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4.1 INTRODUCTION

Cuddapah District in Rayalaseema region of Andhra Pradesh, is situated in 13° 43' to 15° 14' Northern latitude and 77° 55' to 79° 29' of Eastern longitude. It is surrounded by Anantapur, Chittoor, Nellore, Prakasam and Kurnool Districts. Cuddapah District with its present geographical area is in existence since 1911. There are number of opinions about the origin of its name. The most popular belief is that GADAPA corrupt form of Kadapa meaning threshold in Telugu language derived its name from Devuni Cuddapah village with famous Lord Venkateswara Swami temple.

Cuddapah district continues to be one of the most backward districts in Rayalaseema region, with uneven rainfall in different parts of the district and with vast dry tracts. The Cuddapah district is covered by many undulations between 259' and 3789' from the mean sea level. The total
geographical area is 15359 Sq. Kms., consisting of three revenue divisions, 51 mandals, 749 gram panchayats, 958 revenue villages and 3706 hamlets.

4.1.1 Administrative Set Up

Cuddapah is divided into 3 revenue divisions namely. Cuddapah, Jammalamadugu, and Rajampet having jurisdiction of 18, 16 and 17 mandals respectively. The head quarter of the district is Cuddapah town. Each revenue mandal has a Mandal Praja Parishad [MPP]. Each MPP is headed by an elected president and is assisted by a MDO who looks after development works in the mandal. The revenue and other administrative aspects are looked after by Mandal Revenue Officer [MRO]. The collector is the administrative head of the district.

4.1.2 Population

As per the 2001 census, population of the district was 25.73 lakh as against 22.66 lakh in 1991. The density of population was 166 per kilometer against 241 of the state. The rural population is 17.23 lakh (76 per cent) and SC/ST population is 3.49 lakh (1.5 per cent) and 0.37 lakh (2 per cent) respectively. The male literacy ratio is 63.4 per cent while female literacy ratio is 32.1 per cent.

4.1.3 Climate and Rainfall

Climate in the district is generally hot. Temperature rises from March and reaches its peak by May, some times more than 40°C during the month of May. The mean temperature is the lowest with 30°C and the minimum night temperature is 18°C. The summer season starts from March and lasts till May. The average rain fall in the district is 750 mm. The rainfall in the district is generally from the South West and the North East monsoons.
4.1.4 Agricultural Resources

The economy of the district is predominantly agrarian in nature. Around 75 per cent of its population is engaged in agriculture and allied activities for their livelihood. Ground nut is grown extensively and produced in large quantities. The agricultural resources of the district are providing raw materials for a wide range of agro-based industries such as rice mills, flour mills, dal mills and ground nut oil mills, fruit processing, turmeric polishing units etc. Considerable number of small-scale industries and also a few large and medium scale industries has been set up utilizing these resources. There is further scope to set up a good number of industries in the small and tiny sector in the similar line of activities.2

4.1.5 Lending Institutions

Lending institutions play a vital role in the industrial development of the district. In fact, industrial development of any area depends on the availability of financial assistance extended by the lending institutions. The bankers have a key role to play in implementing all the developmental programmes for the economic upliftment of the people of the district. Commercial banks are the most important financial agencies for providing assistance to the industrialists of the district.

Syndicate Bank is the lead bank of the district. Presently the district has 171 branches of various commercial banks, besides one branch of Andhra Pradesh State Financial Corporation. The break up of the different financial institutions in the district is as follows.

- No. of Public Sector Banks 15
- No. of RRBs 01
The public sector banks have 87 bank branches which are spread all over the district. In addition, 66 rural bank branches, 12 co-operative bank branches and 6 private bank branches are in operation in the district. All the nationalized commercial banks are liberally financing industrial development and self employment schemes (Prime Minister Rozgar Yojana Scheme) in particular. Besides commercial banks, there are a good number of private finance companies working in the district catering to the financial needs of the district.

4.2 NEED FOR SMALL INDUSTRY DEVELOPMENT IN THE DISTRICT

4.2.1 Mineral Resources

Cuddapah District is endowed with rich mineral resources and it is a part of 'Cuddapah Basin' famous for mineral wealth particularly barytes, asbestos, limestone, clay, etc. The total area of the district is 15.359 Sq. Kms of which 32 per cent is covered by forest and 20 per cent with cultivable lands. The barytes deposits in Mangampet are considered to be the best and largest in the world and the availability of superior crysotile asbestos deposits in Pulivendula area is a monopoly of the state. Barytes occurs predominantly in this district accounting for 97 per cent of the barytes resources of India and 28 per cent of the world. Asbestos resources are concentrated from Bramhanapalli to Veledendla villages of Pulivendula area. Clay resources are found in Kodur, Rajampet, Obulavari Palli, Nandalur, Khajipet, Vemula, and Vempalli mandals. Grey to dark grey
colour dolomite is found in Nandimandalam, Vempalli, Pulivendula, Parnapalli, Rajampet, and Kodur areas. Feldspar deposits are reported in the areas of Chakraya Pet, Galivedu, L.R.Palli, and Sambepalli mandals and Lime stone occurs in Yerraguntla, Uddirala areas of Jammalamadugu division.

