015-20**

The Government of Andhra Pradesh is offering the following broad category of incentives to Industries under different sector policies

- ✓ Investment subsidy for different categories and sectors
- ✓ Reimbursement of VAT/CST/SGST
- ✓ Reimbursement of Power consumption Charges
- ✓ Reimbursement of Interest subsidy
- ✓ 100% Stamp duty and transfer duty paid by the industry on purchase of land/shed/building meant for industrial use will be reimbursed.
- ✓ 100% Stamp duty for Lease of Land/Shed/ Buildings and also mortgages and hypothecations deeds will be reimbursed.
- ✓ 25% of land cost in IE/IDA/IPs limited to Rs.10.00 Lakh will be reimbursed to the industrial enterprises located at Industrial Estates/Industrial Parks for General Category. In case of BC & SC/ST Enterprises, reimbursement will be 50 % limited to Rs.20.00 Lakh.
- ✓ 25% Land conversion charges from agriculture use to industrial use, limited to Rs.10.00 Lakh will be reimbursed to Micro, Small and Medium Enterprises.
- ✓ Reimbursement of land cost in IE/IDA/IP's
- ✓ Reimbursement of land conversion Charges
- ✓ Seed Capital Assistance
- ✓ Reimbursement of expenses incurred for quality certification/patent registration
- ✓ Incentives for Swachh Andhra
- ✓ Reimbursement of cost involved in skill upgradation and training
- ✓ Financial Assistance for setting up of Training institution for Apparel and textile designing

- ✓ Marketing incentives for Aerospace & Defence and Automobile & Auto components and to Industrial Associations
- ✓ Reimbursement of Transportation charges
- ✓ Special Incentives for Biotechnology Units for R&D.
- ✓ Setting up of Industrial Parks
- ✓ Mega Life Science Park at Visakhapatnam
- ✓ Special incentives for SC/ST/BC/Women entrepreneurs

### **Industrial corridor**

The Department of Industrial Policy and Promotion (DIPP) Government of India, **under the programme of promotion of Industrial corridors, have taken** Chennai –Benguluru –Mumbai Industrial corridor. The DIPP and the Japan International Cooperation Agency (JICA) are currently preparing a comprehensive plan for the Chennai –Benguluru Industrial corridor . The corridor will be passing through the states of Tamilnadu, Andhra Pradesh and Karnataka. The proposed Industrial corridor will impact in the rapid development of the industry in southern parts of the State. Krishnaptntam port has been included as one of the Node in the Industrial Corridor. The project promote number of industries and create a great impact on the overall economic development of the region covering the districts of Nellore, Chittor and Anantapuram.

## **A. STATE PLAN SCHEMES :**

### **1. Grants from State Government to MSME units for (ISO –9000) / BIS Quality Certification: (2851-102-11-45) :**

The scheme aims to encourage MSME units to acquire quality certification. Rs.0.50 lakh has been provided in Budget Estimates 2016-17. This scheme will enable MSMEs to manufacture quality products and compete with Multi National Companies.

### **2. Technology Development Fund: (2851-102-11-46) :**

Opportunity is created for MSMEs to identify, source and adopt state-of-art technologies. This scheme aims at special emphasis on technology upgradation and modernization in MSME sector to compete with other sectors in production of goods. Rs.2.50 lakh has been provided in the Budget Estimates 2016-17. This scheme will enable MSMEs to produce quality and cost effective products.

### **3. Awards to MSME (SSI) for Productivity, Innovation & Safety: (2851-102-11-49)**

Recognizing the efforts in productivity, innovation and safety, MSMEs are awarded– “Pearls of Andhra Pradesh” at Districts and State level. Rs.44.00 lakh has been provided in the Budget Estimates 2016-17 This scheme will enable MSME units to market their products and will encourage competitiveness among the entrepreneurs.

### **4. Reconstruction of DIC Buildings (Strengthening of DICs): (2851-102-11-52)**

All the DIC Buildings are in dilapidated condition as they were constructed more than 25 years back and they need major repair / new construction and maintenance works. Rs.900.00 lakhs has been provided in the Budget Estimates 2016-17. Good ambiance and work environment will improve the deliverables to the entrepreneurs.

### **5. Incentives for SC Entrepreneurs for Industrial Promotion : (2851-00-789-11-17) :**

This Scheme has been provided under Special Component Plan for Scheduled Castes in the State Development Plan for Incentives to SC Entrepreneurs. An amount of Rs.16500.00 lakhs has been provided in the Budget Estimates for the financial year 2016-17.

## **6. Development of Clusters in Tiny Sector : (2851-800-11-09)**

Facilitate in creation of state-of-art infrastructure facilities and common facility centres (CFC) in the clusters will enable Micro, Small and Medium enterprises to improve productivity, quality and strength to negotiate in purchase of raw-materials and marketing. An amount of Rs.1.00 lakhs has been provided in the Budget Estimates for the year 2016-17. All-round socio-economic development in all the regions of the State will be achieved.

## **7 Rejuvenation of Micro Small and Medium Enterprises (MSMEs) : (2851-00-800-11-15) :**

This scheme is Rejuvenation of Micro Small and Medium Enterprises (MSMEs) for extension of Incentives to General Category it includes, Investment Subsidy, , Reimbursement of VAT/CST/GST, Sales Tax, Stamp Duty, Power Cost, Pavala Vaddi. An amount of Rs.2500.00 lakhs has been provided in the Budget Estimates for the year 2016-17. All-round socio-economic development in all the regions of the State will be achieved.

