CHAPTER-IV
SMALL SCALE INDUSTRIES IN ANDHRA PRADESH

The industrial structure of the State mainly consists of agro-based industries like tobacco manufacturing, textiles, rice-mills, sugar mills etc. These industries together with textiles accounted for about 84 per cent of the total factory employment in 1971. Tobacco manufacture is by far the most important industry in the State providing the highest factory employment. Textiles and rice mills follow next to tobacco in factory employment. Another important agro-based industry is sugar, which accounts for nearly 8 per cent of the total production of sugar in the country.

Andhra Pradesh has started steadily entering an era of industrialization. The main strategy adopted has been to identify industries based on potential natural resources. The advantage of this approach is better assurance of raw materials supply, greater employment potential and decentralized growth of industries. The State enjoys favourable economic climate and availability of skilled labour. With its rich agricultural and mineral resources, Andhra Pradesh offers vast potential for industrial development in the field of agro-based and mineral based industries. The abundant fish availability in the State which has been currently estimated at Rs.2.32 lakh tonnes per year provides good scope for the establishment of fish canning, prawn freezing, cold storage and other allied industries. Lately, there has been a big spurt in setting up of industries based on
forest resources. A Ferro-alloys plant based on charcoal and a plywood factory have already been set up in the state. One more plywood factory, particle board factory and two paper mills are under construction.

The establishment of several central sector projects like Bharat Heavy Electricals Limited, Hyderabad, Hindustan Machine Tools Ltd., Hyderabad, Indian Drugs and Pharmaceuticals Limited, Hyderabad, Hindustan Aeronautics Limited, Hyderabad, Defense Metallurgical and Research Laboratories, Hyderabad, Electronics Corporation of India Limited, Hyderabad etc., and a number of other large and medium industries which are coming up under the private management provide opportunities for starting small scale ancillary units to meet the requirements of the above projects. A Cell dealing with the ancillary industries has been created in the State Directorate of Industries. Similarly, Small Industries Service Institute, Hyderabad has also put up a separate Ancillary Division for the development of ancillary industries in the State. In addition, a Sub-contracting Exchange charged with the task of making the large and medium industries to off-load their requirements of spare parts and sub-assemblies to ancillary industries has also been established in the Small Industries Service Institute. As a result of these efforts, there are around 116 small industries in the State working as ancillary units besides several other small units supplying goods or rendering services to the large industries.
In order to expedite the establishment of industries in the State District Level Committees have been set up to ensure quick clearance and approval required for setting up of industrial units within the shortest possible time. The district wise distribution of small scale industries are given in the Table-4.

**TABLE 4.1**

**DISTRICT-WISE BREAKUP OF SMALL SCALE INDUSTRIAL UNITS AS ON 31.03.1999**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the District</th>
<th>Number of Small Scale Industrial Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No. of Units (Reg.)</td>
</tr>
<tr>
<td>1</td>
<td>Adilabad</td>
<td>1292</td>
</tr>
<tr>
<td>2</td>
<td>Anantapur</td>
<td>1258</td>
</tr>
<tr>
<td>3</td>
<td>Chittoor</td>
<td>1366</td>
</tr>
<tr>
<td>4</td>
<td>Cuddapah</td>
<td>1321</td>
</tr>
<tr>
<td>5</td>
<td>East Godavari</td>
<td>657</td>
</tr>
<tr>
<td>6</td>
<td>Guntur</td>
<td>758</td>
</tr>
<tr>
<td>7</td>
<td>Hyderabad</td>
<td>1901</td>
</tr>
<tr>
<td>8</td>
<td>Karimnagar</td>
<td>754</td>
</tr>
<tr>
<td>9</td>
<td>Krishna</td>
<td>830</td>
</tr>
<tr>
<td>10</td>
<td>Kurnool</td>
<td>1838</td>
</tr>
<tr>
<td>11</td>
<td>Mahaboobnagar</td>
<td>630</td>
</tr>
<tr>
<td>12</td>
<td>Medak</td>
<td>746</td>
</tr>
<tr>
<td>13</td>
<td>Nalgonda</td>
<td>942</td>
</tr>
<tr>
<td>14</td>
<td>Nellore</td>
<td>1012</td>
</tr>
<tr>
<td>15</td>
<td>Nizamabad</td>
<td>748</td>
</tr>
<tr>
<td>16</td>
<td>Prakasam</td>
<td>1004</td>
</tr>
<tr>
<td>17</td>
<td>Rangareddy</td>
<td>1702</td>
</tr>
<tr>
<td>18</td>
<td>Srikakulam</td>
<td>836</td>
</tr>
<tr>
<td>19</td>
<td>Visakhapatnam</td>
<td>2912</td>
</tr>
<tr>
<td>20</td>
<td>Vizianagaram</td>
<td>903</td>
</tr>
<tr>
<td>21</td>
<td>Warangal</td>
<td>1014</td>
</tr>
<tr>
<td>22</td>
<td>West Godavari</td>
<td>978</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>25702</strong></td>
</tr>
</tbody>
</table>