Minor minerals like Napa slabs found at Nidizuwi and Koduru of Yerraguntla mandal and Sugumanchupalli area of Jammalamadugu mandal. Black Granite at T.Sundupalli and Rayachoty, and Mosaic chips for flooring occurs in Pulivendula area.

The estimated resources of various principal mineral resources occurring in the district and their estimated reserves, production during 1993-94 and 98-99 are detailed in Table 4.1

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Barytes</td>
<td>75.00</td>
<td>524690</td>
<td>537415</td>
</tr>
<tr>
<td>2.</td>
<td>Steatite</td>
<td>7.50</td>
<td>158000</td>
<td>---</td>
</tr>
<tr>
<td>3.</td>
<td>Lime stone</td>
<td>3.58</td>
<td>2178499</td>
<td>3770000</td>
</tr>
<tr>
<td>4.</td>
<td>Clay</td>
<td>3.30</td>
<td>10268</td>
<td>29410</td>
</tr>
<tr>
<td>5.</td>
<td>Asbestos</td>
<td>0.25</td>
<td>465000</td>
<td>1102</td>
</tr>
</tbody>
</table>

Source: Compiled from the records of District Industries Centre, Cuddapah: Mineral and Geological Department, Cuddapah.

Barytes is the predominant mineral having reserves to the extent of 75 million tonnes and its production accounts to 5, 24,690 tonnes in 1993-94 and 5, 37,415 tonnes in 1999-2000. Steatite having 7.5 million tonnes of reserves is the second important mineral in the district. Lime
stone reserves are estimated at 3.58 million tonnes and its production is sizeable over the years. Lime stone is the basic raw material in manufacturing cement. The use of lime stone in a big way is because of location of three major cement plants in Yerraguntla area of the district.

Feldspar and Dolomite are the latest minerals whose production in 1999-2000 accounted to 1810 and 9150 tonnes respectively. Minor minerals like quartz, white clay, Calcite, Dolomite, Yellow ochre and Serpentine are also available in the district.

Many small and large and medium scale industries such as Cement factories, Asbestos processing units, Barium chemical units came up in the district based on these mineral sources. Many pulverizing and crushing units of various minerals and their processing industries are also working in the district. There are about 178 polishing industries in the district making polished slabs utilized for flooring purpose having good market throughout the country. Still there is lot of scope to establish number of Cuddapah slabs, Black Granite, Mosaic chips, Road metal and building stone industries in the district. Ceramic industry, Glass industry and paint industry are not established in the district, though opportunities to establish these units exist.

4.2.2 Agricultural Resource

The agricultural resources of the district are providing raw materials for wide range of agro based industries such as rice mills, flour mills, dal mills, ground nut oil mills, fruit processing, turmeric polishing units and the like. Considerable number of small scale industries and also a few large and medium scale industries have been set up utilizing these resources.
There is further scope to set up a good number of industries in the small and tiny sector on similar line of activity.

4.2.3 Forest Resources

Total forest in the district is 32 per cent of the geographical area of the district. Red sanders is the forest product having export potential among the forest products. Sandal wood and fuel wood are also available. Based on the soft wood, many wood based industries have also come up in the district. Bamboo, beedi leaves, thangedu and rela barks, tooki leaves, soap nuts, etc., are the other forest products available from the forests of the district.

4.2.4 Live Stock Resources

Cuddapah district is endowed with rich live stock population and it constitutes one of the important resources of the district. It has 12.96 lakh live stock as per the 1993 census of which are 2.32 lakh cattle, 4.18 lakh buffaloes, 1.58 lakh sheep and 4.11 lakh goats. Similarly the poultry population in the district is 4.34 lakh.

Few milk chilling centers are established in the district. There is scope for establishment of few more small scale milk chilling centers.

4.2.5 Sericulture

Sericulture is one of the most significant economic activities and contributes a substantial amount of silk produced in the state. Sericulture was first started in the year 1977-78 in the district. At present, the area under mulberry cultivation has been extended up to 3000 acres in the district. The mulberry cultivation is concentrated in the Rayachoty and Lakkireddypalli areas. Based on the sericulture activity, many silk reeling
and twisting units have come up in the district. There is ample scope for some more silk reeling and twisting units.

4.2.6 Floriculture and Horticulture

Floriculture is also gaining popularity in the district. Important flowers grown are Jasmine, Tuber rose and Marie gold. The area under floriculture during 1994-95 was 932 acres. In view of the emerging market for flowers, scope for extended floriculture in the district on commercial lines exist.

Cuddapah district is one of the most potential districts for the development of various horticulture crops. Suitable soils and climate in Kodur, Rajampet, and Pulivendula area have proved to be congenial for horticulture. Important fruits grown are mango, sweet orange, lime, banana, guava, papaya and watermelon is grown during summer season. Betal leaf is exported to the surrounding cities. With the introduction of drip irrigation system and new methods of irrigation the extent of horticulture area has increased. Based on the various fruits available, fruit processing industries and fruit canning units can be established in the District especially in Rajampet area.

