

Development DOSSIER

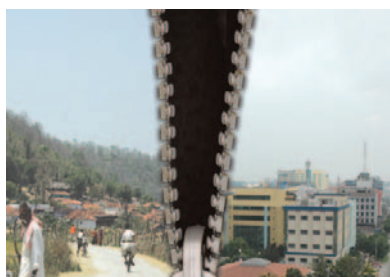
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Inside



2 Sectors in Prime

Information Technology might have ignited the drive, but it was a collaborative approach from all sectors that helped the state take new strides towards development.



3 The Harmonious Divide

The gap between the 'have' and 'have-nots' seem to exist in every society. But today, Andhra Pradesh is bridging the gap with élan.



4 Fuelling Development

In Andhra Pradesh, few have the distinction of fuelling development in the state and excelled too. They are a committed lot and mean serious business.



Rural & Urban Development Dossier of Andhra Pradesh



The Cycle of Comprehensive Prosperity and Responsibility

Development means, A process of building up a comprehensive prosperity of all citizens in every sphere of life...

Comprehensive prosperity means, A mental, physical and emotional well-being...

Well-being means, Enjoying unhindered Socio-economic freedom...

Freedom means, A wider choice to enjoy all rights without discrimination but with responsibility...

Responsibility means, To render service towards enhancing comprehensive prosperity...

This is what, I mean by all-round development, which is pervading in every nook and corner of Andhra Pradesh since we took the reigns of Administration.

We are privileged and feel proud to dedicate ourselves to serve the masses under the dynamic leadership of Mrs. Sonia Gandhi, the UPA Chairman.

Honourable Chief Minister
Dr. Y. S. Rajasekhara Reddy

As told to P. R. Subas Chandran

The Four-year Tryst with Development

THE STORY OF ANDHRA PRADESH BEGAN WHEN AMARAJEEVI POTTI SRIRAMULU FASTED UNTIL DEATH IN AN EFFORT TO GAIN AN INDEPENDENT STATE, AND PROTECT THE INTERESTS OF THE TELUGU PEOPLE OF MADRAS STATE. FROM 1 NOVEMBER 1956, WHEN ANDHRA STATE MERGED WITH THE TELANGANA REGION OF HYDERABAD TO FORM THE STATE OF ANDHRA PRADESH, TILL THIS YEAR (2008), THE STATE HAS BEEN TRANSFORMED INTO AN EXCLUSIVE ENTITY, PIONEERING SUCH CONCEPTS THAT FEW WOULD HAVE EVEN DREAMT. THANKFULLY, THE STATE HAS MORE OFTEN BEEN LUCKY IN TERMS OF THE LEADERSHIP IT CHOSE. FROM TANGUTURI PRAKASAM TO P.V. NARASIMHA RAO, FROM NANDAMURI TARAKA RAMA RAO TO NARA CHANDRABABU NAIDU AND NOW YEDUGURI SANDINTI RAJASEKHARA REDDY, THE STATE'S LEADERSHIP CHOICE HAS PLAYED A VITAL ROLE IN IT'S TRANSFORMATION. WHILE THE REVOLUTION TOWARDS CHANGE TRAVERSED THROUGH A MULTITUDE OF CHALLENGES, STEP-BY-STEP, THE STATE HAS MOVED AHEAD AND TODAY IT CAN PROUDLY CLAIM ITSELF AS ONE OF THE TOP STATES IN THE COUNTRY IN TERMS OF APPLIED DEVELOPMENT. THIS IS EVEN MORE EVIDENT WHEN YOU LOOK BACK AT THE LAST FOUR YEARS OF HOLISTIC DEVELOPMENT ENCOMPASSING BOTH RURAL AND URBAN ANDHRA PRADESH.

- The State's average industrial sector growth has shot upto 8.9 per cent during 2004-08 as against 5.4 per cent during 2000-04
- IT exports from the State were Rs.1,800 million in 2004. It reached Rs.19,000 million in 2006 - 2007
- In 2007-08, the Centre gave approvals to 71 SEZs in AP- 52 notified and 19 others have received formal or in-principle approvals
- The per capita income in the State is estimated at Rs 33,970 in 2007-08 as against Rs 29,582 in 2006-07
- The GSDP growth for AP in 2007-08 has been estimated at 10.37 per cent and is the highest witnessed in the last two decades
- During the Tenth Five Year Plan, four textile parks were sanctioned in the state under the scheme of Integrated Textile Park
- According to official sources, in biotech sector alone, there has been over Rs 700 crore investments

In the recent past, Andhra Pradesh has emerged at the forefront of economic development of the country.

The state has taken rapid strides in industrialisation and now enjoys leadership status in knowledge industry sectors like IT, Biotech, Drugs and Pharmaceuticals etc. The state forms an integral part of the growth powerhouse of the Southern Region.

The State's average industrial sector growth has shot upto 8.9 per cent during 2004-08 as against 5.4 per cent during 2000-04 and the economic growth was up 8.7 per cent during 2004-08 as against 6.17 per cent in 2000-04.

Agriculture has been the chief source of income for Andhra Pradesh's economy. Two important rivers of India, the Godavari and Krishna, flow through the state, providing irrigation.

There are many multi-state irrigation projects in development, including Godavari River Basin Irrigation Projects and Nagarjuna Sagar Dam, the world's highest masonry dam.

In 2004 - 2005, Andhra Pradesh was at the fifth position in the list of top IT exporting states of India. The IT exports from the State were Rs.1,800 million in 2004. The IT sector is expanding at a rate of 52.3% every year. The IT exports reached Rs.19,000 million in 2006 - 2007 and ranked fourth in India.

The service sector already accounts for 43% GSDP and employs 20% of the work force.