Source: Directorate of Industries, Govt. of Andhra Pradesh and Inspector of Factories, Govt. of Andhra Pradesh.
ANANTAPUR DISTRICT - ON NEW HORIZONS OF INDUSTRIAL GROWTH

Anantapur district was constituted on ___ 19 ___. The District is bounded on the North by ______ , on the East by _____ __ on the South by _____, on the West by ______.

The District is having good network of road transportation and communication facilities. The principal crops grown in the district are paddy, ragi, bajra, groundnut, sugarcane etc. The district is rich in minerals. In the recent past, the district has made significant progress in the industrial sector.

Anantapur district is situated in a strategic location for industrial development as it is near to _____ which are good potential market places. The District has unique advantage due to its proximity to industrial towns of _____ like _____ etc and direct transport facility to important industrial cities like ____ etc.

The locational advantage, good transport facilities and availability of skilled labour faces are focal points of attraction for the entrepreneurs of Tamilnadu and Karnataka besides Andhra Pradesh to start industries in Anantapur District.
# ANANTAPUR DISTRICT AT A GLANCE

|---------------|------------|------------------|------------------|-----------------------|------------------------|----------------------------|-------------------------|-------------------|------------------|-----------------|----------|-----------|---------|

<table>
<thead>
<tr>
<th>Educational Institutions</th>
<th>Primary Schools</th>
<th>Upper Primary Schools</th>
<th>High Schools</th>
<th>Junior Colleges</th>
<th>Degree Colleges</th>
<th>Professional Colleges</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Communications</th>
<th>Airport</th>
<th>National Highway</th>
<th>State Highway</th>
<th>Other District Roads</th>
<th>ZPP Roads</th>
<th>MPP Roads</th>
<th>Total No. of Motor Vehicles</th>
<th>Meter gauge railway routes</th>
<th>Broad gauge railway routes</th>
<th>Post Offices</th>
<th>Telegraphic offices</th>
<th>T.V.Stations</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Industrial Estates</th>
<th>Industrial Development Areas</th>
<th>Autonagar</th>
<th>Commercial complex</th>
</tr>
</thead>
</table>

| Financial Institutions | |
|------------------------| |
ANANTAPUR DISTRICT SOME PROMINENT FEATURES

Climate : The climate of the district is dry and healthy. The upland Mandals in _______ Division are cooler than the eastern Mandals except _____ where the climate is moderate.

Rainfall : The annual normal rainfall of the district is ______ mms. The district has got the benefit of receiving rainfall from both the South - West and North - East monsoons.

Temperature : The cold weather commences from the end of November. Either December or January is the coolest month with mean daily maximum temperature around 26°C and mean daily minimum temperature around 15.2°C. The period from March to June is the summer period May is the hottest month with the mean daily maximum temperature at about 40°C.
Soils: The major portion of the district is covered by red soils with portions of Alluvial soil in _____ and _________ Mandals. ____% of the soils in the district are red loamy and ____% red sandy, ____% black clay, ____% black loamy, ____% black sandy and patches of laterate soils are found in _____ and _____ Mandals.

