

Andhra Pradesh State Govt. Sponsored Programmes with Bank Credit

The Government of Andhra Pradesh is implementing 142 schemes as announced in the State Budget 2018-19. The list of major State Government Programmes and Schemes involving bank credit is given below. The complete list of State Govt. schemes can be accessed from the link: <https://www.apfinance.gov.in/Budget1819/>. It may, however, be noted that not all schemes are credit linked.

1. Pavala Vaddi Scheme and Vaddi Leni Runalu Scheme:

The objective of both the schemes is to ensure enhanced production of crops, besides, providing crop loans to farmers at a cheaper interest rate and encouraging prompt repayment.

Implementing Agency: Department of Agriculture and Cooperation through Banks

Eligibility/ Beneficiaries covered: Beneficiaries under the scheme are farmers who have taken crop loans from banks and are prompt in the repayment of their loans. The farmers are required to repay their outstanding loans within due date fixed by the banks subject to maximum 12 months from the date of disbursement to get benefit under the Schemes. Landless tenant farmers with Loan Eligibility Cards (LECs) also are eligible for coverage.

Nature of support/ assistance/ quantum of subsidy:

- The State Government provides interest relief/ subvention of 4% on loans upto ₹ 1 Lakh under Vaddi Leni Runalu Scheme and 1% on loans > ₹ 1 lakh upto ₹ 3 lakh under Pavala Vaddi Scheme.
- The above interest relief is over and above the 3% interest subvention for prompt repayment given by GoI.
- Thus, farmers get interest free loans upto ₹ 1 lakh under Vaddi Leni Runalu Scheme and ultimate rate of interest is effectively 3% under Pavala Vaddi Scheme.

2. Programme for Development of Industries:

- The State Govt. has accorded top priority to industrial growth as a means to mitigate poverty and unemployment and aims to establish state of the art infrastructure, promote manufacturing, enhance inclusivity, foster innovation and create employment opportunities across sectors.
- **Objectives:**
 - To ensure sustainable & inclusive industrial growth
 - To be among the Top 3 states in terms of industrial investments by 2022
 - To be the most preferred logistics hub and India's gateway to East and Southeast Asia by 2029
 - To enhance the quantum and quality of skilled manpower and create significant employment opportunities
- **Targets:**
 - Increase the contribution of manufacturing to Gross State Domestic Product (GSDP) from 9.95% (2013-14) to 15% by 2020
 - Increase the contribution of industries to GSDP from 20.7% (2013-14) to 25% by 2020
 - Attract investment to the tune of ₹2.00 lakh crore by the end of 2020
 - Create employment opportunities for an additional 10 lakh people by the end of 2020

Implementing Agency: Industries and Commerce Department, Govt. of AP

Nature of support/ assistance/ quantum of subsidy:

- **Scheduled Castes/ Scheduled Tribe Entrepreneurs:** Interest subsidy on the term loan taken on the fixed capital investment 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. This benefit is also applicable to the Service Sector units set-up.
- **Special Package for BC entrepreneurs:** Interest subsidy on the term loan taken on the fixed capital investment 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.

3. Programme for Development of Food Processing Industries:

- The State intends to be the most preferred destination for Food Processing Industry by capitalizing on the rich and diverse food production base of Andhra Pradesh to provide fillip to the sector.
- **Objectives:**
 - Develop commodity-based clusters to enable a focused and planned approach to developing the food processing industry through a coordinated approach among government departments.
 - Identify and bridge existing infrastructure gaps affecting the food processing industry.
 - Promote innovation, research & development in the industry and ensure continuous technology upgradation.
 - Undertake capacity building and enhance competitiveness of food processing industry in both domestic and international markets
- **Targets:**
 - Make Andhra Pradesh one of the most preferred destinations for food processing sector
 - Attract new investments worth ₹5,000 crore by 2020
 - Create additional employment opportunity for 50,000 personnel by 2020

Implementing Agency: Industries and Commerce Department, Govt. of AP

Nature of support/ assistance/ quantum of subsidy:

- Interest Subsidy of 7% on the term loan taken for fixed capital investment for food processing units and cold chain infrastructure for a period of 5 years from commencement of commercial operations limited to ₹2.00 crore
- Interest Subsidy of 7% on the term loan taken for Primary Processing Centers (PPCs) and Primary Collection Centers (PCCs) for a period of 5 years from commencement of commercial operations limited to ₹1.00 crore
- For Integrated Food Parks that avail loans from NABARD, interest subsidy will not be applicable

4. Programme for Promotion of Fisheries:

- The Programme promotes the rational exploitation and utilization of the State's fishery resources in a manner consistent with the overall goal of sustainable development.

- Developmental intervention for marine, brackish water, Inland fisheries, reservoirs development and ornamental fishery trade, with a view to enhance the fish production to 42 lakh tones in the next five years from the present level of 19.64 lakh tonnes and to double the exports value from the present level of about ₹ 16000 crore.
- Develop Andhra Pradesh as an Aqua hub.

Implementing Agency: Fisheries Department, Govt. of AP

Eligibility/ Beneficiaries covered: Traditional fishermen, farmers and feed and seed manufacturers, marine fishermen using traditional crafts and motorised vessels, licensed fishermen, processing units including cold chain maintenance

Nature of support/ assistance/ quantum of subsidy:

- **Processing Units:** Interest subvention of 6% will be provided on bank loan subject to maximum of ₹2.5 crore for 5 year period to aqua processing units, ice plants and cold storages.
- **Feed Manufacturing units / fishery related Equipment Manufacturing:** Interest subvention of 6% per annum up to a maximum of ₹2.00 crore will be provided to the Fish Feed Manufacturing units only for Five Years.

5. Programme for Promotion of Poultry:

- The major objectives are to enhance the production from commercial broilers, layers, encourage processing of eggs & chicken for value addition and promote exports in partnership with private players.
- To make Andhra Pradesh as the highest egg and poultry meat producing State in the Country with sustainable growth in Poultry Sector for Economic Prosperity and Nutritional Security.

Implementing Agency: Animal Husbandry Department, Govt. of AP

Nature of support/ assistance/ quantum of subsidy:

- **Egg Processing Plant:** Interest subsidy on the interest payable over and above 7% of bank interest on the term loans taken for fixed capital investment for a period of 4 years from commencement of commercial operation, limited to ₹2.00 crore.
- **Egg Processing Centres:** Interest subsidy on the interest payable over and above 7 % of the bank interest on the term loan taken for Egg Processing Centers (EPCs) and Egg Collection Centers (ECCs) for a period of 4 years from commencement of commercial operations limited to ₹ 1.00 crore.
- **Chicken Processing Units:** Interest subsidy on the interest payable over and above 7 % of the bank interest on the term loan taken for period of 4 years up to ₹2.00 cr.
- **Value Addition to Meat Products:** Interest subsidy on the interest payable over and above 7% of the bank interest on the term loan taken for period of 4 years upto ₹2.00 cr.
- **Interest Subsidy towards support for setting up of poultry farms:** The State Government will subsidize the interest charged over and above 7 % rate on the loans sanctioned by the commercial banks for establishment of poultry farms.