Andhra Pradesh is a mineral rich state, ranking second in India in terms of mineral wealth. The state has about one third of India's limestone reserves, estimated at about 30 billion tonnes. The state ranks first nationwide in hydro electricity generation with a national market share of over 11%.

Andhra Pradesh's gross state domestic product for 2005 was estimated at \$62 billion at current prices.

GSDP at Constant (1993-94) Prices for the year 2005-06 is estimated at Rs.1,17,434 Crores (Advance estimates) as against Rs.1,09,193 Crores (Quick estimates) for 2004-05 registering an increase of 7.55%. The year 2007 saw the state GDP touch Rs 2,294, 610 million. The Gross State Domestic Product growth for Andhra Pradesh in 2007-08 has been estimated at 10.37 per cent and is the highest witnessed in the last two decades.

The State economy is moving towards employability and the annual employment growth rate during 2004-08 has been 3.7 per cent.

On the sectoral growth front, in 2007-08, the state has registered a growth rate of 9.76% in primary sector, 8.26% in secondary sector and 11.57% in tertiary sector, as against the targets of 5%, 10% and 11% respectively.

While the agriculture and the services sectors have outperformed, the industry sector has dipped below the targets. The state revenues, as per the revised estimates (RE), have increased by 31.24% over last year, at Rs 31,402

crore. With increased agriculture production, registering at 180 MT in the current year, the state would end up with a record growth in the sales tax collections, which is the major source of the state revenues.

The State of Andhra Pradesh is ranked third in terms of investments received since liberalisation of Industrial Policy in 1991.

According to official sources Andhra Pradesh is ranked fourth, with total industrial investment of 1,54,129 crores from 335 projects and is ranked first in terms of foreign industrial investment with 56,966 crores from 32 projects.

Since liberalisation in 1991, 3279 new proposals with investment worth Rs. 1,10,109 crores were received in the state. Out of these, 1386 projects with an investment of Rs. 15,365 crores have gone into production

The per capita income in the State is estimated at Rs 33,970 in 2007-08 as against Rs 29,582 in 2006-07.

Due to copious monsoon, the agricultural productivity is poised to go up with rice production expected to increase to 122.40 lakh tonnes this year up from 118.72 lakh tonnes last year.

All in all, 2004to 08 seems to have lent a certain magic to the entity that is andhra Pradesh. ♦

For sectors that made the difference, see Page: 2

Many Firsts

- Highest growth rate in IT exports (5000 Cr to Rs 18,000 Cr)
- Unprecedented employment (One lakh jobs in IT sector)
- Expansion of IT to Tier II cities
- Fab City
- Leather, Jewelry and Garments parks
- Jawahar Pharma city
- No hike in domestic power tariff
- Lowest industrial power tariff (Rs 2.95 per unit)
- Free power to all poor farmers
- BITS (Pilani) brought to AP
- First International Airport in AP (To become operational by 2008)
- Longest Outer Ring Road in AP
- Natural Gas Grid in formation
- US consulate at Hyderabad (To function from Mar 2008)
- 12 Lakh acres provided irrigation (Part of Jalayagnam to irrigate 69 lakh acres)
- Six new universities set up
- IIT sanctioned
- Rajiv Institute of Medical Sciences (super specialty hospital by Govt)
- Three new medical colleges
- Free heart surgeries for children (Above 6000 poor kids benefited)
- Free Health insurance for all poor (Pilot scheme launched in 3 Ots.)
- New life to Telugu cinema (Slab system was abolished & new subsidies were introduced)
- Loans to women on lowest interest rate (Ps 25 per Rs 100)
- First to have introduced Right to Info Act.



Sectors in Prime

TODAY ANDHRA PRADESH IS WHAT IT IS BECAUSE OF FEW SECTORS THAT ARE IN ITS PRIME AND RARING TO STRIDE AHEAD TO UNSEEN TERRITORIES AND TAKE THE BOLD STEP TOWARDS ACCOMPLISHING THE REVERED POSITION AT THE TOP OF PROGRESS.

Industrial Performance

Industrial production growth rate was the fastest in the decade; it grew by 12.4% in July 2006. Liquidity in the financial system and the robust Indian economy fuelled growth in manufacturing, which grew by 13.3% in July 2006. Manufacturing sector had been shining continuously with increasing demand and sustainable inflation even after the oil price hike. The sharp rise had been spurred by an 18% increase in production of consumer goods—both durable and non-durable. The capital goods sector, a strong indicator of whether the rates would sustain, also kept up the momentum at 15.4%. The monthly Index of Industrial Production (IIP) data showed that the overall rate for the fiscal year 2005-06 had gone up to 10.6%, over the same period, the previous year.

Industrial output had been going strong in the fiscal, with the IIP touching 9% in June 2006. The sector's contribution to GDP in 2005-06 was Rs394,873 crore, which in percentage terms was 15.27%. In 2004-05 it accounted for 15.07% of the India's GDP. The share of manufacturing sector in Andhra Pradesh's GDP remained at around 14.14%. The sector showed a growth of 44.60% in net sales during October-December 2006 compared to the corresponding period of the previous year, as per the data set available for pharmaceutical companies in the state.

Based on 1993-94 constant prices, the GSDP of Andhra Pradesh was Rs1,174.34 billion in 2005-06, registering a growth of 7.54% over Rs1,091.93 billion in 2004-05. During this period, manufacturing output of the state was expected to increase to Rs163.49 billion during 2005-06, showing growth of 5.87% over Rs154.42 billion worth production during 2004-05.

In 2007-08, the Centre has given approvals to 71 special economic zones (SEZs) - 52 notified and 19 others have received formal or in-principle approvals for Andhra Pradesh. While 15

SEZs are being undertaken by the Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC) and 23 are assisted by it, two of them are being developed by the urban development authority and 31 by private developers.

