

Government of Andhra Pradesh
Departments of Industries & Commerce and Social Welfare

Minutes of the Interactive Session held with Stake Holders on
Industrial Entrepreneurship and Economic Development of SC & STs

The interactive session was conducted by Sri Karikal Valaven, IAS, Special Chief Secretary, Industries & Commerce department and Smt K. Sunitha, IAS, Principal Secretary, Social Welfare department on the 23/9/2021 at 3pm in the chambers of Sri Karikal Valaven, IAS over Zoom conference. The list of participants is in Annexure.

Initiating the discussion Sri Karikal Valaven, IAS stated that though there are many Government supportive provisions, the development of SC & STs in setting up of industrial units and entrepreneurship among them is a subject of much concern. Majority of SC & STs are preferring to take up service sector units over manufacturing sector due to the challenges to be faced at various stages in the process setting up of manufacturing units.

The Special Chief Secretary called for a discussion on the subject and requested for suggestions of all the participants to improve the present position of SC & STs. The suggestions/views of the participants will help the GoAP to develop an ecosystem that shall encourage Entrepreneurship among SC-STs and set up more industrial units. The following are the main suggestions of the detailed discussion:

Sri Narra Ravi Kumar, National President, DICCI (Dalith Indian Chamber of Commerce & Industry) has expressed the following points to be considered by GoAP:

- Best provisions of various state policies for SC & STs to be adopted in AP Policy. e.g Karanataka State Finance Corp provides loan to schedule caste up to 10 cr with 4% interest rate and Gujarat has provided plug and play model for SC ST Entrepreneurs.
- In Andhra Pradesh SC& STs are facing many issues in land allotments & proposed to have an independent committee which can be approachable for SC & ST Entrepreneurs.
- Market support for entrepreneurs to be created by GoAP. All Welfare departments procurement to be reserved for SC ST entrepreneurs A Minimum of 4% to be reserved for SC&STs under procurement policies in line with GoI procurement policy 2016
- All the Contract works & civil supplies shall be reserved for SC& STs for which payment shall not be held up for more than 60 days and if there is more than 60 days delay, it shall be liable for payment of interest to ensure that their business does not get affected.
- The Government of India has introduced a policy where the payment should be done in 60 days or else interest is to be paid to the supplier. Also, in Telangana

a separate tender process is initiated where only the SC & ST could participate. This will reduce the competition and they will get price for the products.

- Solid waste, sewerage management, septic waste management related activities contracts should be reserved for Dalits as per the model of Delhi which created 500 contractors.
- Schemes like Dalithbandhu introduced by Govt. of Telangana can be implemented in AP with some improvement

Sri R Karikal Valaven, Special Chief Secretary in response to the above discussion expressed that certain changes are being made to resolve issues with the APIIC in terms of land allotment and mentioned to consider points made on the contracts, services, supplies and civil works for SC & ST Entrepreneurs.

Sri David Brainard, National Chairman, SICCI (SC-ST Chamber of Commerce & Industry)

- He has mentioned that 3 areas to be focused are - how to start a business, how to run a business & how to make the business sustainable.
- He requested for regular meetings of DIEPC (District Industries & Export Promotion Committee) under chairpersonship of District Collector & setting up of Facilitation Cells at district level for SC & ST Entrepreneurs.
- He explained the financial hindrances are faced by SC & ST Entrepreneurs in spite of having many banks in the state and each bank is mandated to provide at least 2 loans under Stand-up India scheme. He also mentioned that Mudra Loans of GoI are underutilized in Andhra Pradesh.
- Requested for SC & ST Association representation in SLBC meetings.
- Making working capital available for SC & ST Entrepreneurs is possible with effective implementation of RBI guidelines for SC ST loans. APSFC loans should be made available at reasonable terms to SC & STs
- Quarterly release of the incentive to SC&ST entrepreneurs shall be ensured.

