

Andhra Pradesh Industrial Corridor Development Act, 2017

ANDHRA PRADESH

India

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Act 7 of 2018

- Published on 4 January 2018
- Commenced on 4 January 2018
- [This is the version of this document from 4 January 2018.]
- [Note: The original publication document is not available and this content could not be verified.]

Andhra Pradesh Industrial Corridor Development Act, 2017(Act No. 7 of 2018)Last Updated 31st July, 2019[Dated 04.01.2018]An Act to provide for establishment, planning, Development, Operation, Maintenance, Management and Regulation of Industrial Corridors in The State of Andhra Pradesh, With State of Art Infrastructure, Amenities and Facilities and for Matters Connected Therewith or Incidental Thereto.Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixty-eighth Year of the Republic of India, as follows: -Chapter - I Preliminary

1. Short title, extent and commencement.

(1)This Act may be called the Andhra Pradesh Industrial Corridor Development Act, 2017.(2)It extends to the whole of the State of Andhra Pradesh.(3)It shall be deemed to have come into force with effect on and from the 10th October, 2017.

2. Definitions.

- In this Act, unless the context otherwise requires, -(a)"Amenities" means the basic and essential facilities including roads, bypasses, sub-stations, transmission lines, water supply, sewerage systems, effluent treatment plants, transport, communication, social infrastructure, etc;(b)"APICDA" means Andhra Pradesh Industrial Corridors Development Authority established under section 5 of this Act;(c)"Award of the project" means awarding, assigning or entrusting or leasing of any work or project or part thereof for execution, operation and maintenance;(d)"Building" means any structure or erection, or any part of a structure or erection which is intended to be used for residential, industrial, commercial or other purposes whether occupied or not and whether in actual use or not;(e)"Commissioner" means the Commissioner of APICDA;(f)"Concession Agreement" means the contract/agreement entered into between the Concessionaire and the APICDA or any entity created by APICDA as defined in clause (n) of section

2 of the Andhra Pradesh Infrastructure Development Enabling Act, 2001 (Act No. 36 of 2001)

:(g)"Concessionaire" means a private sector participant with whom a Concession Agreement is entered into by APICDA;(h)"Development", with its grammatical variations, means the carrying out of building, engineering, mining or other operations in, or over, or under any land (including land under river, lake or any other water bodies) or the making of any material change in any building or land or in the use of any building or land, and includes re-development and lay-out, and sub-division of any land and also the provision of public and civic facilities and projects and schemes for development of agriculture, forestry and allied services, and 'to develop' shall be construed, accordingly;(i)"Development Authority" means and includes any body constituted under the Andhra Pradesh Town Planning Act, 1920 or the Andhra Pradesh Urban Areas (Development) Act, 1975 or the Andhra Pradesh Capital Region Development Authority Act, 2014 or the Andhra Pradesh Metropolitan Area and Urban Development Authorities Act, 2016;(j)"Economic activity" means the activity and service relating to industrial, manufacturing, commercial, financial, processing, packaging, logistics, transport, tourism, hospitality, health, housing, entertainment, research, development, education, training, skill development, information and communication, management, consultancy, setting up of industrial units (includes any existing industrial activity), and such other activity and service as may be prescribed or permitted within the areas regulated by the APICDA;(k)"Government" means the Government of Andhra Pradesh;(l)"Government Agency" means a Government Company or a body constituted under any Act of the legislature of the State of Andhra Pradesh or any other entity by whatever name called, which is owned or controlled by the State Government;(m)"Government Company" means a Government Company as defined under clause (45) of section 2 of the Companies Act, 2013 (Act No. 18 of 2013) ;(n)"Industrial Corridor" means the area so notified under section 3 of the Act with the intent to stimulate industrial development;(o)"Infrastructure Project" means any project for creation, rehabilitation, improvement, expansion, alteration or replacement of any infrastructure facility including financing, construction, operation, maintenance or management thereof, whether within an Industrial Corridor/Node, connecting the nodes of the Industrial corridor or required for a Node/Industrial Corridor and includes any project which is linked to or from an infrastructure project;(p)"Local Authority" means and includes Municipal Corporation constituted under the respective Act or a Municipality or a Nagar Panchayat constituted under the Andhra Pradesh Municipalities Act, 1965 or a Gram Panchayat constituted under the Andhra Pradesh Panchayat Raj Act, 1994;(q)"Master Plan" means the Master Plan prepared in accordance with the applicable provisions of the Andhra Pradesh Town Planning Act, 1920 or the Andhra Pradesh Urban Areas (Development) Act, 1975 or the Andhra Pradesh Capital Region Development Authority Act, 2014 or the Andhra Pradesh Metropolitan Area and Urban Development Authorities Act, 2016, as approved by APICDA;(r)"Municipal Services" means arrangement for naming streets and numbering plots, units and houses, sanitation, solid waste management, water supply, drainage and sewerage, cleaning public streets or places, sewers and drains, lighting public streets or places, extinguishing fires, public health, regulating offensive or dangerous trades or practices, removing obstructions and projections in public streets or places, securing or removing dangerous buildings, regulating disposal of carcasses of dead animals, regulating movement of animals, and includes arrangement for such other services as are provided by a municipality in a municipal area;(s)"Node" means the area within an Industrial Corridor as notified as per section 3 of the Act;(t)"Periphery" means the area adjoining a Node and notified under section 3 of the Act ;(u)"Person" means and includes an