Agricultural Resources: The total cropped area of the district is _____ lakh hectares which forms ____% of the total area of the district. The principal food crops are Paddy, Ragi, Bajra while commercial crops comprise of Groundnut and Sugar cane. Paddy is grown on ______ acres producing around ____ lakh tonnes per annum. Ragi is grown on ______ acres. Groundnut is grown on _____ acres producing around _____ lakh tonnes per annum and Sugarcane is grown on _____ acres producing over ____ lakh MT per annum. In addition, Fruits and vegetables are grown in _____ acres.

Horticulture: Anantapur district is noted for Mangoes and in fact, it is one of the few kanor mango growing districts in the entire state of Andhra Pradesh. Cashewnut is grown on _____ acres producing around _____ tonnes per year.

The Garden area under Mango is rapidly increasing with financial assistance from banks. The district is having ____ mango Fruit processing industries and there is an organized market for fruit-pulp export from this district.
**Forest Resources**: Forests are stretching over an area of ____ acres accounting for ____% of the geographical area of the district. Bamboo and Rosewood are found extensively in ____ Mandal. Good quality timber is raised in ____ and ____ Mandal. The minor items available in the forest are Myrebolan, Neelavema, Soapnuts, tamarind, beedi leaves etc.

**Live-Stock Resources**: Anantapur district is one of the largest milk producing districts in the state. The total livestock population of the district is ____ lakhs. An estimated ____ MTs of bones and raw hides and ____ tonnes of skins are available annually.

**Poultry**: Another activity which had gained momentum in the district in Poultry farming which provides additional income to the small, marginal formers and landless agricultural labourers. The response to this line of activity is very encouraging throughout the district and consequently the district ranks ahead of many other districts in poultry farming. They are nearly ____ lakh birds in the district.

**Sericulture**: Cool and favorable climatic conditions especially in the western mandals of the district have facilitated the large scale development of sericulture in the district. Mulberry is grown to the extent of ____ acres in the district, yielding ____ lakhs Kgs. of reeling cocoons per annum. Consequently, a number of silk reeling and twisting units financed by A.P.S.F.C are coming up in the district.

**Mineral Resources**: The district is rich in mineral resources. Minerals available in Anantapur district are quartz, low grade steatite, soap stone,
white clay, low grade iron ore, and granite. Granite in different colours like Black, Pink and Grey are available in plenty which are useful for polishing industry.

**Steatite**: Low grade steatite occurs in _________________ and _____ areas. The mines are located at _________________ and _______ in the above areas. Present Production is around ____ Mts.

**Iron ore**: Iron ore exists in and around _____ in __________ Mandal over an area of about _____ hectares. The total reserves of all grades was estimated to be slightly more than half-a-million tonnes with maximum Content of ____%. An attempt was made to exploit this mineral and ultimately the proposals have been abandoned due to low percentage of iron and high cost of production.

**Granite Metal**: Granite metal is available in plenty in ______________ areas and in the western parts of district. The granite metal is used for building construction and as road metal. Polished Granite blocks which are used for tombs, monuments etc., provides good export market from the district. Polished Granite tiles are useful for decorative constructions. The district is one of the potential districts in the state for Granite industry.

**Clay**: China Clay deposits available in the district are estimated to be of the order of ------ lakh tonnes at ----------- Village.

**Infrastructure**

**Communication Network**: The district is connected by Rail to the Principal, commercial, administrative and industrial centers of the country.
_______ and _____ are the important Railway junctions. The ______ broad-gauge line travels through _____ and _______ Mandals, _________ line travels through _________ Mandal while the _________ line crosses _______ Mandal. As for the meter gauge, Tirupati - Guntakal line passes through _________ Mandals, while _________ line touches _________ town. The total length of Railway track in _____ Kms.

The total length of all types of Roads in the district in ______ Kms. The _________ National High way passes through the district for a distance of about ____ Kms. The District and Mandal headquarters are well connected y roads with the adjoining districts and states.

