



Draft Andhra Pradesh Industrial Parks Policy, 2018

Introduction: The Government of Andhra Pradesh with a view to make Andhra Pradesh a progressive and highly industrialized state, has accorded top priority to industrial growth as a means to mitigate poverty and unemployment. Given the increasing number of proposals for development of industries, the Government of Andhra Pradesh seeks to support and encourage the development of integrated Industrial Parks in the state, by enabling the creation of a framework to increase participation of potential developers.

Objective: To promote and enable the development of world class Industrial Parks by private sector agencies in Andhra Pradesh.

Scope of the Policy: The Andhra Pradesh Industrial Parks Policy, 2018 shall govern the development and operation of Industrial Parks by private sector agencies in Andhra Pradesh.

Executing Agency: The Department of Industries, Government of Andhra Pradesh shall be the executing agency for the Andhra Pradesh Industrial Parks Policy, 2018.

Resolution: After careful consideration, the Government of Andhra Pradesh has decided to replace the Industrial Parks Policy 2015-2020 with the Andhra Pradesh Industrial Parks Policy, 2018 as follows:

1. Title

The Policy shall be known as the Andhra Pradesh Industrial Parks Policy, 2018 (“**Policy**”) and will come into force from the date approved by the State Council of Ministers and shall remain in force for a period of five years there upon.

2. Definitions



- 2.1. “**APIIC**” shall refer to the Andhra Pradesh Industrial Infrastructure Corporation established by the State of Andhra Pradesh by way of Government Order No. 831, dated September 10, 1973.
- 2.2. “**Commencement of Operations**” shall be as defined under the definitive agreement in relation to the allotment of land.
- 2.3. “**Common Internal Infrastructure**” shall include, but is not limited to, the following infrastructure facilities within the Industrial Park, which shall be shared by the Industrial Units:
- (a) Internal Roads within the Industrial Park
 - (b) Drainage Facilities
 - (c) Street Lights in the Industrial Park
 - (d) Water Distribution Network and Related Facilities
 - (e) Electricity/ Energy/ Gas Distribution Network and related Facilities
 - (f) Communication Network and related facilities
 - (g) Effluent Treatment Plant and related Infrastructure
 - (h) Warehousing and related Facilities
 - (i) Facilities Centre, Primary Health Centre, Product Development Centre, Training Centre, Testing Centre, R&D Centre and or any Common Facilities Centre
 - (j) Any other infrastructure facilities
- 2.4. “**Developer**” shall mean any company registered under the Companies Act, 1956 or the Companies Act, 2013, any limited liability partnership firm registered under the Limited Liability Partnership Act, 2008, any society registered under the Societies Registration Act, 1860, any partnership firm registered under the Partnership Act, 1932, any public sector undertaking under (a) Government of India, (b) any state government or (c) government of any foreign country, or any other entity established under any other applicable laws or under the applicable laws of any other



country or an association or any combination of the aforementioned entities, that proposes to operate or develop and/or operate Industrial Parks, subject to applicable laws.

- 2.5. “**DPR**” shall mean a detailed project report the contents of which shall be as prescribed by APIIC from time to time.
- 2.6. “**External Infrastructure**” shall mean all external infrastructure including road connectivity, water connectivity and power connectivity up to the boundary of the Industrial Park.
- 2.7. “**FDI Policy**” shall refer to the consolidated Foreign Direct Investment Circular, issued by the Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, Government of India, as amended from time to time.
- 2.8. “**GoAP**” refers to the Government of Andhra Pradesh
- 2.9. “**Industrial Park**” shall mean an industrial area or estate, which is developed primarily for establishment of manufacturing/ service units, which may include developed plots for Industrial Units, residential/ commercial establishments, and Common Internal Infrastructure, as detailed under this Policy and as per applicable laws.
- 2.10. “**Industrial Unit**” shall refer to any industrial establishment or a service unit setup within an Industrial Park.
- 2.11. “**Single Desk Bureau**” shall refer to the bureau, set up under the Andhra Pradesh Single Desk Policy 2015-2020.



3. Minimum Requirements for establishment of Industrial Park

- 3.1. The Developer shall obtain the approval from the APIIC for the layout plan of the proposed Industrial Park as detailed in the DPR.
- 3.2. The size of the Industrial Park shall be a minimum of 25 (twenty five) acres, having a minimum of 2 (two) Industrial Units.
- 3.3. The Industrial Units within the Industrial Park shall cumulatively occupy not less than 40% (forty per cent) of the total area of the Industrial Park.
- 3.4. A residential/ commercial zone set up within the Industrial Park, shall occupy not more than 20% (twenty per cent) of the total area of the Industrial Park, and shall cater to the Industrial Units.
- 3.5. The land use pattern for Common Internal Infrastructure within an Industrial Park shall be in accordance with the development control regulations, as applicable in the State of Andhra Pradesh¹.
- 3.6. The development and/or operation of an Industrial Park shall be subject to all applicable laws including the FDI Policy.
- 3.7. Any deviation or non-compliance from the land use pattern, as mentioned in Clauses 3.3, 3.4 and 3.5 above, shall be made only with prior approval of the GoAP.