Cuddapah district is endowed with rich mineral deposits, but these resources have not been fully tapped due to lack of skilled man power and entrepreneurship. In fact, skilled man power is very much helpful for industrialization of the district. Trained man power played a vital role for speedy and qualitative production. The district turns out a good number of technically qualified persons every year from its ITIs/Polytechnic Colleges. There are number of organizations/institutions functioning in the district
for imparting training to the educated youth [both urban and rural] in different trades for setting up small scale industries in the district. The important institutions which are providing training are TRYSEM [Training Rural Youths for Self Employment], DRDA [District Rural Development Agency], Horticulture department and Sericulture department etc. Under TRYSEM youth is trained in courses like painting, binding, carpentry, leather and rexine bag manufacturing etc., in Cuddapah district.

4.3 GROWTH CENTRES

There is one growth Centre in the district at Proddatur to speed up the industrial activities. The growth centres with an Assistant Director of Industries function under the control of General Manager, DIC, Cuddapah. Proddatur is one of the important business towns of the district with a fertile hinter land irrigated by K.C. Canal. It has a good number of industries and provides employment to considerable number of persons in the district. Proddatur is an ideal place for industrial development. It is also famous for gold ornament manufacturing and trading in gold.

4.4 INFRASTRUCTURE AVAILABLE FOR THE SETTING UP OF SMALL INDUSTRY

Infrastructure is the most important input for rapid industrialisation of any area. Lack of full fledged infrastructural facilities and poor maintenance of existing ones made the pace of the industrial progress at a slow rate in the district. The district authorities however are taking measures for the development of infrastructure in the district. The details of the existing infrastructural facilities are as follows.
4.4.1 Industrial Estates and Industrial Development Areas

To provide industrial accommodation in the form of sheds and plots to the needy entrepreneurs with basic facilities, the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) Limited has so far established 11 Industrial Estates at Cuddapah, Rajampet, Rayachoty, Proddatur, Yerraguntla, Pulivendula, and 3 Industrial Development Areas at Cuddapah, Kodur and Proddatur. In addition, one Mini Industrial Estate was also established in Cuddapah. The details of Industrial Estates, Industrial Development Areas and Mini Industrial Estate are furnished in Table 4.2.

4.4.2 Power

Power to Cuddapah district is supplied from Thungabhadra Hydro Electric Station and Thermal Stations located at Nellore, Kothagudem and Muddanur. Shortage of power supply particularly during summer is common. To bridge the gap between demand and supply of power the Government is encouraging private participation in power generation. So far all most all the villages in the district are electrified.

4.4.3 Water

The rivers Penna, Chitravathi, Kundu, Papagni, Sagileru, Cheyyeru, Pincha and K.C. Canal are the main sources of water supply in the district. Protected water supply is available in Cuddapah and Proddatur towns and partly in Rajampeta, Pulivendula and Jammalamadugu. APIIC has constructed Lingampalli Head Water Works with a total capacity of 5,00,000 liters. It is meeting the needs of IDA at Cuddapah. In general, there is no water scarcity for promotion of industries in the district.
# Table 4.2

## Details of Industrial Estates, and Industrial Development Areas in Cuddapah District as on 31-12-2000

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the estate/Development area</th>
<th>No. of Developed</th>
<th>No. of allotted</th>
<th>No. of vacancies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Plots</td>
<td>Sheds</td>
<td>Plots</td>
</tr>
<tr>
<td>1</td>
<td>Industrial Estate Cuddapah</td>
<td>38 (44)</td>
<td>37 (37)</td>
<td>35 (42)</td>
</tr>
<tr>
<td>2</td>
<td>Industrial Development Area [IDA] Cuddapah (blocks)</td>
<td>114 (261)</td>
<td>18 (18)</td>
<td>45 (29)</td>
</tr>
<tr>
<td>3</td>
<td>Commercial Complex Cuddapah</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Industrial Estate Rajampet</td>
<td>40 (28)</td>
<td>6 (6)</td>
<td>40 (8)</td>
</tr>
<tr>
<td>5</td>
<td>Industrial Estate Rayachoti</td>
<td>23 (20)</td>
<td>-</td>
<td>17 (12)</td>
</tr>
<tr>
<td>6</td>
<td>Industrial Estate Verraguntla</td>
<td>67 (67)</td>
<td>-</td>
<td>28 (20)</td>
</tr>
<tr>
<td>7</td>
<td>Industrial Estate Proddatur</td>
<td>42 (41)</td>
<td>8 (8)</td>
<td>41 (8)</td>
</tr>
<tr>
<td>8</td>
<td>Industrial Development Area, Proddatur (acres)</td>
<td>94.01 (158 acres)</td>
<td>4 (85.59 acres)</td>
<td>4 (85.59 acres)</td>
</tr>
<tr>
<td>9</td>
<td>Industrial Estate Pulivendula</td>
<td>36 (36)</td>
<td>-</td>
<td>16 (16)</td>
</tr>
<tr>
<td>10</td>
<td>Industrial Development Area, Kodur</td>
<td>35acre (35 acre)</td>
<td>-</td>
<td>17.46 (17.46 acre)</td>
</tr>
<tr>
<td>11</td>
<td>Mini Industrial Estate Cuddapah</td>
<td>1 (6)</td>
<td>-</td>
<td>5 (5)</td>
</tr>
</tbody>
</table>

Note: Figures in parantheses shows the details for the year ending 31<sup>st</sup> December, 1995.

