

The XII Plan document of the Government of India highlighted the importance of industry sector in enhancing growth avenues and providing employment. Improving manufacturing sector is identified as the key strategy to push growth in the industry sector. A positive mindset and increased skilled labour force across industries are to play a constructive role in this growth process. The document recognised that a dynamic manufacturing ecosystem shall have certain features that enable it to grow and the critical role to be played by the industry sector in technology innovations, which are crucial for economic and social development of the country.

The Department has transformed into a technical and promotional agency for providing necessary assistance and service for establishment of Industries. Several Self Employment Schemes promoted by State and Central Governments are implemented for educated unemployed youth. Necessary technical guidance and required services are provided to other Government agencies like District Rural Development Agency, Youth Services, STEP societies, SC/ST/BC/Minorities. The department is now entrusted with the task of attracting investments (domestic and foreign) by preparing suitable policies for various sectors of the Industry and explore availability of resources, provide conducive industrial environment, increase in labour intensive industries, improve exports by providing market inputs to exporters.

The focus is on development of key sectors like Pharmaceuticals, Biotechnology, Food Processing and Agro-based, Chemicals, Leather, Textiles, precision components, Aero-space Engineering, Electronics and Semiconductors and Automobile to accelerate industrial growth in the State by creating sector specific industrial infrastructure such as Biotech Parks, Textile Parks, Leather Parks Auto Parks, Fab city and Hardware Parks.

District Industries Centres

District Industries Centres were established in 1978 to serve as nodal agencies in the District to assist

entrepreneurs for establishment of Industries. These centres provide all required approvals/ clearances for setting up Industries under Single Window. The District Industries Centres are implementing agencies of MSMED Act and issue Entrepreneur Memorandum (EM) for Micro, Small and Medium Enterprises (MSME) besides maintaining effective liaison with various financial institutions in arranging required credit facilities. The information pertaining to Industrial development of districts is maintained in these centres.

Single Window Act

Government enacted the “Industrial Single Window Clearance Act” in 2002 for speedy processing and issue of various approvals/clearances/permissions required for setting up of Industrial undertakings and also to create an investment friendly environment in the State.

98,920 clearances were issued under Single Window to 63,191 units with a proposed investment of Rs.4,55,358 Crore and an employment potential of 15,17,576 persons (as on 31-08-2012) since the commencement of the Act.

Large Scale Industries

After the introduction of Industrial Policy in 1991, Andhra Pradesh so far (up to 31.10.2012) received investment intention Industrial Entrepreneur Memorandum for 7,632 proposals with an investment of Rs. 9,10,666 crore to provide employment to 14,34,529 persons. Of this, 3,206 proposals have gone into production with an investment of Rs.84,550 crore providing employment to 5,16,403 persons. Status of implementation as on 31.10.2012 is shown in Table 6.1.

Table 6.1 : Large Scale Industries

Status	No. of Proposals	Investment proposed (Rs.Cr)	Proposed Employment
Gone into Production	3206	84550	516403
Under implementation	548	116872	141755
Initial Stages	2054	577706	474706
Dropped	1824	131538	301665
Total	7632	910666	1434529

Source: Industries Department

The details of Large & Medium industries proposals, investment and employment are given in Annexure 6.1.

Mega Projects

Projects with investment more than Rs.250 crore are called Mega Projects as per the new Industrial Promotion Policy 2010-15. As on 31-10-2012, 129 Mega Projects with an investment of Rs.55,532 crore have gone into production creating employment to 2,99,465 persons Since inception,. 134 Mega Projects with an investment of Rs.2,04,186 crore are under active implementation to provide employment to 1,47,569 persons and 391 units with an investment of Rs.4,94,043 crore are in initial stages of implementation.

Foreign Direct Investment

The State has received Rs. 31,680 crore of Foreign Direct Investment (FDI) inflows as equity as on August 2012 (since 2000). The year-wise equity flow is shown in Table 6.2.

Table 6.2 : Foreign Direct Investment Equity

Year (Jan-Dec)	Amount(Rs. Crore)
Till 1999	9613
2000-2005	2737
2006	2518
2007	3185
2008	6203
2009	5440
2010	5753
2011	4039
2012(up to Aug.12)	1805
Total	41293

Source: Industries Department

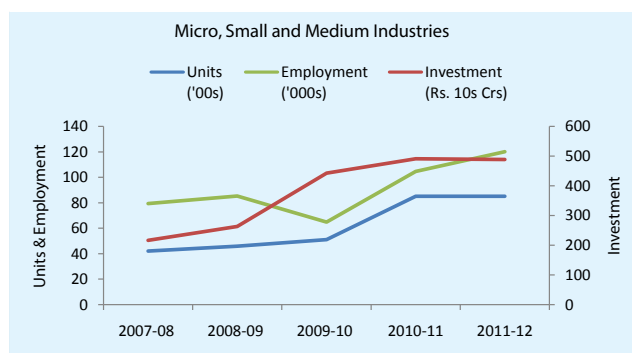
Micro, Small & Medium Enterprises:

Investment limits were enhanced with the enactment of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006. Government of India has unveiled a policy best suited for Micro and Small enterprises with the objective of achieving 15% annual growth rate, increasing employment generation, creating congenial and hassle-free environment, help SSI sector to acquire new technologies and skills, improve export performance, promote linkage between Large and Small Sector and to promote appropriate institutional mechanism to revive sick industries.

2,859 Micro, Small and Medium Enterprises were established providing employment to 52932 persons involving an investment of Rs.1554 crore during 2012-13 (as on 31-8-2012).

Details of Micro Small and Medium Industries established, investment and employment are shown in Annexure 6.1.

Chart 6.1 : Micro, Small and Medium Industries



Source: Industries Department

AP Micro, Small Medium Enterprises Facilitation Council

The Micro, Small and Medium Enterprises Development Act, 2006 was passed in 2006 for promotion, development and enhancing competitiveness of micro, small and medium enterprises (APMSE) and for matters connected therewith.

Chapter 10 of the Act specifically provides for delayed payments to Micro and Small Enterprises. The Act provides for constitution of Micro and Small Enterprises Facilitation Council by State Governments in their state for reference and redressal of recovery of due amount.

The A.P State Micro & Small Enterprises Facilitation Council is a quasi-judicial body. The Council provides

impetus towards facilitating payments to MSEs from their buyers.

The Council passed awards to 125 cases amounting to Rs.50 Crore up to Aug 2012. The period of the Council is 2 years and is extended thereafter. The period of the Council is now upto 18.5.2014

Prime Minister's Employment Generation Programme

The PMEGP is a Central Sector Scheme funded by the Ministry of Micro, Small and Medium Enterprises. The scheme is implemented by KVIC in association with KVIBs and State Governments through District Industries Centres. The subsidy component under the scheme is placed at the disposal of participating banks by the KVIC with regard to targets that will be allocated to DICs.