Sri Mamidi Sudarshan, National President, DIA (Dalith Industrial Association) has mentioned the following points:

- In allotment of lands, injustice being done to SC & STs by APIIC. The process of DPR evaluation by KPMG consultants is not properly done. He requested the GoAP to revise the G.O 102 I&C dept dated 19/6/2012 related to land allotments. The 16.2% of plots is not being applied to the total area in the IP hence UDL plots are reserved for SC ST Entrepreneurs and are forced to take land only in reserved plots & if applied for plot in general category land the SC ST Entrepreneurs are deprived of subsidies.
- Mentioned that G.O 187 on margin money scheme needs to be implemented for initial support to SC & STs.

- A proper procurement policy giving priority to SC & STs in all departments is to be implemented. Telangana Govt. is giving priority to SC & STs in allocation of Bar & Restaurants and same can be implemented in AP also.
- Requested to resolve the issues of allotment of lands in Veerapanenigudam & Mallavalli as 99% plots rejected pertain to Dalits.
- Policies should be in such a way that all Sub castes among SC & STs will get economic benefits.
- The violation of procurement policy is done by LIDCAP. As per G.O no 65 preference to be given to Madiga community only for bidding tenders but 90% works are given to General Community.
- The recently set up SC & ST Cell needs to be strengthened.
- The General Manager, East Godavari is not inviting DIA as member of DIEPC and requested to take action.

Sri Ramamurthy Naik Representative, TICCI (Tribal Indian Chamber of Commerce and Industry):

Mentioned that more dairy farms needs to be allotted to Daliths and to be given priority in meat supply

Sri Kannaya Kondepogu, MICCI (Madiga Industrial Chamber of Commerce & Industry) has mentioned that

- State procurement policy has to be implemented.
- Discussed on the financial issues & market issues. He requested to mandatorily call the bankers for the meetings & suggested to reimburse the incentives, trade & commerce payments to SC & STs on priority basis (within 3 months) which can save the Entrepreneurs falling into debt.
- He also mentioned that the quality of the training provided at EDP is poor & advised to provide mentors under each sector which will improve the situation.

Sri T Krishna Prasad, IPS (Retd), Former Director General of Police, Govt. of Telangana & Chairman, MALUPU Foundation

He has thanked the Government for increasing the investment subsidy. He expressed that Industries should include a category as NANO Entrepreneurs whose investment is less than 10 Lakhs as most of the SC & ST Entrepreneurs fall under this range and which are mostly in rural areas.

He emphasized on the following:

- Setting up Skill Development center in closest proximity to SC&STs
- Development of entrepreneurship culture in rural areas.
- The Entrepreneurs Development Programs should be taken up at Mandal level and Counselling to SC& STs is to be given priority.

- Reviving APTICO for providing consultancy services at reasonable cost for SC & ST Entrepreneurs
- 3% of all engineering dept. works to be reserved for SC&ST Entrepreneurs with minimal qualification. He referred the examples like Dalitbandhu.
- Ancillary units of Anchor units in Industrial Parks to be allotted to SC&STs
- Government departments to implement affirmative action policy for SC STs

In response to this **Smt.K. Sunitha, IAS Prl Secy, Social Welfare department** stated that the points mentioned will be taken into account. Contracts to SC & STs, provision of vehicles under the NSFDC Scheme will be focused during the year.

Sri T. Gopal Rao, IAS (Retd.), former Principal Secretary, Govt.of Andhra Pradesh stated the following points:

- Development of SC&STs in industrial sector is part of overall development of Daliths.
- Entrepreneurship Development Programs (EDPs) have become routine and should be more practical oriented and need based. APITCO should be strengthened to support SC & STs in the preparation of project profiles. District Based Profiles need to be prepared.
- The applicability of interest subsidy should be from the date of disbursement of loan and not from Date of Commercial Production (DCP).
- There should be provision for SC & STs to select any plot in industrial parks of APIIC and not the marked plots meant for them. Plug and play facilities should be created for SC STs.
- Support in the areas of marketing the products and backward and forward linkages to be there for SC & STs.
- APSFC should come up with a plan to support first generation entrepreneurs without any Collateral security.
- End to end support to at least 100 entrepreneurs should be provided in the State.
- Highlighted the need to link the working capital at the beginning then manufacturing and after that marketing. Most fail in first step or last step. Marketing issues should be sorted out at the state level rather district level. At the state level a special cell to attend to the day-to-day issues of marketing and related issues.
- Introduce a system where APSFC should be strengthened and earmark funds to empower the SC & ST entrepreneurs with liberal loans other than banking loans which ask for collateral security. Out of box thinking is required to solve the issues.