Water: There are no perennial rivers flowing in the District. The river _____ which is a Tributary of river ____ rises in erstwhile ______ and flows towards south and joins the ____ in ______. The _______ another important river which rises in _____ in erstwhile _____ Taluk has its course throughout _______ Taluk and ___ of _______ Taluk and ultimately flows into _____ district. Besides the above rivers there are a number of hill streams benefiting small pockets agriculturally.

Banking: Indian Bank is the lead bank of the district. The other important bank in the district is the State Bank of India. ____ branches of Commercial banks, ___ rural banks (Sri Anantha Grameena Bank), a branch of the A.P.S.F.C. at Anantapur, _____ Co-operative Central Bank Branches are functioning to extend financial assistance to entrepreneurs in the district.
Education: The district has ____ junior colleges, ____ degree colleges, ____ professional colleges offering faculties covering different branches of education.

INDUSTRIAL ESTATES & INDUSTRIAL DEVELOPMENT AREAS

The A.P.I.I.C. constructed Industrial Estates at __________ and ______. There are two Industrial Development areas located at _______ and at ______.

Raw-material Service Depot: There is one Raw-material servicing center at ________ catering to the need of small scale industrial units for supply of raw-materials viz., Iron and Steels under the control of A.P. small scale Industrial Development Corporation, Hyderabad.

Common Facility Center: There is one extension Training and Research Center at _______ run by the small Industrial Development Corporation, Hyderabad.

Existing Industries: ____ Large and Medium Scale Industries are existing in the district with an investment of Rs. _____ lakhs providing employment to _____ persons. _____ projects with an estimated investment of Rs.____ lakhs and potential for providing employment to ____ persons are under implementation.

Small Scale Industries: _____ small scale industries (as on 31-3- 1999) are functioning in the district with a capital investment of Rs.______ lakhs providing employment to ______ persons.
### TABLE 4.2

**CATEGORY-WISE DETAILS OF SMALL SCALE INDUSTRIES**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Category</th>
<th>No.of Units</th>
<th>Investment (Rs.in lakhs)</th>
<th>Employment (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agro-based</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Forest-based</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Textile-based</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Mineral-based</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Engineering &amp; Allied Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Chemical and Rubber Products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Animal based</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Building Material</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The details of various industrial products covered under small scale sector in growth centers are as follows:

1. **Agro-Based Industries**: D.M.Decorticators, Oil Expellers, Rice Milling, Bakery, Confectionery, Mango pulp, Frozen goods, Decimated coconut powder, Flour Mills, Masala powder etc.

2. **Forest Based Industries**: Saw mills, Wooden Furniture, Mats on power operated, Wood Screws etc.

3. **Textile Based Industries**: Power looms, Fisheries, Readymade Garments, sawing thread. metal etc.

4. **Engineering and Allied products**: Cast Iron foundries, industrial gas valves, motor and pump sets allied castings, aluminum circles tin containers, rolling shutters etc.
5. **Chemical & rubber Products**: Safety matches shoe making, leather products, polythene products, PVC pipe lines plastic processings, Calcium Carbonate.

6. **Animal Based Industries**: Milk Dairies, Finished leather, Shoe upper etc.

7. **Miscellaneous**: Paper covers, egg trays, board box, paper making etc.

**NEW INDUSTRIAL PROSPECTS**

A. **Large & Medium Scale Industries**: There is a tremendous scope for setting up of new industries in the district in view of special incentives. Cheaper land cost, nearness to market centers and proximity to the Airport and metropolitan cities of Madras and Bangalore.

B. **Small Scale Industries**: The resources endearment of Anantapur district provide ample scope for starting industries in small scale sector s well. A suggestive list of profitable lines that could be set up in the district are given in the Annexure

**Growth of Industries after the formation of District Industrial Center:**

The DIC is functioning in the District from November _____ headed by the General Manager and support by 3 Functional Managers. Out of 3 Functional Managers, Manager (Credit) has been deputed from the Lead Bank in the District.