The scheme envisages 15% reservation for SCs, 7.5% for STs, 27% for OBCs, 5% for Minorities 1% for Ex-Servicemen, 3% for physically handicapped and 30% for Women (overall).

Objectives of the Scheme

- To generate employment opportunities in rural and urban areas through self employment ventures.
- To bring together widely disbursed traditional Artisans, Rural and Urban unemployed youth and give them self-employment opportunities preferably at their place.
- To provide continuous and sustainable employment to a large segment of traditional and prospective artisans and Rural and Urban unemployed youth in the country so as to help arrest migration of youth from Rural to Urban areas.
- To increase Wage earning capacity of Artisans and contribute to increase the growth rate of Rural and Urban employment.
- Self Help groups (including those belonging to BPL provided that they have not availed benefit under any other scheme) are also eligible for assistance under PMEGP.
- Assistance under the scheme is available only for new projects sanctioned specifically under the PMEGP.
- Beneficiary's contribution is 10% of project cost for general categories and 5% for Special Categories

(including SC/ST/OBC/Minorities /Women, Ex-servicemen, Physically handicapped, NER Hill and Border area etc.)

- Margin Money (rate of subsidy) for general categories is 15% in urban, 25 % in rural areas. For special categories, it is 25% in urban and 35% in rural areas and is a 'one time assistance'.
- Normal rate of interest shall be charged. Repayment schedule may range between 3 to 7 years.
- No Collateral security is insisted upon by Banks in line with guidelines of RBI for projects involving loan up to Rs.5.00 Lakh in respect of projects cleared by the Task Force.

Guidelines for implementation of the Scheme

- Any individual above 18 years of age is eligible to take up Business / Service / Industry venture without Income Ceiling.
- Beneficiaries should possess at least VIII standard pass educational qualification for setting up projects costing above Rs.10.00 lakh in manufacturing (Industry) sector and above Rs.5.00 lakh in Business/ Service sector.
- The maximum cost of the project / unit admissible under manufacturing (industry) is Rs.25.00/Rs.10.00 Lakh under Business/ Service sector.

The PMEGP scheme is being implemented by the Industries Department w.e.f. 2009-10 and the details are shown in Table 6.3.

Table 6.3 : Progress under PMEGP

Year	No of units grounded	Amount disbursed (Rs. in Crs.)	Employment
2009-10	702	20.98	17730
2010-11	900	23.31	14200
2011-12	769	23.18	16159
2012-13 (up to Oct.12)	270	7.78	5879

Source: Industries Department

In all, 270 projects were established under PMEGP in the State during 2012-13(up to Oct.2012) for which a total margin money of Rs.7.78 crore was released. Prakasam district with 30 projects and with margin money of Rs. 0.79 crore, tops the list in the State. The

district-wise details of PMEGP projects established and margin money released are given in Annexure 6.2.

Government of India allocated budget of Rs. 28.76 crore for the year 2012-13 for the implementation of the PMEGP, out of which 14.37 crore was already released for the 1st half year. Further, an amount of Rs. 89.90 Lakh was allocated for backward and forward linkages which includes EDPs, Awareness Camps, State level workshops, quarterly bankers review meetings, exhibitions, publicity, advertisement, and verification of PMEGP units.

Action Plan for the Year 2012-13

The 178th SLBC approved targets for the year 2012-13. The details are shown in the table 6.4.

Table 6.4 : Targets under PMEGP

Area	No. of projects	Margin money (Rs. Lakh)	Bank credit (Rs. Lakh)	Employment
DIC, Rural	625	1437.98	4443.36	5000
DIC, Urban	625	1437.98	6657.85	5000
Total	1250	2875.96	11101.21	10000

Source: Industries Department.

Rehabilitation of Sick SSI units

A.P. Small Scale Sick Industries Revival & Rehabilitation Scheme-2006 (APSSSIRRS)” was introduced in 2006 for revival of sick enterprises and prevention of incipient sickness.

- A. 6% interest subsidy will be provided to all identified /eligible sick units, subject to maximum of Rs.2.00 Lakh per year for a maximum period of three years.
- B. Sales tax will be deferred for 3 years from the date of grant of revival package. The amount so deferred will be recovered in six equal half yearly installments effective after three years tax holiday.
- C. Reimbursement of 15% of interest charged from the percentage of total interest charged to a maximum of Rs.5.00 Lakh for lumpsum payment or Rs. 3.00 Lakh per year for period of 3 years if the unit opts to pay arrears in 3 annual installments.

Industrial Incentives Industrial Investment Promotion Policy 2010-2015

Government of Andhra Pradesh announced Industrial Investment Promotion Policy 2010-2015, in the year 2010 extending various incentives for MSME and Large Industries Sectors. The Scheme covers the entire State except the Municipal Corporation limits of Vijayawada, Greater Visakhapatnam Municipal Corporation and Greater Hyderabad Municipal Corporation and excluding existing Industrial Estates/Parks, Industrial Estates notified / to be notified and commence commercial production on or after 01/07/2010 but before 31/03/2015. However, Industrial Enterprises located in Sanathnagar, Azamabad, Chandulal Baradari and Kattedan Industrial Estates of Hyderabad and Rangareddy districts are not eligible for any incentives/ concessions. Moreover, service activities set up in all Municipal Corporation limits are eligible only for investment subsidy and all other service / business activities are not eligible for any incentives set up anywhere in the State.

Projects involving substantial expansion / diversification of existing industries on eligible lines of activities are also entitled for benefits offered under the policy. Following are the incentives:

A. Micro and Small Enterprises

- a. 15% investment subsidy on fixed capital investment subject to a maximum of Rs.20.00 Lakh.
- b. 100% reimbursement of stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- c. 100% reimbursement of stamp duty for lease of Land / Shed / Buildings, mortgages and hypothecations.
- d. 25% rebate on land cost limited to Rs.10.00 Lakh in Industrial Estates and Industrial Parks.
- e. 25% land conversion charges for industrial use limited to Rs.10.00 Lakh.
- f. Fixed power cost @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for a period of 5 years from the date of commencement of commercial production. In case of decrease in Power Tariff the reimbursement will be reduced proportionately.

- g. Reimbursement of 100% VAT / CST or State Goods and Service Tax (SGST) for a period of 5 years from the date of commencement of commercial production to Micro Enterprises.
- h. Reimbursement of 50% VAT / CST or State Goods and Service Tax (SGST) for a period of 5 years from the date of commencement of commercial production to Small Enterprises.
- i. Interest subsidy under Pavala Vaddi Scheme on term loans taken on fixed capital investment by New Micro and Small Enterprises in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production.
- j. Seed capital assistance to First Generation Entrepreneurs to set-up Micro Enterprises at 10% the machinery cost, which will be deducted from eligible investment subsidy.
- k. 50% Reimbursement of cost involved in skill up-gradation and training of local manpower limited to Rs.2000 per person.
- l. 50% subsidy on expenses incurred for quality certification / patent registration limited to Rs.2.00 Lakh for MSEs.
- m. 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakh.
- n. To extend investment subsidy to identified service activities related to industries setup in all Municipal Corporation limits in the State.