Sources: 1. Records of District Industries Centre, Cuddapah.

2. Records of AP Industrial Infrastructure Corporation Limited, Industrial Estate, Cuddapah
4.4.4 Railways

The district is connected to Madras and Mumbai cities by broad gauge line which is around 190 Kms length with 25 railway stations to facilitate material and people transportation.

4.4.5 Roads

Cuddapah town - the head quarters of the Cuddapah district has become a junction of road communication with Kurnool in the North, Nellore in the East, Ananthapur in the West, and Chittor in the South. All these towns are within 200 Kms radius. As the road distance to Hyderabad, Madras and Bangalore cities is between 270 Kms and 400 Kms, many products are transported by road also. All the mandal head quarters are covered with pucca roads and are having bus facilities.

4.4.6 Postal and Telecommunications

The district has good postal and telecommunication facilities with 721 post offices, 78 telegraph offices and 57 telephone exchanges besides 2 T.V. relay stations and one radio station.

4.4.7 Education

The district has 2616 primary schools and 226 upper primary schools with 6891 Teachers. It has 282 high schools, 39 Junior Colleges and 19 Degree Colleges and One Post Graduate Centre for general education. For Technical Education the district has 4 Polytechnics and two Engineering Colleges and 4 Industrial Training Institutions. The district has also 9 Government residential schools and One Navodaya school.
4.5 INDUSTRIAL DEVELOPMENT IN CUDDAPAH DISTRICT

4.5.1 Large and Medium Scale Industries

There are 8 Large and Medium Scale Industries in the district with a capital investment of 60,373.33 lakh of rupees, providing employment to 4709 persons in 1999 as against 13 Large and Medium Scale Industries in the district with a capital investment of 28,513.51 lakh of rupees providing employment to 5511 people in 1986. The reason for decreased number of industries was that 3 industries were closed due to losses and 2 industries have been placed under small scale industries category because of the change in the investment limit in 1998 and 1999.

Table 4.3 is given to show the existing Large and Medium Scale Industries in the district. It is pertinent that large and medium scale industries are established in the district to make use of the mineral resources available. Cement manufacturing units enjoyed the prime place in the district. Two large scale units are manufacturing chemical products while one agro based unit manufacture cotton yarn. One is in the category of consumer durables and the other under servicing sector. Most of the large and medium scale industries are working well. Some industrial products are under various stages of implementation with an investment of Rs.41, 199.04 lakh with an employment potential for 3,277 persons. Large scale industries in the district can also be promoted in activities like PVC, leather, cloth, cement, clinker plant, asbestos rope and pipes, break liners, clutch plates and gaskets. Faction politics, lack of entrepreneurial skills
<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Product</th>
<th>Capacity</th>
<th>Capital investment [Rs. In Lakh]</th>
<th>Employment [No.of persons]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. India Cements Ltd., Chilamkur, Yerraguntla</td>
<td>Cement</td>
<td>10Lakh TPA</td>
<td>14505.00</td>
<td>585</td>
</tr>
<tr>
<td>2. Zuari Cements Ltd, Cement Division, Yerraguntla</td>
<td>Cement</td>
<td>500000 TPA</td>
<td>41923.00</td>
<td>500</td>
</tr>
<tr>
<td>3. India Cement Ltd., Yerraguntla</td>
<td>Cement</td>
<td>6.5 Lakh TPA</td>
<td>1749.00</td>
<td>503</td>
</tr>
<tr>
<td>4. Jyothi Chemicals Industrial Development area, Cuddapah</td>
<td>Barium carbonate, Barium Sulphate</td>
<td>14000 TPA</td>
<td>290.00</td>
<td>400</td>
</tr>
<tr>
<td>5. Electrolux/ Allwyn Ltd., Nandalur</td>
<td>Domestic Refrigerator</td>
<td>125000 No's PA</td>
<td>300.00</td>
<td>750</td>
</tr>
<tr>
<td>6. Cuddapah Spinning Mills Ltd., Yerramachupalli, Cuddapah</td>
<td>Cotton yarn</td>
<td>LIC 50000 spindles installed</td>
<td>1395.33</td>
<td>972</td>
</tr>
<tr>
<td>7. Regional Work Shop APSRTC, Cuddapah</td>
<td>Over hauling of vehicles, and retrading of tyres.</td>
<td>-</td>
<td>125.00</td>
<td>811</td>
</tr>
<tr>
<td>8. Detergent India Ltd., Kodur</td>
<td>Synthetic detergent</td>
<td>10000 TPA</td>
<td>86.00</td>
<td>188</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>60373.33</strong></td>
<td><strong>4709</strong></td>
</tr>
</tbody>
</table>