The Pharmaceutical Sector

The sector showed a growth of 16.29% in net sales during Apr-Mar 2005-06 in comparison to the corresponding period of the previous year. In the first quarter performance for April- June 2006-07, net sales increased by around 43.02% against the same period previous year.

The sector showed a growth of 16.29% in net sales during April 2006-March 2007 in comparison to the corresponding period of previous year in the state.

Andhra Pradesh has a key position among Indian states in the production of bulk drugs and pharmaceutical sector with Hyderabad producing nearly one third of India's total bulk drug output. Presently, the state has a market size of US\$1.6 billion and expected to reach US\$10 billion by 2010. The state is a favourable destination for investment in bulk drugs and pharmaceuticals, with a good scope for the establishment of large and medium scale industrial units. The exports of pharma, drugs, allied chemicals and plastics for the year 2005-06 was Rs49.14 billion compared to Rs39 billion in 2004-05, registering a growth of 26% during the period.

In the pharma sector, the State capital boasts of over 150 companies, a majority of them being the bulk drug manufacturers.

Year 2007 brought to fore, several new developments in the biotech sector. A Biotechnology Incubation centre was set up at a cost of Rs 30 crore in a joint venture with Andhra Pradesh government, Union government and the Indian Institute of Technology (IIT). A Centre for Stem Cell Sciences being established by the Centre for Liver Research and Diagnostics with the support of the Andhra Pradesh government with an investment of Rs 150 crore is also coming up. According to official sources, in biotech sector alone, there has been over Rs 700 crore investments.

Agriculture

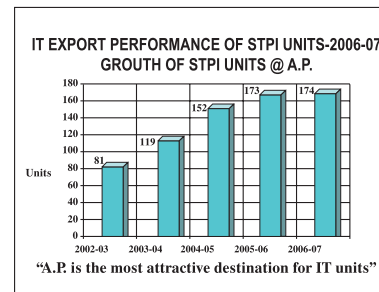
Andhra Pradesh's total food grains production had increased from 13.4m tonnes in 2004-05 to 17.8m tonnes in 2005-06, indicating a growth of 32.88%. Under the 'Jalayagnam' scheme, aimed at increasing the irrigation potential in the state to an additional ayacut of 6.5m acres planned in next three years, about 0.7m acres had been released during 2006-07. Under crop diversification programme, an estimated 0.873m hectares were diversified during 2004-05 and 2005-06 and 0.5m hectares during 2006-07. As per the available data, the net sales of agro-based industry in Andhra Pradesh increased by 26.34% during October- December 2006 compared to the same period of the previous year.

Thanks to the string of initiatives recently taken or supported by the department, particularly the launch of Terminal Markets, Multi State Agricultural Competitiveness Project, Rythu Bandhu Pathakam and staff training, Andhra Pradesh is among the few Indian States that have well-developed channels for marketing agricultural produce, both within the country and abroad.

Market fee collections have increased from Rs 202.98 crore in 2002-03 to Rs 235.17 crore in 2007-08 (up to January).

Information Technology

The export turnover of the state in IT sector was Rs185.8 billion during 2006-07 compared to Rs125.2 billion in 2005-06, thus achieving 48.4% growth. The state ranked fourth in India in IT exports value after Karnataka, Maharashtra and Tamil Nadu. The contribution from the state in IT exports to the National exchequer increased to 14% in 2006-07 compared to 8.62% in 2003-04.



Infrastructure

To have an efficient public transportation system and to ease the traffic snarls, projects like Metro Rail Transit System (MRTS), Bus Road Transit System (BRTS), Elevated Expressway, flyovers, Outer Ring Road (ORR) and Radial Roads, among others, are currently being taken up. But the icing in terms of infrastructure development was surely the opening of the Rajiv Gandhi International Airport. The airport will handle around 3,80,000 passengers consisting of 57,000 international and 3,23,000 domestic passengers. A total of 4900 Air Traffic Movements (2450 landings and 2450 take offs) were handled. 263 Air Traffic Movements (ATM's) were handled on 10.04.08.

In Hyderabad, HUDA is playing a key role and there are many works planned and also under implementation. Works include ORR, construction of flyovers, parks development, lake improvement, restoration of polluted Hussainsagar lake, increasing green cover to 30 percent, among others apart from construction of integrated satellite townships. INCAP (Infrastructure Corporation of Andhra Pradesh) is also playing a vital role in overall development of infrastructure in the state. Its recent projects include Green field Airports at Nellore, Ongole, Tadepalligudem, Kurnool, Kothagudem, Ramagundam and Nizamabad Towns under PPP; Integrated Development of North Coastal Corridor in the State of Andhra Pradesh under PPP apart from others.

Textile

The textile industry, particularly the spinning and processing sectors in Andhra Pradesh, is well developed. The state is a leading producer of cotton with an annual production base of about 2.6m bales on an average.

The state has a mature spinning sector with a spindlage of over 1.6m. There are over 80 spinning mills including a good number of 100% export oriented units with state-of-the-art machinery, producing cotton, synthetic and blended yarns. There is substantial potential to establish modern weaving units in the state. At present, there are 1,079 weaving units with a production capacity of 768m metres of fabrics. There is a growing demand for good quality fabrics by the apparel manufacturing industry, which at present, is being met partly by imports. Andhra Pradesh has also emerged as a large textile processing centre with over 100 units with a processing capacity of 13m metres of cloth per annum.

The textile sector in the state is expected to become a US\$8 billion industry by 2015 and much of the growth would come from large-scale value ad-

dition through weaving, processing and garmenting.