B. Medium Enterprises & Large Industries

- a. 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- b. 100% reimbursement of stamp duty for lease of Land / Shed / Buildings, mortgages and hypothecations.
- c. 25% rebate on land cost limited to Rs.10.00 Lakh in Industrial Estates and Industrial Parks.
- d. 25% land conversion charges for industrial use limited to Rs.10.00 Lakh for medium enterprises.
- e. Fixed power cost at Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for a

period of 5 years from the date of commencement of commercial production. In case, of decrease in Power Tariff the reimbursement will be reduced proportionately.

- f. Reimbursement of 25% VAT / CST or State Goods and Service Tax (SGST) for a period of 5 years from the date of commencement of commercial production.
- g. 50% Reimbursement of cost involved in skill up-gradation and training of local manpower limited to Rs.2000 per person.
- h. 50% subsidy on expenses incurred for quality certification / patent registration limited to Rs.2.00 Lakh for Medium Enterprises.
- i. 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakh.
- j. Infrastructure like roads, power and water will be provided at door step of industries for standalone units by contributing 50% of the cost of infrastructure from Industrial Infrastructure Development Fund with a ceiling of Rs.1.00 crore subject to (a) the location should be beyond 10 Kms from the existing Industrial Estates / Industrial development Areas having vacant land /shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

C. Scheduled Caste / Scheduled Tribe Entrepreneurs

- a. 100% reimbursement of stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
- b. 100% reimbursement of stamp duty for lease of Land / Shed / Buildings, and also mortgages and hypothecations.
- c. 33 1/3 rebate in land cost limited to Rs.10.00 Lakh in Industrial Estates / Industrial Parks.
- d. 25% land conversion charges for the industrial use limited to Rs.10.00 Lakh.
- e. Fixed power cost at Rs.1.00 per unit (upper ceiling) on the proposed revised rates (2010-11) for a period of 5 years from the date of commencement of commercial production. In case, of decrease in Power Tariff the reimbursement will be reduced proportionately.

- f. Reimbursement of 100% VAT / CST or State Goods and Service Tax (SGST) for a period of 5 years from the date of commencement of commercial production to Micro Enterprises.
- g. Reimbursement of 50% VAT / CST or State Goods and Service Tax (SGST) for a period of 5 years from the date of commencement of commercial production to Micro Enterprises.
- h. Seed capital assistance to First Generation Entrepreneurs to set-up Micro Enterprises at 10% the Machinery cost, which will be deducted from eligible investment subsidy.
- i. 35% investment subsidy on fixed capital investment for Micro & Small Enterprises by SC and ST Entrepreneurs, with a maximum limit of Rs.50.00 Lakh per unit (i.e. 35% for SC and ST Entrepreneurs and 40% for SC Women and ST Women Entrepreneurs). Additional 5% investment subsidy for units set up in Scheduled Areas by ST Entrepreneurs with a maximum limit of Rs.50.00 Lakh per unit.
- j. Interest subsidy under Pavala Vaddi Scheme on term loan taken on fixed capital investment by New Micro and Small Enterprises in excess of 3% per annum subject to a maximum reimbursement of 9% per annum for a period of 5 years from the date of commencement of commercial production.
- k. 50% Reimbursement of cost involved in skill up-gradation and training of local manpower limited to Rs.2000 per person.
- l. 50% subsidy on expenses incurred for quality certification / patent registration limited to Rs.2.00 Lakh for MSEs.
- m. 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakh.
- n. For Micro and Small Enterprises set up by SC and ST entrepreneurs, Infrastructure like roads, power and water will be provided at doorstep of the industry for stand alone units by contributing 50% of the cost of infrastructure from IIDF on Fixed Capital Investment with a ceiling of Rs.1.00 Crore, subject to a) the location should be beyond 10 kms from the existing Industrial Estates/IDAs having vacant land/shed for allotment; and b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry. 50% of the cost of infrastructure is raised to 75% in respect of units set up by ST entrepreneurs in Scheduled areas.
- o. The line of activity considered as eligible exclusively in case of Scheduled Caste and Scheduled Tribe entrepreneurs and incentive shall be extended under service activity.

D. Women Entrepreneurs

- a. 5% Additional Investment subsidy on fixed capital investment limited to Rs.5.00 Lakh to Micro & Small Enterprises.
- b. All other benefits as stated above in respect of Micro & Small enterprises.

E. Mega Projects

- a. Mega projects i.e. projects with an investment of Rs.250 crore and above or a project that created employment for more than 2000 persons are eligible for all incentives available for Large & Medium Scale industries.
- b. Further, the Government will also extend tailor made benefits to suit to particular investment requirements on case to case basis.

Pavala Vaddi Scheme

The Government has introduced an Interest Subsidy Scheme of “Pavala Vaddi” to reduce financial burden for setting up of New Micro & Small Enterprises including Food Processing Industries in the State. The Scheme also applicable to the Term Loan availed by eligible new Micro & Small Enterprises on or after 1-7-2010. The new Micro and Small Enterprises shall commence commercial production after 1-7-2010 and before 31.3.2015. Only the new Micro and Small enterprises under IIPP-2005-10, availing term loan from scheduled commercial Banks recognized by Reserve Bank of India, APSFC and SIDBI are eligible under this scheme.

1. The reimbursable interest on term loan is that portion which is in excess of 3 % per annum, subject to a maximum reimbursement of 9% per annum.
2. The interest amount paid by new eligible Micro & Small Enterprises to financial institutions / banks on term loan availed will be reimbursed with a

maximum limit of 9 % on half yearly basis through the concerned Financial Institutions/Banks. Benefit will be available for a period of 5 years from the date of commencement of commercial production i.e. up to 1st half of 6th year or till the closure of the term loan account whichever is earlier.

3. This reimbursement to the unit shall not include penal interest, liquidated damages etc., paid to Financial Institutions/ Banks.
4. The benefit shall be extended only to eligible new units which are promptly and regularly repay principal and interest of loan installments.
5. Loan accounts classified as overdue in the books of banks at the time of half yearly closing and those which are classified as Non-performing assets at year-end closing are ineligible. However, if they resume on-time repayments and regularize arrears, they become eligible for the incentive in the next half yearly period.
6. Benefit is extended only to eligible new Micro & Small enterprises set up in the State except in the Municipal Corporation limits of Visakhapatnam, Vijayawada and Hyderabad. However, units under expansion/ diversification are not eligible for this benefit.
7. Classification of enterprises as Micro & Small enterprises shall be as per the MSMED Act, 2006.
8. All definitions and other guidelines not mentioned in the G.O. shall be followed as per the operational guidelines of IIPP-2010-15 Scheme.