Sri Praveen Kumar IAS, Special Chief Secretary to Government mentioned that

- Very few number of people from SC & ST sections are coming forward in industrial sector because of the difficult journey involved and the same should be taken into account in formulating policies.

- The performance of Banks, APIIC and Single Window system should be reviewed regularly.


Sri J.V.N Subramanyam IAS, Director of Industries, Commerce & Export Promotion and VC & MD APIIC has stated the following:

- Incentives for all pending cases were cleared.
- As per YSR Jagananna Badugu Vikasam guidelines, a circular reducing the interest rate from 16% to 8% for SC & STs was issued.
- Regarding DPR any project report which is bankable is acceptable to APIIC.
- Land allotment issues of Veerapanenigudem and Mallavalli industrial parks will be sorted out at the earliest.
- SC & ST issues are being reviewed weekly and necessary action is being taken to resolve the same.
- Development of 130 SC & STs entrepreneurs @10 per district will be taken up as focused program.

Sri K. Madhava Rao, IAS (Retd.), Former Chief Secretary, Govt. of Andhra Pradesh emphasized on the following:

- The committee/board at highest level dealing with the development of SC STs should be headed by Chief Minister
- There should be a comprehensive order on land related matters and reservation of industrial plots should be based on extent of area.
- In case of delay in releasing incentives interest for the delayed period should be paid to entrepreneur.
- When incentive is not released in time, the earmarked budget/funds can be placed at the disposal of Principal Secretary (SW) / Principal Secretary (TW).
- The budget allocated for SC & STs (Special Component) should not be touched for any other purposes.
- Principal Secretary, Social Welfare department should be made ex-officio Secretary, Finance, as far as Special Component is concerned.

Special Chief Secretary concluded saying that suggestions offered will be taken into account in formulating and implementing the policies of GoAP and thanked all the participants.


R Karikal Valaven, IAS
Special Chief Secretary
Industries and Commerce Department
Government of Andhra Pradesh

ANNEXURE

List of Participants:		
S.No.	Name of the Dignitary	Designation / Association
1	Sri.K.Madhava Rao, IAS (Retd.)	Former Chief Secretary, Government of Andhra Pradesh
2	Sri.K.Pradeep Chandra, IAS (Retd.)	Former Chief Secretary, Government of Telangana
3	Sri.T.Gopala Rao, IAS (Retd.)	Former Principal Secretary, Government of Andhra Pradesh
4	Sri.T.Krishna Prasad, IPS (Retd.)	Former Director General of Police, Govt.of Telangana & Chairman, MALUPU Foundation
5	Sri.K.Praveen Kumar, IAS	Special Chief Secretary , Government of Andhra Pradesh
6	Sri.J.V.N Subramanyam, IAS	Director of Industries, Commerce &Export Promotion,and VC & Managing Director, APIIC
7	Sri.Harsha Vardhan, IAS	Director of Social Welfare
8	Smt.B.Navya, IAS	Secretary, APSWRSES
9	Sri.Raghu Ram	Addl.Director of Social Welfare
10	Sri.M.Raja Sekhar	Joint Director of Industries
11	Sri.K.Vijayaratnam	Joint Director of Industries
12	Sri.I. L.Ram	Chief General Manager, APIIC
13	Sri.Narra Ravi Kumar	National President, DICCI (Dalit Indian Chamber of Commerce and Industry)
14	Sri.A.David Brainard	National Chairman, SSCCI (SC-ST Chamber of Commerce and Industry)
15	Dr.Mamidi Sudarshan	National President, DIA (Dalith Industrial Association)
16	Sri.Rama Murthy Naik	Representative,TICCI (Tribal Indian Chamber of Commerce and Industry)
17	Sri.Kannaiah Kondepogu	Representative, MICCI (Madiga Industrial Chamber of Commerce and Industry)