entity, an individual, a company, a firm, organisation, association; society, unit, establishment, institution including Government agencies carrying on any economic activity in the industrial corridor or entrusted with any work under the provisions of this Act;(v)"Prescribed" means prescribed by rules made by the Government under this Act;(w)"Private sector participant" means any person other than,-(i)the State Government or a Government agency, or(ii)the Central Government or any public sector undertaking of the Central Government, or(iii)any joint venture between the Central Government and the State Government or a Government Agency;(x)"Public Private Partnership" means investment by Private Sector Participant in an Infrastructure Project of the Government Agency or the Local Authority in the State;(y)"Regulations" means the Regulations made under section 20 of the Act;(z)"Special Purpose Vehicle (SPV)" means a company formed for the specified purpose and registered under the Companies Act, 2013 (Act No. 18 of 2013);(aa)"User charges" means the charges levied by APICDA, SPV, developer or any other entity authorized for that purpose under this Act;(ab)"Unauthorized Development" means any development which either not approved by APICDA or not developed in accordance with approval of APICDA.

Chapter-II
Industrial Corridor, Node and Periphery

3. Declaration of Industrial Corridor, Note and Periphery of the Nodes.

(1)The Government may, by notification in the Andhra Pradesh Gazette, declare any area, including an industrial area, to be an Industrial Corridor and specify geographical area and boundaries therein, which shall constitute tire Nodes and the corresponding Peripheries as notified tinder this Act.(2)The Government may by notification in the Andhra Pradesh Gazette declare one or more nodes in each notified Industrial Corridor.(3)The Government may by notification in the Andhra Pradesh Gazette, declare such outer area on any side adjoining each notified Node as the Periphery of the Node as it deems fit.(4)The State Government may, by notification in the Andhra Pradesh Gazette, make such modifications to the areas under a notified Node or a Periphery from time to time.

4. Jurisdiction of Authority in regard to an Industrial Corridor.

(1)The area notified under an Industrial Node and Peripheries, excluding the gram-kantham areas and the municipal areas, shall cease to be under the jurisdiction of the respective Local Authorities so far as it relates to this Act and shall be deemed to be an industrial township within the meaning of the proviso to clause (1) of Article 243Q of the Constitution of India from the date it is so notified in the Andhra Pradesh Gazette by the State Government.(2)The areas notified under an Industrial Node and Peripheries thereof shall cease to be under the jurisdiction of the respective Development Authority.(3)While preparing the Master Plan for the Industrial Nodes, the Authority shall take into account the Master Plan, if any, prepared by the respective Development Authorities for the Nodes and Peripheries. The Master Plan approved, thereafter under this Act, shall prevail over any previous Master Plan, if any, for the areas within the Industrial Corridor.

Chapter- III Andhra Pradesh Industrial Corridor Development Authority

5. Establishment of Authority.

(1)As soon as may be after the commencement of this Act, the Government may, by notification in the Andhra Pradesh Gazette, establish the Andhra Pradesh Industrial Corridor Development Authority (hereinafter referred to as Authority) with effect from such date as may be specified in the notification.(2)The headquarters of the Authority shall be at Amaravati or at such other place as the Government may, by notification in the Andhra Pradesh Gazette, specify.(3)The Authority shall consist of the Andhra Pradesh Industrial Corridor Board (hereinafter referred to as Board), an Executive Committee and the Commissioner.(4)The Authority may associate with itself any person whose assistance or advice is required in performing any of its functions under this Act.(5)The Authority may obtain any information from the Government, a Government agency, Commissioner, a Special Purpose Vehicle, or a developer that is required for performing its functions under this Act.(6)No act or proceeding of the Authority shall be invalid merely by reason of any vacancy therein or any defect in the constitution thereof, or any irregularity in its procedure not affecting the merits of the case.