Food Processing Policy of AP

The objective of the policy is to develop value added Agro Industries in Andhra Pradesh as a major vehicle of growth for its trade and economy, generate large scale employment in rural areas to provide high returns to farmers, maximize use of opportunities and potential in Agriculture and related sectors in which Andhra Pradesh has significant strength, by creating vital linkages and synergies between Agriculture and Industry. The Government has announced various incentives under Food Processing Policy of A.P including reimbursement of Power at Rs.1/- per unit exclusively to Food Processing units and other incentives will be granted as per IIPP 2010-15 Policy.

Ministry of Food Processing Industries (MOFPI) launched a new centrally sponsored scheme called National Mission on Food Processing (NMFP) to be implemented during 12th Plan by all States. A society in the name and style of “Andhra Pradesh Food Processing Society” under AP Societies & Registration Act, 2001 was created by the State Government for implementation of NMFP in the State. Secretary to Government (FP), Industries & Commerce Department was appointed by State Government as “State Mission Director” for Implementation of NMFP in the State. The following schemes will be implemented under NMFP:

- Technology Upgradation / Establishment / modernization of Food Processing Industries.
- Cold Chain, Value Addition and preservation Infrastructure for non horticultural produce.
- Human Resource Development Scheme for promotional activities

Industrial Infrastructure Development Fund

Government has introduced the Scheme of “Industrial Infrastructure Development Fund (IIDF)” for providing financial assistance to develop infrastructure facilities at the doorstep of proposed industrial estates/unit. The facilities include -

- Drinking water and Industrial Water
- Electricity
- Telecommunications
- Drainage, laying of drainage line from the unit/ industrial estate to the existing point or to the natural drainage point.
- Roads.
- Any other infrastructure facilities as approved by the Government; SLC.
- Common effluent treatment plans
- Depending on the demand for Social Infrastructure requirements, creation of such infrastructure cost may also be considered

Industries which are declared as “ineligible industries” under the Industrial Policies announced from time to time are not eligible for financial assistance from Industrial Infrastructure Development Fund. Government Estates will only be considered to have benefits of the IIDF. Industries proposed to be located in places other than

industrial areas (isolated areas) are eligible for financial assistance towards the cost of infrastructure facilities up to 50% of the cost of the project or Rs.100 Lakh which ever is less, if such a location is otherwise justified. The decision of the SLC shall be final on such eligibility. The cost of Infrastructure to be developed should not exceed more than 15% of the total project cost of the unit.

Under IIDF proposals were submitted to Government up to Oct, 2012 for a total amount of Rs. 31.26 crore till date with no releases reported for the last 2 years. Recently the government accorded administrative sanction for an amount of Rs.6.44 crore to the Commissioner of Industries, under plan scheme of Industrial Infrastructure Development Scheme from the BE provision of 2012-13 of which Rs. 4.65 crore was for General, Rs. 1.37 crore for SCs and Rs. 0.42 for STs.

Bio-technology Park

Government of Andhra Pradesh intends to provide high quality infrastructure at a reasonable cost with integrated services to Biotech manufacturing units by setting up a series of Bio-tech parks throughout the State.

The Bio-tech cluster comprises three Bio-tech parks viz., IKP Knowledge Park (IKP) erstwhile ICICI Knowledge park, Alexandria Knowledge Park earlier known as Shapoorji Pallonji Biotech Park and APIIC Biotech Park.

Integrated Infrastructural Development Centres

Integrated Infrastructural Development Centre (IIDC) is to facilitate setting up of industries in rural/backward areas and provide strong linkage between Agriculture & Industry. The cost of the Centre will be financed by the Central Government by way of grant and the balance as loan from SIDBI. The Government of India sanctioned 4 IIDCs in the State with an investment of 1449.69 Lakh. The details are shown in Table 6.5.

Table 6.5 : Sanction and Investments under IIDC

S. No.	Location of IIDC	District	Cost of Project (Rs. Lakh)
1	Vijayawada	Krishna	370.00
2	Nandyala	Kurnool	328.00
3	Tada	SPS Nellore	404.69
4	Gajularamaram,	Ranga Reddy	347.00

Source: Industries Department

INDUSTRIAL INFRASTRUCTURE

Special Economic Zones

Andhra Pradesh Industrial Infrastructure Corporation (APIIC) is the nodal agency for the Special Economic Zones in Andhra Pradesh. There are 115 SEZs approved by Government of India and out of these, 76 are notified and 28 have become operational.

Projected direct employment generation is 16,39,349 and created employment so far is 1,65,161. The projected investment is Rs. 1,05,447 crore and achievement so far is Rs. 14,267.43 crore. Details of the exports from out of SEZs are shown in Table 6.6.

Table 6.6 : Exports from SEZs

Year	Exports (Rs.Cr.)
2008-09	3021.00
2009-10	5554.00
2010-11	13334.69

Source: AP Industrial Infrastructure Corporation.

Petroleum Chemical and Petrochemical Investment Region

The Department of Chemicals & Petrochemicals, Government of India accorded approval in March 2009 for development of Petroleum Chemical and Petrochemical Investment Region (AP PCPIR) in Visakhapatnam – Kakinada Region in an extent of 603.58 Sq.Km. A Memorandum of Agreement (MOA) was signed between Government of India and Government of Andhra Pradesh on 01-10-2009. Government of Andhra Pradesh already constituted a Special Development Authority (SDA) as Visakhapatnam – Kakinada Petroleum, Chemical and Petrochemical Investment Region Special Development Authority (VKPCPIRSDA) for planned growth of the area by making a master plan, providing civil amenities etc, in the SDA area. The Master Plan is under finalisation. The State Government has sanctioned Rs.40.99 Crore for this project which will be utilized Land Acquisition for widening of state roads and providing NH connectivity.

AP Gas Infrastructure Corporation Exploration and Production Activities

Exploration & Production: APGIC won four blocks in KG Basin along with other consortium partners in NELP VIII round bidding conducted by Directorate General of Hydrocarbons. APGIC has 10% equity in all these four blocks. Out of these four blocks, three are Shallow Water Blocks and one is Deep Water Block. ONGC is the operating partner for the three Shallow Water Blocks; and British Gas is the operating partner for the Deep Water Block. 2D and 3D seismic survey capturing and analysis is being done in the three Shallow Water Blocks which are at various stages. Seismic Survey is yet to be taken up in Deep Water Block. The APGIC has to spend about US\$ 40.5 million in total on E&P activities in these four blocks towards its 10% equity holding as per Minimum Work Programme submitted to DGH. As of now, the APGIC contributed an amount of Rs. 10.55 crore for E&P activities as its share.

Progress of Upstream

KG-OSN-2009/1

- Refinement of reflection event close to Permian top using old 3D in KG-OSN-2009/1 integrating with new 3D data is in progress.
- Preparation of depth maps close to basement, Jurassic, Cretaceous levels is in progress.
- Preparation of sand shale ratio map using well data is in progress.
- Report preparation for Pre-drill EIA studies work completed.