Source: Records of District Industries Centre, Cuddapah.
and marketing abilities cited as the reasons for the under development of large and medium scale industries in the district. The suggested list of product lines under large and medium category is detailed in Table 4.4.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the Product Line</th>
<th>Capacity</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and Agro Processing</td>
<td>1500 TPA</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Chemical and Allied Industries</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>PVC Leather cloth</td>
<td>30lakh M/2 PA</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>High quality special tissue papers</td>
<td>5000 TPA</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>PVC profiles, Doors, Shutters</td>
<td>45000 No's PA</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Reinforced plastic PVC Corrugated / Plain roofing sheets</td>
<td>2500 TPA</td>
<td>125</td>
</tr>
<tr>
<td>3</td>
<td>Drugs and Pharmaceuticals</td>
<td>25 Million PA</td>
<td>615</td>
</tr>
<tr>
<td>4</td>
<td>Cement Industries</td>
<td>1120lakh TPA</td>
<td>500</td>
</tr>
<tr>
<td>5</td>
<td>Electrical Industries Vacuum switches and Circuit Brakers</td>
<td>10300 No's PA</td>
<td>650</td>
</tr>
<tr>
<td>6</td>
<td>Mineral Based Industries Oil Grade Barytes Powder</td>
<td>10000 TPA</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Sheet Glass</td>
<td>30lakh M/2</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td>Asbestos Roofs</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>7</td>
<td>Engineering Industries Grinding media and alloy steel castings</td>
<td>4500 TPA</td>
<td>170</td>
</tr>
<tr>
<td>8</td>
<td>Carburetors</td>
<td>4lakh No PA</td>
<td>350</td>
</tr>
</tbody>
</table>

Source: Records of the District Industries Centre, C0uddaphah.

4.5.2 Small Scale Industries

Small Scale Sector plays an important role for economic development of the country. The share of small scale sector in Indian exports are
gradually increasing. The liberalization has also assisted in the increase of exports.

The district with rich mineral resources and good agricultural resources has facilitated the growth of small scale industries. There are 8906 Small Scale Industries presently registered in the district with a capital investment of Rs. 7,640.85 lakh providing employment to around 39,633 persons. Efforts are continuing for identifying the growth and development of small scale and tiny industries as there is good scope for the same.

4.5.3 Khadi and Village Industries

The Khadi and Village Industries Board is a statutory body mainly intended for planning, organizing and implementation of programmes for the development of the Khadi and Village Industries. The Board also undertakes activities like training of artisans and encouraging of cooperative efforts among artisans. Artisans, rural unemployed youth, industrial co-operative societies are eligible to get financial assistance from Khadi and Village Industries.

The Khadi and Village Industries Board of Cuddapah district has sanctioned a total of Rs 2875170 to 276 individuals and 5 industrial Co-operative Societies during the year 1994-95. It is expected that nearly 300 units are to be financed through KVIB, Cuddapah during 1995-96.

4.5.4 Handloom Industries

Handloom industries are the traditional sources of occupation of the people of the district, particularly in rural areas. Handlooms industry occupies the second position providing employment after agriculture in
Andhra Pradesh. In Cuddapah District, there are 26,521 handloom units. Of these, 18,000 handlooms are under co-operative sector and the remaining under private sector. The weavers of the district are producing different varieties like Janatha cloth, lungies, sarees, dhoties, mosquito nets, duplan varieties and polyester varieties. At Madhavaram and Pullampet areas, the weavers are producing pure Jari varieties. 7

4.6 INCENTIVES TO SMALL SCALE INDUSTRIES IN CUDDAPAH DISTRICT

The SSI units being set up in the district are given certain incentives and concessions. These incentives and concessions are as per the G.O.Ms.No.108, Industries and Commerce Department, dated 20th May 1996. 8 As per this G.O, all the areas in the district are eligible for incentives. All new industrial units whether large & medium or small other than those listed in Annexure – VI set up in the district and going into commercial production on or after November 15, 1995 are eligible for the incentives. The scheme was in force up to March 31, 2000.

4.6.1 Investment Subsidy

20 per cent of the fixed capital investment as investment subsidy but not exceeding Rs 20.00 Lakh is provided.

4.6.2 Deferment / Tax holding on Sales Tax

Sales tax deferment is allowed up to 135 per cent of fixed capital investment for a period of 14 years. The deferred amount will be treated as deemed loan on making available security of fixed assets of the industry, Pari - Passu with financial institutions and on finalisation of assessment by the Commercial Tax Authorities for each year. (or) sales tax exemption for a
period of 7 years, limited to a ceiling of 135 per cent of fixed capital investment during the entire holiday period, at the option of the industry, effective from the date of commencement of commercial production.

4.6.3 Rebate on Electricity Charges

All new industrial units, other than those listed in Annexure - VI in the district are eligible for 25 per cent rebate in power bills for a period of 3 years from the date of commencement of commercial production. The rebate so allowed for 3 years shall be Rs 50.00 lakh to Large & Medium Scale Industries and Rs 30.00 lakh to Small Scale Industries. The issuing of eligibility certificate by the District Industries Centre and admission of claim by APSEB will continue.

4.6.4 Special Incentive for SSIs Promoted by Scheduled Caste and Scheduled Tribe Category

Investment subsidy : 25 per cent of fixed capital not exceeding Rs.50.00 lakh.

Interest Subsidy : On the total limit, i.e., term loan and working capital, subsidy at 6 per cent for a period of 5 years upto a maximum of Rs. 5,00 lakh per year.

- Sales tax incentives are applicable as per eligibility to other units, with the maximum permissible limit in amount enhanced by 50 per cent.

- Rebate in electricity charges as per the rebate to general units.