After the formation of District Industries Center, Action Plan has been prepared for the VI Five Year Plan, fixing the target for every year.
based on resources and also Demand for other products and also Ancillary Industries. After formation of DIC _____ units were grounded with a total investment of about ____ crores.

**Procedure for Starting Small Scale and Tiny Industries:**

**A. Definition:** In the case of Small Scale Units the total investment of Plant and Machinery should not exceed Rs.____ lakhs. In the case of Ancillary Industries, the investment of Plant and Machinery should not exceed Rs.____ lakhs. As per the Budget presented by the Hon'ble Union Minister for Finance on _____, the limits have been enhanced to Rs.____ lakhs in the case of Small Scale Sector and Rs.____ lakhs in the case of Ancillary Sector.

In the case of Tiny Sector, the Investment of Plant and Machinery should not exceed Rs.2 lakhs and the unit should be setup in a town, where the population should not exceed 50,000.

**B. Identification of Industry:** Entrepreneurs who are willing to start Industry may contact the General Manager / Functional Managers of District Industries Center / Extension Officers who are staying at Panchayat Samithis & Technical Officer (Asst. Director), Growth Center, Anantapur, for selection of their Industry.

The selection Industry may be finalized based on resources, Demand and also the Investment Capacity, of the Candidates.

After selection of the line the candidate has to register his unit with the District Industries Center or with the Assistant Director of Industries
(Technical Officer), Growth Center, Anantapur (in the case of _____ Division) as Small Scale Industry or Tiny Sector.

The application forms for provisional registration are available free of cost in the office of the General Manager, District Industries Center, Anantapur or the Assistant Director of Industries, Growth Center, Anantapur and also Extension Officer (I), in Panchayat Samithis.

The Entrepreneurs have to fill up the application with the assistance of the Industries Department personal duly affixing a court fee stamp of Rs.2/- and submit to the General Manager/Assistant Director, Growth Center, Anantapur. The provisional S.S.I registration will be given on the same day.

C. Financial Assistance: After obtaining provisional registration certificate from the District Industries Center the candidate has to contact the office of the DIC for preparation of up to date scheme.

As regards Financial Assistance, the Branch Manger, A.P. State Financial Corporation, Balaji Colony, Anantapur will provide a term loan and working capital will be from the Local Banks.

The applications under Term Loan and also Working Capital, will be processed through the District Industries Center to the Concerned Banks, or State Financial Corporation through Manager (CREDIT) deputed from Lead Bank in the District.

In the case of term loan the State Financial Corporation will sanction upto 75% of the cost of the Scheme. In the case of working capital
Banks may sanction upto 70 per cent and the Balance 30% should be borne by the candidate.

The Cement required for the construction of the building for Industrial purpose will be supplied by the Department of Industries once in a quarter other scarce raw materials will be supplied by the Industries Department, based on the availability.

D. Nodal Agency: In order to speed up the issue of various licenses from the Departments like Medical & Health, Inspector of Factories. Panchayat, Municipalities and also getting power from the A.P.State Electricity Board, Nodal Agency is functioning in the District under the Chairmanship of the District Collector with the members of the above Departments. And General Manager is the convener of the Meeting. The Nodal Agency will meet once in a month, for early issue of licenses and also power supply.

The aim of the Nodal Agency is to avoid the delays for issue of licenses and power supply and also early grounding of the unit.

E. Package of Incentives: Anantapur District consists of ___ Panchayat Samithis. The entire District has been considered as backward area by the Government of India. For getting Central Subsidy the District has been divided into ___ categories, i.e. Category B and C.

Category-B: Under category B, 15% Central Subsidy on the total fixed investment of the project will be given limited to Rs.15 Lakhs. The Scheme was introduced in the District from 1973 onwards. The following Panchayat Samithis are included under Category -B.
1.  
2.  
3.  
4.  
5.  
6.  

**Category-C**: Under Category-C, Industries will get Central Subsidy of 10 per cent of their fixed investment limited to Rs.10 lakhs. The scheme was introduced in the District from ____. The Units, which have taken up steps for starting Industries from _____ are eligible for 10% Central Subsidy. The following __ Panchayat Samithis are eligible under the scheme.