KG-OSN-2009/2

- Preparation of depth maps close to basement, Jurassic, Cretaceous levels is in progress.
- Preparation of sand shale ratio map using well data is in progress.
- Report preparation for Pre-drill EIA studies work completed.
- To fulfill Minimum Work Program – two wells have been planned to be drilled this year and are waiting for MOD clearance to carryout soil investigation at two identified locations.

KG-OSN-2009/4

- Report preparation for Pre-drill EIA studies work completed.
- As per recent letter from DGH dated 19th September 2012 Operator (ONGC) is denied permission for any exploration activities in this block as it is falling close to DRDO launching pad. In view of this development, ONGC as operator on behalf of contractor claimed for force majeure under Article 31 of PSC.

KG-DWN-2009/4

Operator (BG) has informed that

- MOD did not clear the Block to take up E & P activities
- As per detailed studies with available material, they could not find any prospects in the block.

Andhra Pradesh Gas Distribution Corporation

Initially this Corporation was incorporated as wholly owned subsidiary of APGIC. The Government has ordered the APGIC to off-load 50% equity to GAIL Gas Limited. Accordingly, the APGIC, APGDC and GAIL Gas Limited executed a Shareholders' Agreement on 9.9.2011. At a later date, the APGIC and GAIL Gas Limited will offload 25% equity to each private participant so as to make final equity composition of APGDC as follows: APGIC – 25%; GAIL Gas Limited-25% and Private/Public participants –50%. The APGIC has in terms of Shareholders' Agreement transferred activities of CGD Networks, Trunk Pipelines etc to APGDC.

City or Local Gas distribution Networks

Petroleum and Natural Gas Regulatory Board (PNGRB) is the authority to regulate mid and downstream activities of Natural Gas. So far, authorizations of Hyderabad, Vijayawada and Kakinada Geographical areas were awarded by the Central Government/PNGRB to Bhagyanagar Gas Limited. In the fourth round bidding Rangareddy-Medak, Nalgonda and Khammam Geographical Areas were included.

The APGDC prepared a Detailed Feasibility Reports for these three Geographical Areas and was ready to participate in the bidding.

The APGDC also submitted proposals for 1) West Godavari – South of East Godavari – Krishna; 2) Visakhapatnam – North of East Godavari; 3) Srikakulam – Vizianagaram; 4) Karimnagar – Warangal; 5) Chittoor and 6) Mahaboobnagar districts PNGRB was requested to include these Geographical Areas in the 5th round bidding.

PNGRB is yet to finalize new bid parameters to authorize the entities to develop CGD network.

Trunk Pipelines

The APGDC submitted its willingness to PNGRB to execute on its own the two trunk pipelines viz., 1) Kakinada-Basudevpur-Howrah and 2) Kakinada-Vijayawada-Nellore-Chennai in case Central Government / PNGRB order it to do so. Authorization to these two trunk pipelines were actually awarded to Relog (RGTL). But as there is no progress in laying these pipelines, the APGDC submitted its willingness to lay two mini trunk pipelines from 1) Kakinada-Srikakulam and 2) Ennore-Nellore. PNGRB after hearing the version of all entities has ordered APGDC to commit in writing to take-up cross-country pipelines viz. Kakinada-Howrah and Kakinada-Chennai instead of mini trunk pipelines in case the authorization granted earlier to RELOG is cancelled. APGDC accordingly, submitted its willingness and requested PNGRB to pass orders at the earliest. Since APGDC has not received any communication from the regulator, four follow up request letter were sent. It was reported by newspapers that the Union Govt. has cancelled the authorization of the said two trunk pipelines granted earlier to RELOG.

Expression of Interest for Tumkur-Anantapur Natural Gas Pipeline is under submission to PNGRB. APGDC is proposing a dedicated pipeline to M/s Astha Power Corporation Pvt. Ltd., a gas based power plant located at IDA, Pashamylaram, Patancheru, Medak District from MLV-13 of East-West Pipeline (EWPL) at Inol.

Regional Natural Gas Pipeline Grid

Keeping in view the importance of natural gas pipeline infrastructure, the APGDC is preparing a regional gas pipeline grid to be submitted to PNGRB for its authorization with a view to connect every corner of the State so as to supply Natural Gas to all industrial, automobile and domestic users. This grid will cover all SEZs, Industrial parks, National Highways and cities.

FSRU / LNG Import Terminal

The gap between demand and supply of Natural Gas in India is substantial. Fertilizer, power, glass, ceramic and petrochemical industries in the State are starving for Natural Gas and operating at sub-optimal level. To ensure uninterrupted and sufficient quantity of Natural Gas to these industries there is every need to establish an RLNG terminal in the State. Keeping in view this, APGDC is planning to establish an RLNG terminal in the State with the support of Government of India.

Through International competitive Bidding, GDF SUEZ LNG., UK Ltd., was selected as strategic partner.

Subsequently, on 17th April, 2012, APGDC and M/s GDF SUEZ LNG UK LTD, UK., executed the Project Frame work (PFA). The Ceremony took place in the presence of Hon'ble C.M., Hon'ble Union Minister of Petroleum and Natural Gas and Mr. Philip Olivier, CEO and President - GDF SUEZ LNG UK.

To carry out the Joint Study, Joint Steering Committee and five Working Groups were constituted drawing persons from APGDC, GDF SUEZ, GAIL Gas, GAIL (India) Ltd to prepare detailed feasibility report within a period of two months. The Joint Study Agreement (JSA) was executed with GDF SUEZ LNG UK Ltd on 18th May, 2012.

MoU with M/s. KSPL is under finalization for the FSRU/LNG Project. NEERI, Nagpur was appointed as EIA Consultant for this project, Form 1 along with PFR was submitted to MoEF on August 23, 2012.

Expert Appraisal committee (EAC) of MoEF meeting was held on 21.09.2012. APGDC case was taken up for hearing as agenda no 4.47. EAC accepted the proposed TOR and agreed in principle for one season data collection.

GDF SUEZ LNG UK Ltd has completed the process of selecting Owners' Engineer for preparation of Pre-Feed and finalization of DFR. M/s WorleyParsons, was selected as OE. M/s Globocean has been selected to undertake Met Ocean Studies. On 6th Nov, 2012, MoEF issued final TOR for the APGDC FSRU project. Subsequently, APGDC through NEERI started the work of Data collection at the project site.

Industrial Park, Mannavaram

- An extent of 752.85 Acres. of land at Mannavaram & Kalvagunta Villages of Srikalahasthi Mandal,

Chittor District was alienated in favour of APIIC by Government of AP.