Irrigation

'Jalayagnam', as the word speaks is a ritual for water utilisation. It was implemented by Chief Minister Dr. Y.S. Rajasekhara Reddy as an election promise to the cultivating people of the state to bring 73 lakh acres under irrigation in five years. This project has been accorded the highest priority for the development of irrigation infrastructure, particularly in backward and drought prone areas by taking up this program in a big way. Jalayagnam includes a number of irrigation projects by construction of reservoirs and lift irrigation systems for lifting water from major rivers, particularly from Godavari to provide immediate irrigation benefits. Under Jalayagnam, the major milestones achievement by the government since taking over include release of water under Vamshadhara project in Srikakulam district; Release of water under

Budget for Jalayagnam

Plan Year	Allocation (Rs in crores)	Expenditure (Rs in crores)
2006-07	10,040	-
2005-06	6,374	6,661
2004-05	4,200	3,331

'Janjhavathi Rubber Dam' in Vizianagaram district as part of Jalayagnam; Release of water under Thadipudi in West Godavari district; Release of water under Pushkara project in East Godavari district; Inauguration of SRSP second phase for Telangana districts; among others.

Healthcare

In the years, the present government has taken steps to upgrade the status of Nizam Institute of Medical Sciences and Sri Venkateswara Institute of Medical Sciences to that of AIIMS. It also initiated setting up of Rajiv Gandhi Institute of Medical Sciences (Teaching Hospital) in Kadapa district with Rs.125 crores. Apart from these, it took initiatives towards Construction of an ultra modern hospital with Rs.110 crores at Vishakhapatnam, steps to establish Medical Colleges in Adilabad, Prakasam and Srikakulam, Construction of own buildings for 147 Primary Health Centers in the state, free heart surgeries to the children under the age of 12, 'Aarogya Sri', a historic insurance scheme to ensure health insurance even to the poor.

Education

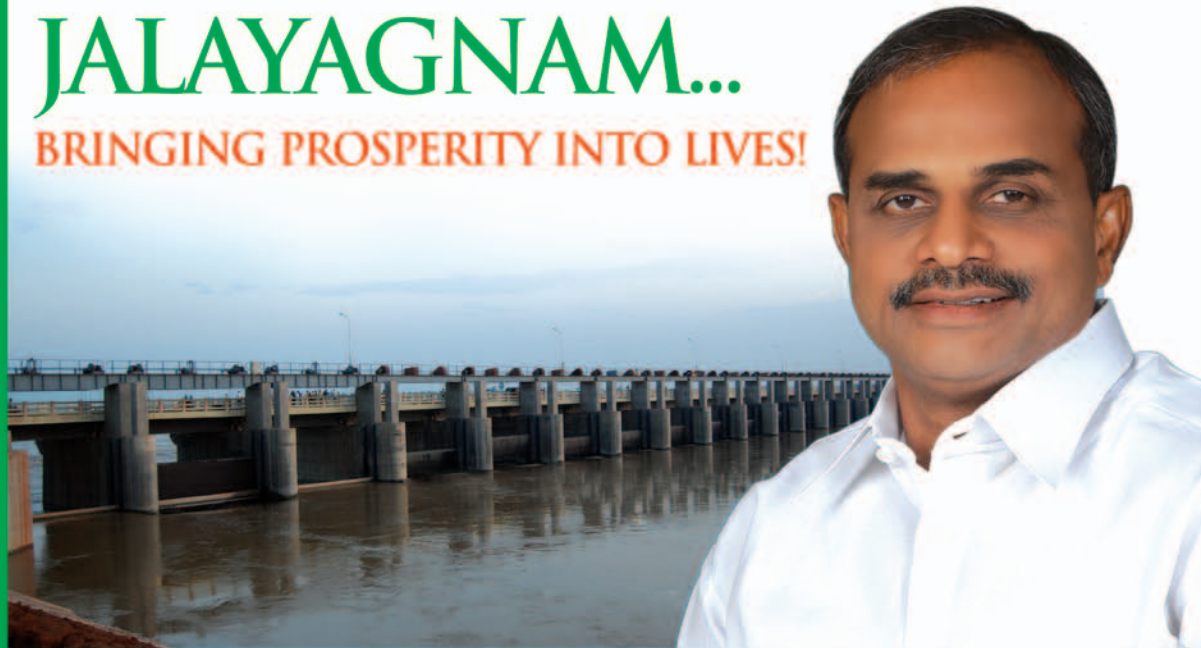
The government's achievement in education has been above average when in comparison to the 2004-05. Through the years it achieved Birla Institute of Technology (BITS) campus at Hyderabad. It was even able to get sanction for Indian Institute of Technology (IIT) for the state apart from Yogi Vemana University (Kadapa Dt), Telangana University (Nizamabad Dt), Aadikavi Nannayya University (Rajahmundry) and Nalgonda University (Nalgonda), and Sri Venkateswara Veterinary University at Tirupathi.

Conclusion

It is an undeniable fact that the state of Andhra Pradesh has seen unprecedented growth in the last 3-4 years in every sector. Driven by IT and agriculture, the state is surely on the road to El Dorado lifting the lives of the both rural and urban populace. Though there is still a margin when it comes to balanced growth, the state is in the mode of heavy transition and probably, as suggested by industry experts, it will surely lead a life of evenness in time not too far. ♦

(Collated with inputs from <http://cii.in>)

JALAYAGNAM... BRINGING PROSPERITY INTO LIVES!



"People will have confidence in the Government only if it keeps up its promises. This government has, and will always, work towards fulfilling the needs of the people. It continues to progress with great speed towards completion of various projects and will not rest till Jalayagnam becomes a complete reality. No matter what, nothing is going to stop us from accomplishing what we have set out to achieve. That's a promise!"