1.  
2.  
3.  
4.  
5.  
6.  
7.  
8.  
9.  
10.  

**Central Subsidy Registration**: For getting Central Subsidy under Category-B and C the candidate should register the unit with the District Industries Center before taking any effective steps.

**Central Subsidy Claim**: For getting Central Subsidy claim the candidate should submit the claim application to the District Industries Center,
Anantapur within 6 months from the date of commencement of production.

For getting the Central Subsidy the Entrepreneur should follow the above rules to get subsidy. For schemes upto Rs.5 lakhs the Central Subsidy will be sanctioned at the District level itself.

**25% Power Subsidy:** The State Government will sanction 25 per cent power subsidy upto 3 years in the entire District except ___ banned items.

**Marketing:** The Government have issued a G.O. where in 15% price preference was offered to purchase the requirements of Government & Quasi Government Departments from the Small Scale Industries.

**Package of Concessions and Incentives:**

The A.P.State Government in its G.O.Ms.No. 498 dt. 16.10.89 has offered to Anantapur District investment subsidy to the extent of 15% of the fixed capital not exceeding Rs.15 lakhs. In addition they are also eligible for the following incentives.

1. **Exemption of Sales Tax:** SSI units are exempted from payment of sales tax for a period of 5 years from the date of commercial production limited to 100% of fixed capital investment or Rs.35 lakhs whichever is less.

2. **Deferment of Sales tax:** Large and Medium scale industries in Anantapur district are eligible for sales tax deferment limited to 75% of fixed capital cost in a period of 10 years.
3. 25% power tariff concession for 3 years from the date of going into production.

However, these facilities are not offered to certain lines of activities which are enlisted in the G.O.Ms.No. 146 dated 25.4.1991, and G.O.Ms.No. 654 dated 13.7.76 and G.O.Ms.No. 379 dated 27.7.89.

Only new industrial units which hold valid Registration / letters of intent and have taken effective steps for the first time on or after 3.10.89 for project implementation such as applying for project finance, placing of orders for any part of the machinery, commencement of construction etc., would be eligible for the subsidy provided they go into production before 31.3.1995.

SPECIAL INCENTIVES TO SCHEDULED CASTE/TRIBE ENTREPRENEURS

Providing Factory Sheds: SC/ST entrepreneurs are with factory sheds at special concessional terms in mini industrial estates being established by the A.P.I.I.C.

State Investment Subsidy: All SBI units set up by SC/ST entrepreneurs of partnership or private limited firms having a minimum of 51% of the share holding partnership belonging to SC/ST entrepreneurs are eligible for investment subsidy of 20% of fixed capital subjected to a maximum of Rs.20 lakhs. Industrial Co-operative Societies which are promoted exclusively for the benefits of SC/ST entrepreneurs by the SC/ST entrepreneur and engaged in the industrial activity are also eligible for the above incentives. The SC/ST entrepreneurs are also eligible for
investment subsidy only even for the ineligible list of 75 industries contained in the annexure to G.O. MS.No.146 (Industrial and Commerce department) dated 25-4-1991. However, they can not avail interest subsidy and sales tax exemption for these 75 industries.

In addition, except for 75 units which are listed in G.O. Ms. No. 146 dated 25-4-1991, the following incentives are also available for SC/ST entrepreneurs.

**Interest Subsidy:** SC/ST entrepreneurs establishing new SSI units who have not availed the concessional rate of interest under any other scheme would be eligible for interest subsidy at the rate of 6% for period of five years upto a maximum of Rs.1.00 lakh per year unit.

**Sales Tax (Exemption):** 5 years Sales Tax Holiday subject to a ceiling of Rs.35.00 lakhs on sales tax, during the entire Holiday period, in all the districts.

All the above incentives are applicable to the units which have obtained/will obtain provisional SSI registration from 3-10-89 to 2-10-92 (the provisional registration should have been obtained prior to taking effective steps as defined in the general scheme.)