- APIIC has allotted the land in favour of M/s NBPL (M/s NTPC BHEL Power Project (P) Ltd) at Rs.100/- per acre for establishment of “Power Plants Equipment Project” with an investment of Rs.6000.00 crore for providing 5000 direct employment and 25000 Indirect employment. Physical possession was given on 24.06.2010.
- The Project was inaugurated by the Hon’ble Prime Minister of India on 01.09.2010.
- M/s NBPL took up the following developmental works with a cost of Rs. 40.00 crore duly fixing the target as December 2012.

Fabrication building, administration building, permanent store, open store, shifting yard, dispensary building, security building, fire station building, substation building for 33 KV, canteen , entrance gates, over head tank, sump, formation of internal roads, drainage system and water distribution system etc.

Present Status

1. Compound wall and internal roads completed
2. Administrative building completed
3. Corporate office shifted and functioning
4. Main functional factory building completed more than 50%.
5. Transit accommodation office completed
6. Machines, tools and equipments order is completed

INDEX OF INDUSTRIAL PRODUCTION

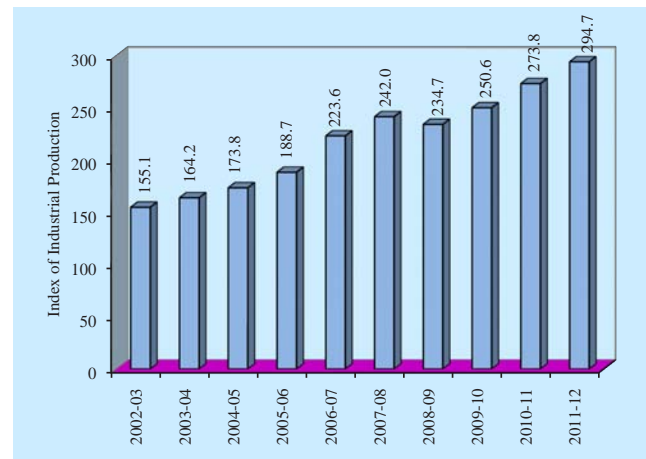
The Index of Industrial Production (IIP) is an yardstick for measuring Industrial growth in the State. It includes the relative change of physical production in the field of Industry during specific period as compared to the previous period. The IIP is estimated monthly by collecting data from selected units of Manufacturing, Mining and Quarrying and Electricity. The main objective is to estimate the contribution of Industrial sector to the Gross State Domestic Product. IIP in the State, is being compiled with base year 1993-94 for 17 industrial

classifications at 2-digit level under manufacturing sector.

As per Quick estimates of IIP the Mining and Quaring , Manufatuarung and Electricity sectors (at NIC 2 digit level) registered growth rate of 3.1%, -11.5% and -5.5% respevely during the reiriod April - December. 2012, over the period April - December 2011. The indices of IIP of the State are given in Annexure - 6.3.

Growth in Industrial Production in terms of IIP over the decade as shown in chart 6.2.

Chart 6.2 : Index of Industrial Production in AP



Source: Directorate of Economics & Statistics Department.

Annual Survey of Industries

The Annual Survey of Industries is the principal source of industrial statistics in the State. It is conducted once a year to collect data from Organised Manufacturing units registered under the section 2m (i) & 2m (ii) of the factories Act 1948. This refers to factories employing 10 or more workers and using power or those employing 20 or more workers but not using power and Beedi and Cigar units registered under Beedis, Cigar worker(conditions at employment) Act, 1966.

The main objectives of Annual Survey of Industries are:

1. Estimation of the contribution of manufacturing Industries as a whole and of each type of Industry to the State Income.
2. Systematic study of the structure of the Industry as a whole and each type of Industry.
3. Analysis of various factors influencing Industries in the State.
4. Provision of comprehensive, factual and systematic basis for formulation of Policy.

The data for 16 principal characteristics based on Annual Survey of Industries from 2004-05 to 2009-10 (P) are given in Annexure- 6.4.

STATE LEVEL PUBLIC ENTERPRISES

There are 44 state level public enterprises (SLPEs) functioning in the state. As per the working results of these SLPEs, the performance during the year 2009-10 is as follows:

Capital Employed

The capital employed by all the 44 state level public enterprises was Rs.69355.98 crore. The Top five state level public enterprises with the highest 'Capital employed' are Housing Corporation, A.P.GENCO, APCPDCL, APSPDCL and A.P.TRANSCO. The capital employed by the top five SLPEs constitute 61.50 % of the total capital employed by all the SLPEs in the state.

Turnover

The total turnover (including other income) made by all the 44 public enterprises was Rs.64,181.73 crore. The Top five state level public enterprises whose turnover is highest are - State Beverages Corporation, APCPDCL, Singareni Collieries Co. Ltd, A.P.GENCO, and APSPDCL. The turnover achieved by the top five state level public enterprises to total turnover works out to 65.71%.

Profit

31 SLPEs, out of the 44 made a profit of Rs.1562.26 crore during 2009-10. The Top five state level public enterprises that made profits during 2009-10 are APGENCO (Rs.510.08 crore), Singareni Collieries (Rs.466.04 crore), A.P TRANSCO (Rs.146.80 crore) APSFC (Rs.99.65 Crore), and Housing Board (Rs.73.92 crore). The total profit made by these five SLPEs are Rs.1296.49 crore, which is 82.84% of the total profit made by all the 31 profit making SLPEs.

The number of state level public enterprises increased from 30 in 2008-09 to 44 in 2009-10 registering a growth of 47%. The turnover of the enterprises increased from Rs.36,277 crore in 2008-09 to Rs.64,182 crore in 2009-10 registering a growth of 77%. The capital employed registered a growth of 113% during the period. While

more enterprises made profits their profits registered a negative growth rate of 31% during the period 2008-09 to 2009-10.

MINES AND GEOLOGY

Minerals form a major contributor to the economic growth of the state. Andhra Pradesh is a Mineral rich State in the country containing a vast and variety of Mineral wealth particularly Industrial Minerals. It is house to 48 minerals including Gold, Diamond, Bauxite, Beach Sand, Limestone, Coal, Oil and Natural Gas, Manganese, Dolomite, Quartz, Feldspar, Precious and Semi-precious stones, Clays, Calcite, Steatite Iron Ore, Base Metals, Barytes, Uranium, Granite, Limestone Slabs, Marbles, Dimensional Stones and other Building Materials.

Minerals & Agriculture are the main sources of revenue to Andhra Pradesh with minerals farming the major contributor for the economic growth of the state. Andhra Pradesh is renowned as the Mineral Store House of the south and established its position as a prime mineral producer in the country.

The State with vast mineral potential has worked out certain strategies to explore, exploit and develop mineral sector with the constructive co-operation of both private and public sectors. The State has focused on inventory of mineral resources, key issues of legislation, objective and strategies in tune with the National Mineral Policy for accelerating growth in the liberal regime and thereby leading to overall development of the mining sector.

The State Mineral Policy is an integration of National Policy. The main aim of State Mineral Policy is to serve as a guiding force to translate the State's mineral potential into reality with eco-friendly and sustainable mining.