## **B. INDUSTRIES (Other than MSME ) SCHEMES:**

### **1. Automation & Modernization of Commissionerate of Industries and District Industries Centres (2852-80-001-11-07):**

Services extended to the industries are to be made transparent, quick and industrial friendly by adopting to computerization and automation of Central Office and District Industries Centres. Rs.320.00 lakhs has been provided in the Budget Estimates for the year 2016-17. This will facilitate ease of doing business in the State and will increase the service level and enable faster industrialization of the State.

### **2. Incentives for Industrial Promotion - for SC Entrepreneurs under SCP (2852-80-789-11-04):**

This Scheme has been provided under Special Component Plan for Scheduled Castes in the State Development Plan for Incentives to SC Entrepreneurs. An amount of Rs. 1640.00 lakhs has been provided in the Budget Estimates for the financial year 2016-17. The Budget Provision for utilization of Margin Money Scheme, EDP, Professional Certificate Courses, AP Credit Guarantee Trust Funds, Capacity building for supply diversity programme, Capacity building for contract development programme for Sc Entrepreneurs.

**3. Incentives for Industrial Promotion - for ST Entrepreneurs under TSP (2852-80-796-11-04) :**

This Scheme has been provided under Tribal Sub Plan for Scheduled Caster in the State Development Plan for Incentives to ST Entrepreneurs. An amount of Rs. 1800.00 lakhs has been provided in the Budget Estimates for the financial year 2016-17. The Budget Provision for all Industrial Incentives, utilization of Margin Money Scheme, EDP, Professional Certificate Courses, AP Credit Guarantee Trust Funds, Capacity building for supply diversity programme, Capacity building for contract development programme for ST Entrepreneurs

**4. Incentives for Industrial Promotion (Publication, Advertisements, Sales and Publicity expenses, EDPs and Incentives ): (2852-80-800-11-04)**

In the changing Industrial scenario and advancement of the technologies, there is need for the special thrust to promote enterprises in the state. The new technologies and manufacturing processes, new procedures and implementation process are now simplified. In the rapid change of the system, there is a need for campaigning the policies of Government, conducting seminars, symposiums and road shows in the State as well as outside the state to attract the investors. In order to show-case the strength and potential of Andhra Pradesh, lot of publicity and awareness is required. The publicity material like brochures, booklets, leaflets pop-ups, films etc. are need to be prepared.

An amount of Rs.1000.00 lakhs has been provided towards Publication. An amount of Rs.2500.00 lakhs has been provided for Advertisements, Sales and Publicity expenses, conducting industries promotional events Industrial Summit to be held during January / February 2016 and Road shows, Symposia to promote Andhra Pradesh as a Sun-rise State and also for participation in Domestic and International Events for attracting the investment into the State Rs.1000.00 lakhs has been provided towards Professional Services for engaging Professionals / Professional Agencies for formulating a Policy – IIPP 2015-20 and engaging the Professionals for Industrial Promotion.

An amount of Rs.27291.50 lakhs has been provided under Grants-in-aid and Other Grants-in-aid. for extension of Incentives to General Category it includes,

Investment Subsidy, , Reimbursement of VAT/CST/GST, Sales Tax, Stamp Duty, Power Cost etc.

### **C. OTHER INDUSTRIES:**

#### **1. Land Acquisition for Government of India Undertaking : (2875-60-190-11-08)**

This Scheme envisages providing assistance to Public Sector and other undertakings under State Development Plan for land acquisition for Government of India Undertakings with a provision of Rs.0.50 lakh in the Budget Estimates 2016-17.

#### **2. Administration of Export Promotion Schemes : (3453-106-11-01)**

This Scheme for promotes Trade both National and International by participating the State in the events being conducted India Trade Promotion Organization (ITPO) every year during the month of November at Pragathi Maidan, New Delhi. The products particularly in MSME sector Self Help Groups Manufactured in the State are exposed to domestic and International Market at New Delhi during this event.

The Pravasi Bharatiya Divas is celebrated every year by Min. of Overseas, Indian Affairs, GOvt, of India to mark the contribution of Overseas Indian Community in the development of India. These conventions provide a platform to overseas Indian community to engage with the Government and people of the land of their ancestors for mutually beneficial activities.

An amount of Rs. 200.00 lakhs has been provided under this scheme for the year 2016-17

#### **3. The Vizag Chennai Industrial Corridor (VCIC) Development Programme (4875-60-800-03-06) :**

The VCIC is a key part of the planned East Economic Corridor and India's first coastal corridor and the extent of it is considered from Pydibheemavaram in Srikakulam district to Chennai in Tamilnadu.

Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Prakasam, Nellore, Chittoor Districts are Covered in zone of influence. It has influence area about 1,10,000 sq. km, (3.5% of India's area). It is estimated that it attracts Investments about Rs.1,00,000 Crores and generates employment to about 110 Lakh persons. This corridor contributes to 5% of national

GDP and has potential to increase GDP in the Corridor by 6 times.

The focus sector of Industries include Food processing, Chemical & Petroleum, Textiles, Electronics, Metallurgy, Pharmaceuticals, Automobiles & auto ancillary etc. and Service sector. The Govt. of India and the Asian Development Bank (ADB) have appointed PWC as the Consultant to prepare a comprehensive integrated master plan.

Total outlay of the project is as follows

(values in USD)

Item	ADB loan	Govt. of A.P	Total
Programme fund	500	215	715
Policy Loan	125	0	125
Total	725	215	840

An amount of Rs. 5000.00 Lakhs has been provided under this scheme for the year 2016-17.

#### **4. Venture Capital : (4875-60-800-11-05-540) :**

New Scheme included in the State Development Plan. An amount of Rs.500.00 lakhs has been provided under this Scheme during the year, 2016-17

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