6. Establishment of Board.

(1)The Board shall consist of Chairperson. Vice-Chairperson, Member-Secretary Commissioner, and other members not exceeding thirteen (13), who shall be appointed by the Government.(2)The Chief Minister shall be the Chairperson of the Board.(3)The Special Chief Secretary/Principal Secretary/ Secretary to Government, Industries & Commerce Department shall be the Member-Secretary of the Board.(4)The Board may delegate all or a subset of its functions to the Commissioner.(5)All actions of the Board under this Act shall be undertaken according to the rules framed under this Act alone.(6)The Board shall meet every Quarter at such time and place and shall observe such rules of procedure in regard to transaction of its business, as may be provided by regulations made by the Authority.

7. Establishment of Executive Committee.

(1)The Executive Committee shall be chaired by Member-Secretary of the Board and convened by the Commissioner.(2)The Executive Committee shall co-opt Member (Technical) and Member (Finance), and other members not exceeding ten (10).(3)The detailed delegation of functions, powers and obligations to the Executive Committee shall be such as may be prescribed.(4)Subject to the general superintendence and control of the Board, management of various functions of the Authority shall vest in the Executive Committee.(5)The Executive Committee shall meet every month at such time and place and shall observe such rules of procedure in regard to transaction of its business, as may be provided by regulations made by the Authority.

8. Commissioner.

(1)The Government shall appoint a Commissioner as the Chief Executive of the Authority. The Commissioner shall be from the All India Services, and not below the rank of Senior Time Scale

officer.(2)The Commissioner shall be responsible for the day-to-day functioning of the Authority.(3)The Commissioner shall be assisted by an Office as per regulations laid down by the Authority.

9. Powers, Functions and Obligations of the Authority.

- The Authority shall function to meet the objectives of this Act and perform multiple functions including the following, which are illustrative rather than comprehensive. In performing these functions, the Authority shall have full financial and administrative autonomy.(1)Planning, development, maintenance and regulation of Nodes.(a)to promote and establish Industrial corridors and Nodes therein;(b)to classify, earmark, demarcate and develop the Industrial corridor, Node and the periphery for the purposes and usages, inter alia, for any economic activity, infrastructure facilities including housing, tourism facilities, industrial areas, public and civic facility and to encourage and promote aesthetics, efficiency and generate revenues in the process of development;(c)to acquire, procure and hold land within the Node and peripheries by purchase, lease, exchange, agreement or otherwise;(d)to develop master plans for each of the sub-regions in the Node(s) and peripheral areas in accordance with procedures prescribed under the Andhra Pradesh Metropolitan Area and Urban Development Authorities Act, 2016 and other relevant planning Acts and laws;(e)to approve the master plan prepared for various Nodes as well as peripheries of Industrial Nodes, internal and external Infrastructure Plans for the Nodes. In case of any discrepancy/difference in the already approved master plan by the Development Authority and the master plan prepared under the Act, the matter will be placed before the Board which shall take a decision in the matter;(f)to assess and revise master plans including detailed master plans for sub-regions every five (5) years to accommodate changing economic conditions and associated physical and social infrastructure requirement;(g)to plan, develop, operate, maintain, manage and regulate the periphery;(h)to develop projects required for implementation within the Industrial Corridor;(i)to allot land as per the regulations prepared for the purpose, with the approval of the State Government;(j)to regulate development activities in the specific Nodes within corridor regions and their peripheries in accordance with master plans and schemes prepared under the Act and building regulations made in this regard;(k)to remove encroachments and constructions not duly authorized or which are made in violation of this Act or rules or regulations made there under;(l)to coordinate with concerned departments of the Centre and State Government for the purpose of faster execution of various projects in the Industrial Corridor;(m)to monitor the development of Industrial corridors, including the Nodes therein and issue necessary instructions to the agencies involved;(n)to ensure provision of sufficient amenities, infrastructure facilities, public and civic facilities and to make sustainable arrangements for adequate maintenance thereof within the Node, peripheral areas and inter-node areas and infrastructure facilities;(o)to identify difficulties in development of Industrial corridors, Nodes and their peripheral areas in the State and to make recommendations on any matter or proposal requiring action by the State Government, Central Government, any government agency, including coordination with them for achieving the purposes of this Act or in furtherance of the objects thereof, including making recommendations to the Government in the policy or law or any amendment thereof; to regulate, grant, refuse, suspend, withdraw or cancel approvals and permissions for economic activity in accordance with the provisions of this Act;(p)to exercise such powers and perform such functions as may be necessary