Mineral Resources

Andhra Pradesh is well known globally for variety of rocks & minerals and called "Ratna Garbha", a State endowed with variety of minerals. A.P., with the availability of many industrial and non-industrial minerals, has tremendous potential for mining & development.

Andhra Pradesh is endowed with number of minerals such as, Limestone(34%), Coal(10%), Mica(86%), Dolomites(11%), Bauxite(40%), Barytes(96%), Clays(30%), Heavy mineral beach sands(40%),

Manganese(10%), Feldspar(11%), Quartz, Silica sand Soapstone(16%), Gold, Diamonds(16%), Uranium, Oil & Natural gas, Iron ore, Semi-precious stones, Granite(40%), Slates, Limestone slabs, Marbles, Dimensional & Building stones(40%). Estimated mineral reserves are shown in Table 6.7.

Table 6.7 : Estimated Mineral Reserve

Item	Unit	Quantity
Coal	Million Tonnes	18,927
Limestone	„	35,179
Bauxite	„	615
Barytes	„	70
Beach Sands	„	241
Gold (ore)	„	12.10
Diamond	Lakh carats	18.23
Granite	Million Cubic Meters	2,406

Source: Mines and Geology Department

- The State occupies first position in Barytes, Limestone and Beach sand heavy mineral deposits in the country.
- State is well known for Gold, Diamond, Precious and Semi Precious stones occurrences over vast areas.
- There are huge deposits of Bauxite in East Godavari and Visakhapatnam districts.
- Krishna- Godavari on shore and off shore basins contain huge reserves of oil and natural gas.
- The State also has huge uranium deposits in Kadapa and Nalgonda districts and GOI has already started exploitation of these resources through M/s. Uranium Corporation India Ltd, a public sector undertaking.
- Andhra Pradesh is the only State in the entire Southern India that contains large deposits of Coal.
- The State also has a number of scattered low grade iron ore deposits in Ongole, Krishna, Khammam, Karimnagar, Kurnool and Kadapa districts.

- The State is well known for exclusive granite varieties such as Chimakurthy Black Galaxy Granite, Srikakulam Blue, Khammam and Warangal Black granite, Karimnagar Tan Brown etc. and produces about 8.00 Lakh Cum meters of various varieties of black and coloured granites.

Departmental Functions/Activities

The Department of Mines and Geology looks after promotional and regulatory functions for overall development of mineral sector and also collection of mineral revenue for the State Exchequer. The Department is responsible for processing of Mineral concession applications, grant of leases for Minor Minerals, approval of Mine Plans, Inspection of Mines, curbing of illicit Mining and Transportation, Vigilance, monitoring of Mineral Production, Survey and Demarcation of areas, Mineral Revenue Collection, Mineral Investigations and explorations and dissemination of Mineral information.

Leases and Mining

There are 2059 Mining leases and 9805 quarry leases for Major minerals (Industrial Minerals) and Minor Minerals (Construction Minerals) over 1,34,722 ha and 18,021 hectares respectively and 6 Reconnaissance permits (Gold, Diamond, Base metals, Precious metals). Mining for coal, Limestone, Barytes and Natural Gas fall under large scale mechanized sector; Granite, Dolomite, quartz, feldspar, Clays etc., under semi mechanized medium sector and other minerals falls under semi mechanized small sector. Nearly 90% of the mines fall under small sector and remaining 10% fall under medium and large sectors.

Mineral Based Industries

Both Public and Private sectors have established 97 principle large and medium scale mineral based industries for manufacture of cement, steel, sponge Iron, Fertilizers, Ferro Alloys, Glass, Oil refinery, Fiber Glass, Ceramics, Refractories, Zinc refinery, Chemicals etc., A.P. is the 2nd largest cement producer in the country. There are 42 plants with an installed capacity of 50 Million Tons per annum. In addition, there are about 5000 Granite, Marble and Limestone cutting and polishing units, Slate cutting units, mica processing units, Gem cutting and faceting units, Granite monuments manufacturing units, Pulverizing units, stone crushers, mosaic and ceramic tile units, lime kilns, and Rock stone sand units in the state.

Focus Minerals and Industries

The mining sector is identified as one of the growth engines and certain minerals identified as focus minerals viz Bauxite, Heavy minerals, Beach Sand, Limestone, Coal, Gold, Diamond, Dolomite, Oil and Natural gas, Uranium, Garnet, Granite, Titanium, etc. In addition Cement, Thermal Plants, Refinery, Cutting and Faceting, Mining and Refinery, Steel and Sponge, Refinery etc., are focus industry for the overall growth and development of the mining sector from the State.

Mineral Production and Value

Mineral consumption is increasing due to promotion of various industries and manufacture of Mineral based products. The State produces about 100 to 110 million tonnes of industrial minerals and 200 million cubic meters of dimensional stones and building material ranks 1st in Barytes and Limestone production in the country. The state contributes about 15% to the country's mineral value production and approximately Rs.1000 Crore by way of foreign exchange.

The production of Coal, Natural Gas and Limestone from 1994-95 to Sep 2012 is given in Annexure 6.5.

Revenue

The State Mineral and Mining sector contributed Rs.2402 crore of Mineral Revenue during 2011-12. Rs.1294 Crore were contributed up to Sep.2012 against the target of Rs. 2733 Crore during the year 2012-13 and the percentage growth compared to last year during the same period was 27%. District wise mineral revenue from 2007-08 to 2012-13 (April-Sep) is given in Annexure 6.6.

Vigilance

The Department controls illicit mining and transportation of minerals. The State Government created 4 Centralized Vigilance Units, 8 Regional Vigilance Units and 6 Temporary Check Posts and 15 Vigilance Offices. The Government also created State & District Level Task Force Committees for effective vigilance to curb illegal mining & transportation of minerals.

Task Force

Government of India advised the State Governments to constitute State Level and Central level Task Force and District Level Task Forces for effective vigilance to curb illegal mining and transportation of minerals in respective

states. Consequently, the State Government constituted a State Level Task Force under the Chairmanship of the Secretary, Industries & Commerce Department and similarly a District Level Task Force also constituted under the Chairmanship of the District Collector.

The State Level Task Force deals with issues related to Forest and Revenue clearances for quick disposal of lease applications, stopping of illicit mining and transportation, powers for seizing vehicles under M.V. Act, blanket clearances of mineral bearing areas falling in revenue lands, identification of compensatory land adjacent to Forest areas by Forest Department, recovery of Seigniorage fee from bills of contractors with one time penalty, inclusion of Commercial Tax Department, seizure and safe custody of vehicles by respective Police stations etc.