Jalayagnam - An overview

- Irrigation facilities for upto 1 crore 7 thousand acres
- Total expenditure of Rs. 1,30,000 Crores
- To achieve the goal of 74 projects
- Will be completed by 2012
- 12 projects completed in 4 years
- Already irrigated land - 14.25 Lac acres and drinking water facilities to hundreds of villages
- Pranahitha - Chevella project will commence soon
- Lucrative rehabilitation for the displaced
- Quality analysis with third party inspection
- Permanent solution to strengthen embankments of River Godavari
- Commencement of hundreds of lift irrigation schemes
- Completed projects will end imbalance in the society.



YESTERDAY'S DREAM... TODAY'S REALITY... JALAYAGNAM!

Fuelling Development

Development of a state does not just depend on proactive governance and policies. Its best shades are reflected when there is complete coordination and understanding between important players in sectors that are driving the state's economy. In Andhra Pradesh, many have the distinction of fuelling development of the state. Here we have featured three vital players and a sector which has off-late played a significant role in taking the state to the next level of progress.

REALISING THE MAGIC OF SUPREMACY

XL TELECOM AND ENERGY LTD

XL Telecom & Energy Ltd, which specializes in Solar Photovoltaic modules as well as the telecom sector, has a strong foresight. Planning to raise money at the London Stock Exchange for its wholly owned subsidiary, Saptashva Solar SL Company, which is being incorporated in Spain, the company is clear – it means serious business.

Through this Subsidiary, it is planning to raise funds and establish 'Solar Farms' to generate power for Spain and Southern European countries.

The company plans to raise Rs 900 crore in the international markets to invest in 200 MW solar farms in the next two years. XL Telecom and Energy Ltd plans to be a Rs 10,000 crore plus company in the next 5 years.



Dinesh Kumar, MD, XL Telecom and Energy Ltd

ACCORDING TO DINESH KUMAR, MANAGING DIRECTOR, XL TELECOM AND ENERGY LTD, IN THE COMING YEAR, THE COMPANY WILL ACHIEVE 10 TO 15 PERCENT OF THE INTENDED GOAL. HE SAYS, "IF WE CONTINUE TO GROW THE WAY WE ARE GROWING, THEN EVEN THE AMBITIOUS RS 10,000 CRORE IS NO BIG DEAL."

With a current capacity of 70 MW, which is expected to be ramped up to 120 MW by June 2008, XL Telecom & Energy Ltd is staring at a robust growth in terms of capacities as well as revenues. Having touched Rs 500 crores in terms of turnover last year, the company hopes to touch Rs 700 crores this year and is targeting over Rs.1500 crores for next year.

Started as a telecom in 1985, the company plans to continue in the telecom sector but in niche products like I-burst, which offers the ability to offer subscribers the full Wireless Broadband Internet experience they can depend on and enjoy - not just in their offices and homes but anywhere – for which there is a significant demand in the market.

The company has been short-listed by BSNL towards its EOI on Caller Line Identification Protocol (CLIP) Phones. XL is also supplying EVDO routers through its technology providers, Axesstel. ♦

A STRATEGIC ASSET TO THE NATION

ELECTRONICS CORPORATION OF INDIA

The impact of the globalisation process and the operational difficulties and delays resulting from the US sanctions in the wake of Pokhran-II experiments brought the Company to the brink of sickness in 1998-99 with a huge loss of Rs.60 crore in the year with consequent erosion of Net worth to a level that called for the company being reported to BIFR.

It was under these circumstances that the Company rallied back strongly by initiating several measures to improve the internal processes and expanding its business levels. The efforts proved effective and the Company showed signs of recovery during 1999-2000, resulting in renewed vigour and greater impetus to the initiatives taken.

The Company achieved Turnaround during 2000-2001 with a Profit of Rs.12 crore. The gains were further consolidated by registering impressive profits (PBT) of Rs.79 crore, Rs.81 crore, Rs.131 crore, Rs.51 crore and Rs.52 crore during 2001-02, 2002-2003, 2003-04, 2004-05 and 2005-06 respectively. ECIL recorded the highest profit (PBT) of Rs.193 crore in the year 2006-07. ECIL, a Public Sector Undertaking under the Department of Atomic Energy, completed its 40th year of service to the Nation with a creditable performance. During the year 2007-08, the Company has achieved a turnover of Rs.1014 crore, the best ever performance in succession and a pre-tax Profit of Rs.160 crore (provisional). The Company has set an ambitious turnover target of Rs.1500 crore for the year 2008-09 and has the best ever opening order book of around Rs.1000 crore.

HAS EXECUTED THE CHALLENGING PROJECT OF ESTABLISHING 32 METER DIA. WHEEL & TRACK ANTENNA SYSTEM FOR THE COUNTRY'S FIRST LUNAR MISSION PROJECT, CHANDRAYAAN-1 FOR INDIAN SPACE RESEARCH ORGANISATION. THE ANTENNA SYSTEM HAS BEEN INSTALLED AT BELALU VILLAGE ON THE OUTSKIRTS OF BANGALORE. THE ANTENNA SYSTEM WILL TRACK THE SATELLITE ORBITING AROUND 100 KM FROM THE SURFACE OF THE MOON. THE MISSION IS AIMED AT DETERMINING THE EVOLUTIONARY PROCESS OF THE MOON BY HIGH RESOLUTION REMOTE SENSING OF THE LUNAR SURFACE. THE CHALLENGE OF REALISING THE ANTENNA SYSTEM WEIGHING



K S Rajasekhara Rao, CMD, ECIL

MORE THAN 300 TONNES WITH THE STATE-OF-THE-ART TECHNOLOGY TO POINT PRECISELY TO THE DEEP SPACE OBJECT WHICH IS 4 LAKHS KILOMETERS AWAY FROM THE EARTH WAS ACHIEVED IN A RECORD TIME," SAID K S RAJASEKHARA RAO, CMD, ECIL.