for carrying out the provisions of this Act to conduct, prepare and assess the social cost benefit analysis, techno-commercial, social, economic and environmental feasibility studies relating to all internal and external infrastructure projects associated with the Node;(q)to enter upon any land or building to carry out surveys, make enquiry, inspection, examination or measurement within the Node;(r)to make arrangements for observance and promotion of safety, order, health and environmental safeguards, disaster management for the Node;(s)to provide municipal services within the Node;(t)to provide urban transport facility for the Node;(u)to provide public and civic facilities within the Industrial Node and its periphery;(v)to make the regulations on matters specified;(w)to consider appropriate State support or customized package for any project or economic activity in the Industrial corridor and recommend it to the State Government for its approval under the applicable policies;(x)to give directions to any government agency or persons functioning in the Node and Corridor or the periphery thereof in matters pertaining to plans and schemes prepared.(2)Financial functions:(a)to promote private sector participation in development and implementation of projects through formation of suitable structures and project financing arrangements;(b)to create one or more SPVs and enter into Joint Ventures as deemed fit;(c)to negotiate and enter into any contract, including by way of public private partnership;(d)to raise finance from market, financial institutions, bilateral and multilateral institutions;(e)to administer its funds;(f)to accept grants and donations;(g)to undertake suitable procurement processes as deemed fit towards development of various capital projects, operations, maintenance and delivery of municipal services;(h)to enforce user charges directly or through any private sector participant or through entities created under public private partnership.(3)Administrative functions:(a)to define standard operating procedures for delivering various functions of the Authority;(b)to appoint such officers and personnel as it may be necessary for the efficient performance of its functions, on such conditions of appointment and service and with such powers, functions and duties as may be prescribed;(c)to engage experts or persons having special knowledge or skill to assist it in performance of its functions;(d)to ensure global standards of ease of doing business in the Industrial Corridor and Nodes;(e)to globally market the Industrial Corridor;(f)to prepare quarterly, half-yearly and annual reports on the status planning, development, operation, maintenance, management and regulation of the Node, peripheral areas and the projects;(g)to put in place mechanism towards effective redressal of grievances;(h)to exercise such other powers and discharge such other functions as may be necessary or expedient to carry out provisions of this Act.

Chapter-IV
Control and Regulation In Industrial Corridor

10. Permission for development and buildings.

(1)No person shall erect any building or take up any excavation, develop any layout or carve out any plots or sub-divide any land or connect any road in the industrial corridor, without the prior written permission of the Authority.(2)Any person desirous of taking up of any economic activity within the Industrial Corridor shall approach the Authority and file necessary applications as may be prescribed and pay the necessary charges for such permissions.(3)On receipt of application and necessary charges, the Authority may, after making due enquiries, grant such permission subject to such conditions as it deems fit or refuse to grant the same for reasons specified for such refusal.(4)No person or entity shall be entitled to claim any compensation for any injury, loss or damage caused, or alleged to be caused by the control or regulation on the developments under this

Act.Chapter - V Offences and Prosecution

11. Penalty for sale, lease or booking in an unauthorised scheme or project.

(1)No developer of any project in the Industrial corridor/Node shall invite the public directly or indirectly for sale, lease, or booking of any part of its scheme or project unless the developer has, before the launch of the scheme or project, obtained permission in this behalf from the Authority in the manner prescribed by the regulations.(2)Whoever invites or induces any person for sale, lease or booking of any part in a scheme or project not having permission under sub-section (1) from the Authority shall, on conviction, be punished with financial / legal penalty as laid down in regulations of the Authority.(3)If any person contravenes any of the provisions of this Act for which no penalty has been expressly provided for the person shall be punishable with fine not exceeding Rs. 10,000/- or to imprisonment for a term not exceeding six months or with both.(4)No court shall take cognizance of any offence punishable under this Act except on complaint in writing made by the Commissioner or any officer authorized by the Commissioner in this behalf and no court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any such offence.