Disposal of Mineral Concession Applications

Disposal of Mineral Concession applications are given importance in pre-fixed time frame. The Mines Department has taken initiative to get NOC's from Revenue and disposed record number of Mineral Concession Applications. The Department has disposed 8547 Mineral Concession applications in the year 2008-09, 10140 in the year 2009-10, 7731 in the year 2010-11 and 6061 in the year 2011-12 and 2758 in the year 2012-13 (up to Sep.2012)

Mineral Projects

The Department has taken initiative for grounding Bauxite mining projects and establishment of Aluminum / Alumina project with an investment of Rs.40,000 crore; Uranium Project with 2000 crore; Beach Sand heavy minerals project with Rs.6000 crore; Steel plant with Rs.20,000 crore; Iron ore project with Rs.160 crore; Gold and Diamond projects with Rs.50 Crore; and Cement plants with Rs.3000 crore.

Participation in Exhibitions

- The Department participated in International Granite Trade Fairs at Jaipur, Chennai and Bangalore, and Industrial Exhibition at Hyderabad to disseminate and promote mineral potential and opportunities in mineral sector in the state. The Department published booklets and brochures on minerals and opportunities in Mineral Sector for the benefit of entrepreneurs and the public.

- The Department participated in International Granite Trade Fairs at Bangalore Jaipur, Chennai, Marmomacc - International Exhibition of Stone, Design and Technology, at Verona, Italy in 2010 & PDAC in Canada in 2011 to disseminate and promote mineral potential and mineral sector opportunities in the State.

Policy Initiatives

- Government duly reviewed the present Sand policy and introduced new Sand Policy by making amendments to Andhra Pradesh Minor Mineral Concession Rules.
- Government introduced Slab System for payment of Seigniorage fee by the Stone Cutting and Polishing Industry and Napa Slab Units in the State to avoid leakage of Mineral Revenue. This will also facilitated simplification of procedure in realizing revenues for a period of 2 years on experimental basis and continued the slab system with certain conditions.
- The Department has taken initiative and identified 12 exclusive Mining zones over 1.41 Lakh Acres around Hyderabad for producing Building stones, Road Metal, and Manufacturing stone sand. The Government already declared one Exclusive Mining Zone at Bandaraviryala over 670 Acres.
- The Department has also taken initiative and submitted proposals to Government for collection of Uniform Seigniorage Fee from builders.

Other Initiatives

- The State pursued with Central Geological Agencies for exploration of Diamond, Coal, Gold, Base Metals, Rare Earths, Beach Sand minerals, Volcanic Ash, Granites etc.
- The Department has taken initiative for development of the vast Bauxite deposits of Visakapatnam & East Godavari districts for establishing Alumina / Aluminium units with the active participation of NALCO, through Joint ventures by M/s. JSWH Ltd., and M/s. ANRAK with Andhra Pradesh Mineral Development Corporation.
- The Department has encouraged Andhra Pradesh Mineral Development Corporation & other Private Sector entrepreneurs to mine & establish Beach Sand Mineral Separation Units, Titanium Slag & downstream industry in Viziangaram & Srikakulam districts.
- The Department also encouraged APMDC for

establishment of Low Grade Iron Ore Beneficiation Plant at Ongole (Prakasam District) and promotion of large scale mining of Black Galaxy Granite (Prakasam District).

- The State Government has also taken up the initiative and deliberated on HODA Committee Report on National Mineral Policy 2008.
- The State Government has actively participated and deliberated on draft MMDR ACTS 2009 & 2010 and offered suggestions for consideration.
- The State Govt. is also participating actively in all Central Geological Programs and Sub- Committees meetings to discuss and finalize programmes on exploration of minerals in the state.
- The State Government has taken initiative to develop and implement “On-line Processing of Mineral Concession Applications” to curtail the response time in processing and granting of concessions. A Pilot Scale Project in Kadapa district, is in the pipeline in on-line processing of applications.
- The Department has taken initiative to promote manufacture of sand from rocks and grant of leases to encourage entrepreneurs in manufacturing sand from rocks as an alternative to natural sand.
- The Government of A.P. during the Partnership Summit 2012, entered into MoU with the Cement Industry and initiated action to process applications on fast track basis.

COMMERCE AND EXPORT PROMOTION

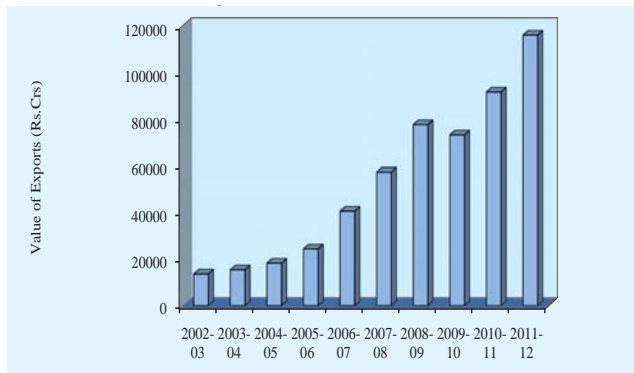
The State recorded Rs.1,16,103 crore exports in the year 2011-12 while it was Rs.91,614 crore in the previous year 2010-11. Computer software contributes about 35 percent to the total exports. The other major exports from the State are Engineering items, Drugs, Pharmaceuticals and allied Chemicals and plastics, Agriculture and Agro based Products, Leather, Animal, Marine Products, Minerals and Mineral Products,

Assistance to States for Infrastructure Development of Exports

The Commerce & Export Promotion Wing is the Nodal Agency of the state in implementing Central Scheme of ASIDE. It receives central grants to develop export infra-structure and allied activities in the State under this scheme. A State Level Export Promotion Committee (SLEPC) has been constituted under the Chairman ship

of Chief Secretary and the Commissioner of Industries, Commerce & Export Promotion as the convener. SLEPC identifies and selects different projects across the state in various sectors to create appropriate infrastructure for development and growth of exports from the State. The C&EP as a nodal agency provided assistance to about 28 different projects during the years 2010-11 and 2011-12 under this scheme. the value of exports are shown in the Chart 6.2.

Chart 6.2 : Value of Exports from A.P.



Source: Commerce & Export Promotion

Details about item wise exports from Andhra Pradesh are given in Annexure 6.7.

INDUSTRIAL RELATIONS

Industrial peace is a prerequisite for the growth and development of Industries. Work stoppages due to industrial disputes between employers and workmen

and consequential loss of man-days in a given period are an important indicator of labour management in Industries. Government through its conciliation machinery has been making efforts to settle disputes amicably and promote industrial peace for congenial work environment. Efforts are being made by the department to promote productivity- linked settlement in order to make Industries more competitive.

The number of workers involved and man-days lost due to work stoppages have decreased this year compared to the corresponding period of last year. Details about industrial relations are shown in Table 6.8.

Table 6.8 : Industrial Relations

Item	2011	2012 (up to Sep.)
Strikes (No.)	12	2
Lockouts (No)	7	4
Workers Involved (No.)	16,741	6,353
Mandays Lost (lakh No.)	21.60	15.30

Source: Labour Department

Details about the number of strikes, lockouts, workers involved, and man-days lost from 1981 to September 2012 are shown in Annexure A 6.8.