ECIL during the just concluded financial year has designed, supplied and installed a satellite earth station antenna for voice, data, video conferencing, internet, facility at Maitri Station, Dakshin Gangotri, Antarctica. The antenna system including the radome has to work in severe environmental conditions of -40deg.C with wind speeds touching more than 270 kmph. With the installation of the above antenna system, a reliable satellite communication facility has been established between Maitri Station of Antarctica and Main Land, India. The project has been completed in a record period of two months. ♦

CONTRIBUTING TO THE MINERAL WEALTH

ANDHRA PRADESH MINERAL DEVELOPMENT CORPORATION

With enough potential within its belly, the terrains of Andhra Pradesh hold immense promise. To convert the promise into actual realisation, to harness the mineral potential and to help entrepreneurs establish mineral based industries, the Andhra Pradesh Mineral Development Corporation (APMDC) was incorporated in the year 1961. Today APMDC is one of the profit making PSUs in the country. The corporation earned a profit of Rs 113.55 Cr., during 2004-07 compared to Rs. 16.58 crores in 2001-04. APMDC has recently received Gold Medal for its outstanding performance in productivity from the National Council of Indian Institute of Industrial Engineering, Mumbai.

Now APMDC is contemplating to undertake Mining Operations for Bauxite and supply material to the pro-



V D Rajagopal, VC&MD, APMDC

spective entrepreneurs who establish value added industries. Similar concepts are in pipeline and a new idea of venturing into the fields of Oil & Natural Gas is also contemplated.

"THE GOVERNMENT OF ANDHRA PRADESH IS ENCOURAGING APMDC FOR ITS GROWTH IN MULTI MINERAL SECTOR. THE CORPORATION HAS ALREADY APPLIED TO GOVERNMENT OF INDIA FOR UNDERTAKING COAL MINING IN ORISSA, WEST BENGAL, MADHYA PRADESH, JHARKHAND, CHATTISGARH AND MAHARASTRA STATES. THE CORPORATION, IN PARTNERSHIP WITH ORISSA MINING CORPORATION HAS BEEN ALLOTTED WITH A COAL BLOCK IN ORISSA AND HAS STARTED DETAILED EXPLOITATION AS IT IS PROPOSED TO EXTRACT 733 MILLION TONS OF COAL IN NAVAGOAN-TELISAHU VILLAGES OF ANGUL DISTRICT OVER AN EXTENT OF 1500 HECTARES," SAID V D RAJAGOPAL, VC&MD, APMDC.

APMDC has garnered around Rs 70,000 crores investments from various private partners for exploration and mining of various minerals and setting up of value added units. Thus the Government has signed MoUs and set up Joint ventures to boost new projects in the state. ♦

AP'S AMBITIOUS IRRIGATION AGENDA

Though the state is gifted with the two long perennial rivers- the Krishna and the Godavari, thousands of TMCs (Thousand Million Cubic Metres) of water is drained waste into the sea every year. Despite huge water resources, a large chunk of land in the state remains dry and arid. Now the government has realised the importance of irrigational facilities like dams, canals, lift irrigation and is planning to complete them in a record time period of 5 years.

At present only 32 per cent of cultivable area is under irrigation and with Jalayagnam program, the government is planning to add one crore acres of cultivable land under irrigation. With this 60 percent of land area in the state will be brought under irrigation. Initially the government has

taken up 74 projects, out of which 14 projects have been completed in the last four years and water released to 14 lakh acres under these projects. The government is plan-



Major Irrigation Minister Ponnala Laxmaiah

ning to complete 30 more projects by the end March 2009.

HE JALAYAGNAM PROGRAM WAS NOT AN EASY GO FOR THE GOVERNMENT. IT HAS ENCOUNTERED MANY PROBLEMS RIGHT FROM THE BEGINNING. DUE TO THESE HURDLES THE JALAYAGNAM PROGRAMS IS MOVING SLOWLY BUT STEADILY ON THE RIGHT PATH. IT IS NOT EASY TO COMPLETE THESE PROJECTS AS SOME PEOPLE MAY THINK. FOR INSTANCE, THE DEVADULA LIFT IRRIGATION PROJECT WHICH IS MEANT TO LIFT WATER FROM THE GODAVARI RIVER TO THE UPLAND AREAS OF TELANGANA REGION IS THE SECOND LARGEST LIFT IN THE WORLD," SAID MAJOR IRRIGATION MINISTER PONNALA LAXMAIAH.

If all the projects are completed in a planned manner, it will create an irrigational potential of 1 crore acres and bring water to the urban area like the cities of Secunderabad, Hyderabad and Vishakhapatnam and meet the huge drinking water needs. In a way Andhra Pradesh is the first state in the country to interlink the rivers within the state and cater to the water needs of people. The 'Bharat Nirman' Program of the central government has been formulated to cover about 2.5 crore acres of land under irrigation. Out of which the share of Andhra Pradesh is 40 per cent. The state of Andhra Pradesh is marching forward in all the sectors and many people irrespective of their political affiliation are investing in the state. ♦

Andhra Pradesh's 'Healthy' Health Order

Since taking charge, Chief Minister Y S Rajasekhara Reddy has given enough reasons for one to believe that he genuinely understands the significance of uplift of the poor. Be it Indiramma, APREGS, Indira Kranti Patham, Jalayagnam...he has developed innovative and flexible schemes. And with Rajiv Aarogyasri, he has been able to top it all.