In case of expansion projects/diversification/forward integration/backward integration projects, other than those listed in the Annexure - VI are eligible for sales tax exemption/deferment for a period of 7 years or 14 years respectively subject to a ceiling of 135 per cent of additional fixed capital investment made.
Captive power plants are eligible for a subsidy at 20 per cent on fixed capital investment subject to a maximum of Rs 20.00 lakh, which ever is less.\(^9\)

### 4.7 DIC AND SMALL INDUSTRY

The District Industries Centre, Cuddapah came into existence with effect from 1st November, 1978. The main objective for the establishment of District Industries Centre at district level is to ameliorate and mitigate the difficulties faced by the tiny and SSI entrepreneurs in getting all infrastructure facilities under one roof without the need to allowing them to run from pillar to post cutting across procedural delays involved in setting up new industries. The district industries Centre has, therefore, been thought of as an administrative device which is meant to provide a framework for implementing new policy measures with a view to transact with various agencies and organizations including financial institutions. The diversified activities being attended by the District Industries Centre are: economic investigation; provide raw materials; arrange for providing machinery and equipment; arrange training to artisans and self employed; provide credit means; and finding market pockets. Keeping in view the various development activities, the District Industries Centre prepare Action Plan from time to time for the development of cottage, tiny and small scale industries in the district.

As District Industries Centre plays the role of catalyst in the development of small scale industries, a number of committees have been constituted for the purpose of effective co-ordination with other
departments and agencies. The important committees constituted for this purpose are:

- Nodal Agency to obtain necessary approvals and clearances
- District Advisory Committee to review the implementation of various schemes taken up by DIC
- District Level Committee [DLC] for sanction of Central/ State incentives
- DLC for revival of sick units
- Raw Material Serving Centre [RMSC] for allotment of Iron and Steel
- Plot allotment committee of APIIC
- Centralised Documentation and Clearance Centre [CDCC], Andhra Pradesh Industrial Development Corporation [APIDC]

4.7.1 DIC-Development Activities

The DIC endeavors for all-round development and growth of industries and to promote industrial activity in the district. The centre is headed by General Manager with one Manager and Industrial Promotions officers stationed at various centers in the district to achieve the objects of DIC.

The following are the some of important industrial development activities under taken by the DIC

- There are 13 large and medium scale industries established with capital investment of Rs 160 Crore providing employment to 5,436 persons
- Up to the end of the March, 1997, 7,180 SSI units were established with capital investment of Rs 5,785.7 lakh providing employment to 33,998 persons.
• 1260 artisans are assisted and 579 artisans are imparted skilled training and Rs.407 lakh credit assistance has been extended to the artisans.

• There are 51 Industrial Co-Operatives. These Societies are providing bamboos to its members at concessional rates by arranging direct supply from forest department.

• One mini industrial estate exclusively for SC & ST, is constructed and sheds are allotted to the eligible beneficiaries in Cuddapah.

Other ongoing Schemes:
• Prime Minister's Rojgar Yojana.
• State Incentives Schemes to SSIs.
• Special Employment Scheme for S.C entrepreneurs.
• Power rebate intensive scheme.
• District Industrial Promotions Committee.
• Revival of sick units.

The DIC is also performing certain regulatory functions in the district for the industries to come up and these include:

• Registration of SSIs.
• Processing of SSIs under the State and to Industries Act.

• Distribution of scarce raw materials.

• Issue / granting of essentiality certificate for import of raw materials and components.

• Disbursement of subsidies.

• Providing technical consultancy / informant source and many other activities in the field of promotion and development of industries.

• Finding market for products.
4.8 ANDHRA PRADESH SMALL SCALE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED (APSSIDC)

Andhra Pradesh Small Scale Industrial Development Corporation was established on 1-3-1961 to aid, counsel, assist, protect and promote the interest of small scale industries in the state of Andhra Pradesh. Its activities include:

- Promotion and development of SSIs
- Marketing assistance to SSIs
- Procurement and supply of raw materials to SSIs
- Running of production units and workshops

4.8.1 Services

For promotion of new industries, APSSIDC renders service like counselling, preparation of project profiles, organizing seminars, participation in entrepreneurial development programmes (EDPs) in coordination with concerned departments and agencies, conducting special integrated entrepreneurial development programmes for weaker sections of the society and first generation entrepreneurs, participation in intensive promotion campaigns and Management Appreciation Programmes etc.

4.8.2 Supply of Raw Materials

APSSIDC has 13 raw material servicing centers spread all over the state as supply centers to the SSIs in the respective zones. The supply of iron and steel, pig iron, coke, paraffin wax are effected through these centers. The corporation is also acting as consignment agent of Indian Petrochemicals Corporation Ltd., (IPCC) for distribution of plastic materials. The
corporation also provides finance to SSI units against guarantee for procurement of essential raw-materials.

4.8.3 Marketing Assistance Scheme

APSSIDC assists in marketing the products of SSI units in the state of A.P.10

- Marketing Assistance to Small Scale Industries by the State Government of A.P.

The Government of Andhra Pradesh provides several incentives and concessions under marketing assistance scheme to the small scale units. They are exempted from payment of EMD, security deposit and price preferences. All Government departments, public sector undertakings, state corporations and quasi Government bodies like zilla panchayats, municipalities, have to purchase their requirements only from the local small scale industries.