12. Power to stop unauthorised development or construction in an Industrial corridor.

(1)Where any unauthorized development or construction on any land in a Node is being carried out but has not been completed, the Authority may serve on the owner and the person carrying out the development or construction, a notice requiring the development of land or construction to be discontinued from the time of service of the notice.(2)Any person, who continues to carry out the unauthorized development or construction on such land, whether for himself or on behalf of the owner or any other person, after such notice has been served, shall, on conviction, be punished with financial penalty, as laid down in regulations of the Authority.(3)Notwithstanding anything contained in this Act, where any person continues to carry out unauthorized development or construction after receiving notice under sub-section (1), the Commissioner or any officer authorized by the Authority in this behalf shall, in addition to any prosecution or other proceedings or action that may be initiated under this Act, have the power to require any police officer to remove the unauthorized development or construction from the place of unauthorized development or construction within such time as may be specified in the requisition and such police officer shall comply with the requisition, accordingly. In addition to such removal of persons, the Commissioner or the authorized officer of the Authority may confiscate such construction material including the equipment, tools, vehicles, etc., which such person was using for the unauthorized development or construction.(4)No compensation shall be claimed by any person for any damage which he may sustain in consequence of the discontinuation of the unauthorized development or construction under this Act.Chapter-VI User Charges, Fees and Recovery of Dues

13. Imposing of user charges.

- The Authority, or its designated entity, may impose user charges for such services and at such rates

and in such manner as may be prescribed by the regulations.

14. Fee for approval or permission.

- The Authority, or its designated entity, may charge such fee as may be laid down in the regulations for processing of any applications, grant of any approval, permission or concession under this Act.

15. Permission and lease rent of land.

- The Authority or its designated entity, may charge lease rent of land with respect to any land allotted by it and premium on its second or subsequent sale at such rate and in such manner as may be prescribed by the regulations.

16. Sale proceeds of the land and movable/immovable assets.

- The Authority or its designated entity, may realize the proceeds from sale of land and movable or immovable assets as per the Act and in such manner as may be prescribed by the regulations.

17. Recovery of money due to Authority.

- Any amount due to Authority or its designated entity, may, without prejudice to the right of recovery provided by or under any other law for the time being in force, be recoverable as arrears of land revenue.

18. State Government Support.

(1)The State Government may provide a budget of Rupees fifty (50) crores to APICDA towards administrative costs, salaries of the officials and staff and honorariums to experts, etc.,(2)The Authority may, for any economic activity in the Industrial corridor or for any infrastructure project as per the existing policy of the State Government, propose a customized package after getting it examined by the State Government, or a designated body of the State Government.(3)The Authority, on being satisfied with the proposal, may, with or without any modification, recommend the package and send it to the State Government for approval.(4)Such customized package may provide for incentive in the form of exemptions from State taxes, duties, cess, etc., levied by the State Government under any Andhra Pradesh Act/ law/policy.(5)Notwithstanding anything provided in any other Act, or law for the time being in force and wherever there is any inconsistency, the provisions of this Act shall prevail in so far as the areas specified as industrial corridor or Node or periphery thereof under this Act.

19. Delegation of Powers.

(1)The Government may, by notification in the Andhra Pradesh Gazette, delegate such functions and powers of the Authority as are provided under this Act, for such area within an Industrial corridor or

the corridor as a whole, as may be specified in the notification, to a SPV or a Government Company and such SPV or Government Company shall exercise such powers and discharge such functions subject to the approved Master Plan, if any, of the Industrial corridor. provided that no powers or functions under this Act for making of regulations shall be delegated to such SPV or Government Company. (2) The Authority may, by an order, assign and delegate any of its functions and powers to its Chairperson or Executive Committee, or Commissioner, or to any other member, or to the SPV subject to such conditions or limitations as it may deem fit except the function and power of making regulations. (3) A Commissioner may assign and delegate any of its functions and powers to any officer or staff of the Commissioner, subject to such conditions or limitations as he may deem fit.

20. Power to make regulations.

- The Authority may make regulations, consistent with this Act and rules made thereunder to carry out the provision of this Act.

21. Power to make rules.

(1) The Government may, by notification in the Andhra Pradesh Gazette, make rules for carrying out all or any of the purposes of this Act. (2) All rules made under this section shall be laid, as soon as may be after they are so made, before the State Legislature, if it is in session and if it is not in session, in the session immediately following for a period of not less than fourteen days, which may comprise in one session or in two successive sessions and, if before the expiry of the session in which they are so laid or of the session immediately following, the State Legislature makes any modification in any of such rules or resolves that any such rule should not be made, such rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

22. Power to remove difficulties.

(1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion requires, but not later than two years from the date of commencement of this Act, by order published in the Andhra Pradesh Gazette, make such provisions consistent with the objects and purposes of this Act, as appear to be necessary or expedient for removing the difficulty. (2) Every order made under this section shall be laid, as soon as may be after it is made, before the Houses of the State Legislature.

23. Repeal of Ordinance No. 2 of 2017.

- The Andhra Pradesh Industrial Corridor Development Ordinance, 2017 is hereby repealed.