Interestingly, for the first time in India, this healthcare project for the masses was launched in the state where the majority of the people are below the poverty line.

Because of this project, these people can not only enter big hospitals but also get admitted, treated on par with the rich and receive everything including post care treatment as if he/she has paid from his/her pocket.

With Rajiv Aarogyasri, the Government of Andhra Pradesh has crafted a fool-proof-patient-friendly Community Health Insurance Scheme and covered Anantapur, Mahabubnagar, Srikakulam as Phase I project and East Godavari, West Godavari, Chittoor, Nalgonda and Ranga Reddy as Phase II. The Government, after careful assessment of the scheme, has now decided to extend it to five more districts viz. Medak, Karimnagar, Kadapa, Prakasam and Nellore as Phase III.

It started in a small way. People suffering from serious ailment like heart attack, renal diseases, cancer and liver problems sought financial support from Chief Minister Relief Fund (CMRF) and the numbers were ever-increasing.

A sequence of discussions and debates culminated into a meaningful solution and befittingly christened as Aarogyasri. Dr.I.V Subba Rao IAS, the then Principal Secretary of Health, P.K.Agarwal IAS, Principal Secretary Health Dr.P.Subrahmanyam IAS, Principal Secretary for CM, Babu.A. IAS, Chief Executive Officer, Dr.I V Rao, then Director of Medical education, and P.R. Kiran Kumar Reddy PS to CM & in charge of CMRF created this novel scheme.

Studying how a similar scheme in some other states had failed, the officials took all precautions to ensure not only the success but also the sustainability of the scheme. They evolved a sound and a fool-proof system while implementing Rajiv Aarogyasri Community Health Insurance for BPL population of Andhra Pradesh. The result is evident. While Chandrababu Naidu's Government spent Rs. 35.89 crores covering 15,207 cases in 5 years, Dr. Y.S.Rajasekhara Reddy's Government disbursed nearly Rs. 330.07crores within 4 years covering 1,01,827 sufferers, a mind boggling number.

Dr. A.S. Rao
(founder Managing Director)

Shri K.S. Rajasekhara Rao
(Chairman & Managing Director)

"Let us work up the embers of national pride latent in all of us and build up our morale so that we can confidently aim high and achieve greater goals".Dr. A.S. Rao

Mission

"To strengthen its status as a valued technological asset to the nation in the area of strategic electronics meeting the requirements of Atomic Energy, Defence, Space, Civil Aviation, Security and such other areas of strategic importance.

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Development DOSSIER-II

Andhra Pradesh 2008

VISAKHAPATNAM STEEL PLANT WINGS OF STEEL

Express Features Service

Visakhapatnam Steel Plant, the corporate entity of Rashtriya Ispat Nigam Limited (RINL), is the first shore based integrated Steel Plant in the country. Thanks to the foresight of the



P K Bishnoi, CMD, RINL-VSP

designers of the plant, the latest technologies which were adopted in the construction of the plant in the eighties, stand out as the best in the industry, even today. The Plant with a rated capacity of 3.0 Mt is a producer of steel products in the long category like wire rods, re-bars, angles, channels, blooms and billets. Located in the picturesque settings marked by Eastern Ghats & Bay of Bengal, Visakhapatnam Steel Plant of Rashtriya Ispat Nigam Limited is the sixth and the last integrated steel plant set up in the public sector.

RINL's steel complex, comprising of the tallest of Coke Ovens batteries, the largest of Blast Furnaces in India, the most efficient Converter shops, and the most trouble free high speed rolling mills ensures successful production and delivery of world class quality products to its customers in India and abroad. In the area of pollution control measures, RINL is in the forefront of Indian industry with an expenditure of 8% of the total project cost on the pollution control equipment and processes. With more than 40% of the total plant and township area covered with environmental friendly afforestation, the atmosphere rarely gives the feeling of the mighty steel plant in operation.

Systematic and standard operating practices and structured systems were developed and Vizag Steel was the first integrated steel plant in the country to be accredited with all the three International Standards for Quality (ISO 9001), for Environment Management (ISO 14001) and for Occupational Health and Safety (OHSAS-18001).

PERFORMANCE DURING 2007-08

Since 2001-02 the company has been operating consistently beyond the rated capacities. RINL has earned a Net Profit after Tax of Rs 1943 crores for the financial year 2007-08 as against Rs 1363 Crores in 2006-07 registering a growth of 42%. Despite abnormal increase in raw material cost, especially iron ore and coal, RINL could achieve this due to emphasis on "enhancing production and sale" of 'value added steel'. RINL sold about 18.27 lakh tonnes of value added steel in 2007-08 which is 65% higher than the sales volume of 11.11 lakh tonnes in 2006-07. The 'Net Sales realization' of 'value added steel as compared to 'mild steel' was higher during 2007-08 vis-à-vis previous year i.e Rs 3,000/- in 2007-08 as against Rs,500/- in 2006-07.

The 'Sales Turnover' for the year 2007-08 registered an increase of 14% to Rs 10,433 Crores as against Rs 9,151 Crores of the previous year, while the total income for the financial year rose by 16% to Rs 9,993 Crores from Rs 8,594 Crores of 2006-07. Also 7.21 lakh tonnes of steel was sold in Project Sales for the year 2007-08, which is 30% higher than the sales volume of 5.55 lakh tons achieved in 2006-07. Sale of 'Rebars' used in infrastructure increased by 7%. On the production front, RINL/VSP had surpassed the rated capacity for the seventh consecutive year in all its production units though there has been a dip of 4% to 7% in production as compared to last year.