4. Procedures for development of Industrial Parks

- 4.1. Industrial Parks may be developed by the Developer either (i) on private land or (ii) on land allotted by the APIIC.

¹ The Andhra Pradesh Land Development (Layout and Sub-division) Rules, 2017



- 4.2. The Developer seeking to develop an Industrial Park on private land or on the land allotted by the APIIC shall submit a DPR to the APIIC detailing the land required, layout plan and the requisite External Infrastructure and its associated costs.
- 4.3. Where the APIIC has been requested by the Developer for allotment of land, the APIIC shall evaluate the DPR submitted by the Developer and after following due process, it shall take a decision on allotment of the land and provision of External Infrastructure as requested for in the DPR.
- 4.4. Where the APIIC has been requested by the Developer for development of external infrastructure for an Industrial Park on private land, the APIIC shall evaluate the DPR submitted by the Developer and after following due process, it shall take a decision on provision of External Infrastructure as requested for in the DPR.
- 4.5. Where a Developer seeks to develop an Industrial Park on land owned by the GoAP (other than the land owned by the APIIC), the land so requested for in the DPR shall be transferred by the GoAP to the APIIC, subject to evaluation of the DPR by the GoAP. Subsequently, the procedure under Clause 4.3 shall apply.

5. Infrastructure

5.1. In case land is allotted by the APIIC

- 5.1.1. Where a Developer seeks to develop an Industrial Park on land allotted by the APIIC, the External Infrastructure will be developed by the Developer as per the development/ construction schedule in the approved DPR.
- 5.1.2. The estimates of the cost of External Infrastructure to be incurred by the Developer are required to be approved by APIIC.



5.1.3. The cost of External Infrastructure incurred by the Developer, as mentioned in Clause 5.1.2, shall be reimbursed to the Developer on execution of the sale deed or Commencement of Operations (whichever is later), to the extent of 50% of the cost of External Infrastructure subject to a maximum of [₹ 27 Lakhs]² per acre.

5.2. In case of Private Land

5.2.1. Where a Developer seeks to develop an Industrial Park on private land, the Developer may undertake development of External Infrastructure by itself and shall complete the same within the development/ construction schedule as per the approved DPR.

5.2.2. The estimates of the cost of External Infrastructure to be incurred by the Developer are required to be approved by APIIC.

5.2.3. The cost of External Infrastructure incurred by the Developer, as mentioned in Clause 5.2.2, shall be reimbursed to the Developer on execution of the sale deed or Commencement of Operations (whichever is later), to the extent of 50% of the cost of External Infrastructure subject to a maximum of [₹ 27 Lakhs]³ per acre.

5.3. The development of Common Internal Infrastructure, and the associated costs thereof, shall be the responsibility of the Developer.

6. Clearances

² Tentative figure.

³ Tentative figure.



All permissions / clearances shall be through the Single Desk Bureau and shall be processed by the APIIC.

7. Incentives

7.1. Financial Assistance in Capital Investment

The Developer will be eligible for financial assistance of up to 25% (twenty five per cent) of eligible fixed capital investment in building and infrastructure facilities (excluding the cost of land) of a maximum of up to [₹ 30 Crores]⁴ by the GoAP.

7.2. Reimbursement of Stamp Duty and Transfer Duty

7.2.1. The Developer developing an Industrial Park will be eligible for reimbursement of 100% (hundred per cent) of the stamp duty and transfer duty paid on purchase of land for development of an Industrial Park.

7.2.2. The exemption of stamp duty under Clause 7.2.1 is in addition to the incentives available to the Industrial Units under other applicable policies of the GoAP including the Policy for Establishment of MSME Parks 2018-2023 and the Industrial Development Policy 2015-2020.

7.3. Benefit to Industrial Units

The Industrial Units set up in the Industrial Park will be entitled to the benefits and incentives as provided under Industrial Development Policy 2015-20 and any policies / schemes of the GoAP and/ or Government of India, as applicable.

⁴ Tentative figure.



8. Revocation

8.1. Where the progress of the development of an Industrial Park is not in accordance with the approved DPR, the following action shall be taken by GoAP:

8.1.1. In case land is allotted by APIIC, the allotment of land in relation to the Industrial Park shall be revoked, and the cost of External Infrastructure incurred by the GoAP shall be recovered from the Developer.

8.1.2. In case of private land, any cost incurred by the GoAP towards External Infrastructure shall be recovered from the Developer.

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