Government has accorded the following price preference for locally manufactured small scale products.

- Indigenous products over imported ones, up to 15 per cent price preference.

- Local products may be given 5 per cent price preference over other Indian products.

- Cottage and small scale industries products may be given 10 per cent price preference.

- Cooperative societies products may be given 5 per cent price preference.11
4.9 SMALL, MEDIUM AND LARGE SCALE INDUSTRIES IN CUDDAPAH DISTRICT

Table 4.5 explains the establishment of industries, the investment there on and number of persons employed during the year 1995 and 1999. The number of SSI units established during the period progressed from 5782 units in 1995 to 8906 units in 1999 registering 54.02 per cent. But the number of large and medium scale industries declined from 9 to 8 in number. The investment made in SSI units had varied significantly from Rs.4,690.30 lakh in 1995 to Rs.7,640.85 lakh in 1999. The employment potential has also progressed upto 33,633 persons registering an increase of 19.68 per cent. The decline in number of large and medium scale industries is due to increase in the investment limit of SSIs.

4.10 SMALL SCALE INDUSTRIES IN CUDDAPAH DISTRICT

Cuddapah District has 8906 registered small scale units as on 31-3-99 (registered with industries department) with an investment of Rs.7,640.85 lakh, providing employment to 39,633 persons. The average investment per small scale industry in the district works out to Rs. 85,795 whereas the state average works out to Rs.1,24,000. The average employment per unit in the district is 5 persons while the figure for the state is 8 persons.
### Table 4.5

**SMALL/MEDIUM AND LARGE SCALE INDUSTRIES IN CUDDAPAH DISTRICT IN 1999**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the Industry</th>
<th>Large and Medium Scale Industries</th>
<th>Small Scale Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Units</td>
<td>Investment [Rs. in lakh]</td>
<td>Employment (No. in persons)</td>
</tr>
<tr>
<td>1</td>
<td>Agro based</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Forest Based</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Mineral/Building</td>
<td>5</td>
<td>58553.00</td>
</tr>
<tr>
<td>4</td>
<td>Textile Based</td>
<td>1</td>
<td>1395.33</td>
</tr>
<tr>
<td>5</td>
<td>Electrical and Electronics</td>
<td>(1)</td>
<td>453.22</td>
</tr>
<tr>
<td>6</td>
<td>Chemical based</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Engineering</td>
<td>2</td>
<td>425.00</td>
</tr>
<tr>
<td>8</td>
<td>Live Stock</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>60373.33</td>
<td>4709</td>
</tr>
<tr>
<td>Percentage of increase over 95</td>
<td>11.11</td>
<td>-</td>
<td>5.41</td>
</tr>
</tbody>
</table>

**Note:** Figures in parentheses represent the details for 1995.

**Source:** Records of DIC, Cuddapah.
The category-wise distribution of small scale industries in the district along with investment and employment is given in Table 4.6. [Figure 4.1] shows the category-wise number of units, investment and employment in Cuddapah district as on 31-3-1999.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Category</th>
<th>No. of Units</th>
<th>Investment (Rs. in lakh)</th>
<th>Employment No. of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agro based</td>
<td>2020</td>
<td>2235.49</td>
<td>8833</td>
</tr>
<tr>
<td>2</td>
<td>Forest based</td>
<td>600</td>
<td>231.18</td>
<td>2323</td>
</tr>
<tr>
<td>3</td>
<td>Mineral\Building</td>
<td>880</td>
<td>1286.33</td>
<td>7763</td>
</tr>
<tr>
<td>4</td>
<td>Textile based</td>
<td>617</td>
<td>378.16</td>
<td>3230</td>
</tr>
<tr>
<td>5</td>
<td>Electrical\Electronics</td>
<td>755</td>
<td>267.21</td>
<td>1876</td>
</tr>
<tr>
<td>6</td>
<td>Chemical based</td>
<td>264</td>
<td>722.52</td>
<td>1880</td>
</tr>
<tr>
<td>7</td>
<td>Engineering based</td>
<td>969</td>
<td>479.67</td>
<td>4154</td>
</tr>
<tr>
<td>8</td>
<td>Leather\Live stock</td>
<td>258</td>
<td>212.89</td>
<td>807</td>
</tr>
<tr>
<td>9</td>
<td>Miscellaneous</td>
<td>2543</td>
<td>1827.40</td>
<td>8767</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8906</td>
<td>7640.85</td>
<td>39633</td>
</tr>
</tbody>
</table>

Source: Records of the District Industries Centre, Cuddapah.

In terms of number-wise, agro based SSIs occupied first place with 2020 units followed by Engineering based industries with 969 units and mineral based industries with 880 units. Agro based industry again achieved the first place with regard to investment i.e., Rs.2235.49 lakh followed by mineral based industries with an investment of Rs.1286.33 lakh and chemical based industries with an investment of Rs. 722.52 lakh coming second and third. From the employment point of view the agro based industry stands first providing employment to 8833 persons, while mineral and building industry employing 7763 persons followed by Engineering based industry employing 4154 persons compared to all other categories, the miscellaneous industries are more in number and also provide employment to more persons.
Figure 4.1
Category wise No. of small scale units in Cuddapah District as on 31-03-99

Category wise investment of small scale industries in Cuddapah District as on 31-03-99

Category wise Employment of small scale industries in Cuddapah District as on 31-03-99
Thus, it is evident that Cuddapah District rich in mineral and agricultural resources provides scope for developing different types of industries under small scale sector in the district.