"VSP has been striving to make steel available, as part of "Rural Initiative" in small towns, under the 'District Level Dealership Scheme'. The supply in 2007-08 registered an impressive growth of 235 % over 2006-07.

RINL has appointed so far 139 dealers as compared to 65 at the end of March, 2007," said Bishnoi.

SPECIAL FEATURES OF EXPANSION UNITS

In order to meet the increasing demand for construction and infrastructure sector, RINL planned to remain in the long product segment only. Accordingly, the product-mix in the expansion was similar to that of the present product mix. On the Expansion front, during 2007-08, orders worth about Rs 6000 crores and cumulative to Rs. 9000 crores had been placed. Orders had been placed for all 'Technological Process' packages.

The enhanced 'Steel Making' capacity is likely to be completed in February 2010, though some 'mills' would be commissioned later that year. VSP will continue to produce long products in the expansion units at 6.3 MT in view of the brand image. The Salient features of Expansion units are as follows:

- A blast furnace of 3800 cu m useful volume as compared to present 3200 cu m useful volume with 'pulverized coal injection', Burden Probes, Profliometer, Copper Staves in High heat zones of Blast furnace, etc.
- Two 150t converters, with secondary metallurgy facilities to produce 2.8 million tons of liquid steel. The entire 'liquid steel' will be cast into billets and rounds with the Dog House (Secondary fume extraction system) to ensure cleaner working environment, External De-Sulphurisation, Bath agitation process and RH degasser unit for production of high-end Value added products and High Quality steels.
- Electro Magnetic Stirrer (EMS) in Round cum Billet Caster will ensure better drawability and better quality of the product.
- Water Boxes for low temperature rolling and Single Family rolling in Wire Rod Mill to give good quality wire rods of precise size.
- Oscillating combustion in Rolling Mill furnaces, Furnace Control Integrated with Mill Control, Side Charging and Discharging of

the furnace to help in reducing specific Energy consumption.

- Gas Turbine Combined Cycle (GTCC) to utilize lean gases in Power Plant, (RINL would be first to adopt the technology in India).

"In Plant expansion, thrust is given on Productivity, Quality of products and Environment protection, right from Coke making stage till Finished Products. Proposal to increase the capacity from 6.3 to 7.3 million tonnes is under active consideration, which once finalized would be completed by 2011," said Bishnoi.



CORPORATE SOCIAL RESPONSIBILITY

The scope of 'RINL-CSR' policy includes 'socio-economic, environmental and cultural upliftment activities'. The focus is on sustained development and inclusive growth of surrounding community. As a party of its 'Corporate Social Responsibility', RINL/VSP has undertaken various 'Health related activities' and 'Education related activities' benefiting a lakh of people. Differentially-abled persons were provided with tricycles, calipers and hearing aids

- De-addiction camps were conducted for 'alcoholics' in nearby villages and tribal areas.

- Health camps, multi-purpose social camps and sensitization programmes were conducted in peripheral villages in association with NGOs like, Green Valley Foundation, Sankar Foundation, Indo-American Cancer Institute, Lions Clubs, Bharat Vikas Parishad and State Administration.

- Grants and Scholarships have been provided for improving the literacy levels and promoting girl child education

- Entrepreneurial awareness programs were conducted in association with National Institute for Micro, small and Medium Enterprises (NIMSME)

- School Buildings, libraries, parks, market yards, roads and bore wells were constructed in nearby villages.

- A 21st century 'gurukulam' school is being set up in association with Andhra University for taking IT education to rural students.

- Supported Sankar Foundation with Rs. 3 crores for the construction of 'Eye Hospital' with the state of art facilities to help nearby poor patients with free cataract operations and post operation care.

- An innovative scheme 'Jaladhara' to supply filtered drinking water to tribal at Araku near Visakhapatnam is being implemented.

"RINL has adopted seven villages in the periphery of Visakhapatnam Steel Plant as Model Steel Villages for all round and sustainable development. It has entered into an MOU with National Institute of Rural Development for the 'holistic development' of these villages including 'generation of self-employment opportunities'," said Bishnoi.

Expenditure on CSR activities has increased manifold from a level of Rs.1.13 Crs. in 2006-07 to Rs.13.75 Crs. during 2007-08, with a committed expenditure of Rs.19 Crs. on hand. Works on hand include mostly 'laying of roads, construction of foot over bridges, traffic awareness parks for children in nearby rehabilitation colonies, etc., which will benefit lakhs of people in nearby areas. Budget for 2008-09 on CSR is around Rs. 38 Crs. □

राष्ट्रीय इस्पात निगम लिमिटेड
विशाखपट्टणम इस्पात संयंत्र



RASHTRIYA ISPAT NIGAM LIMITED
Visakhapatnam Steel Plant



Sri Ram Vilas Paswan
Hon'ble Union Minister for Fertilisers & Chemicals
and Minister of Steel

RINL Salutes the Guiding Force

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"PRIME MINISTER'S TROPHY"
for
Best Integrated Steel Plant
for the 2nd time



Jitin Prasada
Hon'ble Minister of State for Steel

At VIZAG STEEL, We ...

Proudly Lead the Quality and Humbly Serve the Society

As part of its Corporate Social Responsibility, VSP has been

- Organising Medical camps with state of the art diagnostic equipment
- Distributing Aids & appliances to physically challenged persons
- Adopting Model Steel Villages for holistic development
- Spreading awareness on HIV/AIDS with Street Plays and Hoardings
- Extending Financial support to Education & Sports

- * Empowering Mahila Samitis and Rural youth
- Providing furniture and infrastructure facilities to Rural Schools
- Taking up Tsunami protection plantation in coastal areas
- Organising sports activities for the differentially abled children
- Providing Safe drinking water with defloridation plants

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