4.11 PROSPECTS OF INDUSTRIAL DEVELOPMENT

Cuddapah District is one of the industrially backward districts of Andhra Pradesh. The main occupation of the people is agriculture. About 70 per cent of the population is engaged on agricultural and allied activities. The principal crops grown in the district are paddy, jowar, groundnut, sunflower, redgram, turmeric, chillies, coriander and onions. Besides this, horticulture crops are extensively grown. Agricultural and horticultural output is available in bulk quantities and could be profitably utilized for industrial purpose. Besides agricultural resources, Cuddapah District is endowed with rich live stock resources. Sheep rearing is an important occupation of the people in some dry land areas. Using these resources, milk dairies and leather units can be established in the district.

The other important potential area of the district is mineral resources. Barytes occurs predominantly in this district accounting for 97 per cent of the entire resources of India and 28 per cent of the entire resources of the world.12 In view of its high specific gravity, its powder is used in oil drilling apart from its usefulness to produce barium based chemicals. An estimated reserves of 50000 MTs of clay is available which is being consumed in ceramic industry. Gray to dark gray colour crystalline dolomite is found in the district which is used in iron and steel industry as a melt and glass and fertilizer industries. Very recently, stray deposits of feldspar have been registered in some areas in the district mainly used in fertilizer and stone
ware pipe industry. Lime stone occurs in Yerraguntla of Jammalamadugu division with an estimated reserves of about 1000 million tonnes, wherein the existing 3 cement plants are consuming only 20.50 lakh tonnes per annum. Napa slabs, black granites, mosaic chips, building stone are available in the district awaiting more and more industries in this area.

Presently there is good scope for pulverizing industries, slab industry, ceramic industry, barium based industries, to come up in small scale sector. Suggested prospective list of district industries center reveals that as much as 16 types of food and agro based industries, 8 textile based, 4 wooden products, 5 paper products, 4 limestone, 4 rubber products, 17 plastic products, 16 chemicals, 6 glass and ceramic products, 9 mechanical products, 9 electrical and electronic products types of industries can be established in small scale sector.

District Industries Centre, Cuddapah based on the availability of raw material and other infrastructure suggested some of the industries suitable for Cuddapah district. The Table 4.7 reveals the suggested small scale industries in Cuddapah district.

4.12 PROBLEMS

The existing industries in Cuddapah district are facing so many problems. Irregular power supply is a major problem. Due to this, the existing industries are not able to run their units to the maximum capacity and the new entrepreneurs are not coming forward to establish new industries in the district. Some industrialists opined that the basic infrastructural facilities are not adequate even, in the important towns of the district. Though the district has sufficient industrial estates, these are
not maintained properly due to lack of effective supervision which indirectly discourages the setting up new units. Another significant problem is funds constraint was particularly working capital. Because of this reason 15 to 20 per cent of the small scale units are becoming sick.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Category</th>
<th>No of Industries</th>
<th>Investment (Rs. in lakh)</th>
<th>Employment No. of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Food and Agro Industries</td>
<td>16</td>
<td>138.00</td>
<td>136</td>
</tr>
<tr>
<td>2</td>
<td>Textile products</td>
<td>8</td>
<td>41.45</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>Wooden Products</td>
<td>4</td>
<td>18.50</td>
<td>17</td>
</tr>
<tr>
<td>4</td>
<td>Paper Products</td>
<td>5</td>
<td>22.35</td>
<td>34</td>
</tr>
<tr>
<td>5</td>
<td>Leather and Rexene Products</td>
<td>4</td>
<td>22.00</td>
<td>28</td>
</tr>
<tr>
<td>6</td>
<td>Rubber Products</td>
<td>4</td>
<td>42.75</td>
<td>36</td>
</tr>
<tr>
<td>7</td>
<td>Plastic Products</td>
<td>17</td>
<td>252.10</td>
<td>118</td>
</tr>
<tr>
<td>8</td>
<td>Chemical Industries</td>
<td>16</td>
<td>152.00</td>
<td>139</td>
</tr>
<tr>
<td>9</td>
<td>Glass and Ceramic Products</td>
<td>6</td>
<td>73.25</td>
<td>63</td>
</tr>
<tr>
<td>10</td>
<td>Mechanical Products</td>
<td>9</td>
<td>93.15</td>
<td>88</td>
</tr>
<tr>
<td>11</td>
<td>Electronics and Electrical Products</td>
<td>9</td>
<td>88.75</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>98</strong></td>
<td><strong>944.30</strong></td>
<td><strong>812</strong></td>
</tr>
</tbody>
</table>

Source: Records of the District Industries Centre, Cuddapah

Keeping in view of all these problems, the Government of Andhra Pradesh is keen to develop the infrastructural facilities in the state as a whole and especially in industrially backward districts.
REFERENCES


