

APIIC – INTER OFFICE MEMO

From: Secretarial Wing
N.SW/BM/192/ATR/12-2

To
Chief General Manager (AM)

Sub: 192nd Board Meeting of APIIC Limited held on 07-09-2012 – Decision Taken Communicated.

Ref: AMW/AR-Review/2011, dt:05-09-2012.

ITEM NO. DECISION TAKEN	ACTION TAKEN
<p>23. New Allotment Regulations – Implementation:</p> <p>After discussions, the Board approved the modifications to the new allotment regulations – 2012 as mentioned in the agenda note and the New allotment rules 2012 shall come in to force with effect from 1.10.2012.</p>	<p>The approved Allotment Regulations – 2012 are uploaded in APIIC website and all the ZM's have been advised to follow the same w.e.f. 1-10-2012.</p>

Sd/-
Company Secretary

Sd/-
CGM (AM)

3556

APIIC LIMITED

*Asset Management Wing,
Head Office.*

IOM No.AMW/AR-Review/2011

Date: 21-9-2012

Sub: New Allotment Regulations – Placing in the
APIIC website – Regarding.

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In the 191st meeting held on 5.5.2012 and 192nd meeting held on 7.9.2012, the Board has approved the new Allotment Regulations with modifications and place the same in the APIIC website.

While enclosing the new regulations, it is requested to upload the same in the APIIC website.

Encl:a.a.

To
General Manager (MIS),
Head Office.

Ant
CHIEF GENERAL MANAGER (AM)

Ac *As*

8/21/12
27/9/12

NEW REGULATIONS

These rules are called the "APIIC INDUSTRIAL PARKS ALLOTMENT REGULATIONS 2012".

These regulations shall apply to the Allotment of Premises/industrial plots/land, in all Industrial Parks /Industrial Development Parks, & all Theme Parks developed by APIIC. These regulations also apply to the allotments previously made, in Industrial Parks/Industrial Development Parks, & Theme Parks wherever there arise a cause of action in such allotments, after the issue of these regulations and also in cases of re-allotment of resumed premises/plot/land

These Regulations shall not apply to those cases in respect of which decisions have already been taken and also to the cases pending before the Courts.

These Regulations shall come into effect from **1st October, 2012.**

1. DEFINITIONS

1.1 "Allottee" means an individual or person including a group of individuals under Indian Partnership Act of 1932 or Limited Liability Partnership Act of 2008, or Cooperative Institution, or a body incorporated under any Act of Indian Law, established for the purpose of industrial activity/service to whom any premises was allotted by the Corporation.

1.2 "Applicant" means an individual or person including a group of individuals under Indian Partnership Act 1932 or Limited Liability Partnership Act 2008, or Cooperative institution, or a body incorporated under any Act, who has made an application in the prescribed format for establishing an industrial activity.

1.3 "Authorized Person" a person who can sign all the documents and perform all acts for and on behalf of the applicant and so authorized 'in writing'.

1.4 "Corporation or APIIC" means the Andhra Pradesh Industrial Infrastructure Corporation Ltd.

1.5 "Deputy Zonal Manager" means the officer of the corporation who is appointed as Deputy Zonal Manager and includes the one who is holding the post as additional charge and also includes any other officer who is vested with such responsibilities.

1.6 "Implementation" means where the unit was fully implemented and commenced commercial operation to the capacity indicated in the project report and has fully utilized the plot/land allotted for the purpose for which it is allotted.

1.7 "Industrial Development Park" means and includes erstwhile Industrial Development Area.

1.8 "Industrial Park" means and includes all industrial estates, Autonagars, Wood complexes, Electronic Complexes and whatever name they are called earlier. Wherever, the word "Industrial Park" is indicated, it includes Industrial Parks/Industrial development parks as the case may be.

1.9. "Large Project" means all the project/industrial unit which is not covered under MSME Development Act 2006(No.27 of 2006) Government of India.

1.10. "Layout" means and includes a plan approved or proposed to be approved or sent for approval to Directorate of Town and Country Planning (DT&CP) or any Urban Development Authority (UDA) or any other Competent Authority.

1.11. "Manager" means the officer of the corporation who is appointed as Manager by the Corporation and includes the one who is holding the post as additional charge.

1.12. "Managing Director" means and includes the Managing Director, Chairman & Managing Director or Vice Chairman & Managing Director of APIIC including the one who is holding the post as additional charge or his successor as appointed by the State Government

1.13"Micro, Small & Medium Enterprises (MSME)" mean the industrial units as defined in the MSME Development Act 2006 (No.27 of 2006) Government of India

1.14"Partial Implementation" means where the unit was implemented and gone into commercial operation either not to the capacity indicated in the project report or has not fully utilized the land allotted or both.

1.15 "Premises" or Plot or land means and includes any plot, land, shops, godowns, sheds, any structures etc., held by the Corporation in its industrial park, which is meant for sale/lease/sale by auction.

1.16."Process Fee" means a non-refundable fee, which shall be payable by each applicant at the time of filing application or obtaining any approvals/restoration etc.

1.17. "Sub Zonal Office" means the branch/field office of the corporation and functioning under the orders of the Managing Director with a specified jurisdiction of the industrial parks and which is under the control of Zonal Manager.

1.18. "Theme Park" means and includes a sector specific park like Financial District, Information Technology park, Food processing park, Apparel park, Biotechnology Park etc.

1.19 "Zonal Manager" means the officer of the Corporation who is appointed as Zonal Manager by the corporation and includes the one who is holding the post as

additional charge and also includes any other officer who is vested with such responsibilities.

1.20. "Zonal Office" means the branch/field office of the corporation and functioning under the orders of the Managing Director with a specified jurisdiction of the industrial parks

2. LAYOUT

2.1 For the purpose of allotment of premises, it is necessary to get the layout approved by the Competent Authority and the relevant statutory agencies.

2.2. While developing a large Industrial Park, exceeding 250 acres of gross area, 50% of the gross area may be earmarked for Micro, Small and Medium enterprise units only.

2.3 In the event of lack of demand from MSME Units for the above earmarked area in that Industrial Park for a period of three years from the date of first allotment to MSME units, such area can be allotted to other than MSME Units.

2.4. Lay out may also provide space for waste disposal/management wherever required and feasible. It is the responsibility of the industrial unit to take necessary actions/to make arrangements for safe disposal of treated waste complying with the norms prescribed by APPCB. However, APIIC may also facilitate setting up of common effluent treatment plants for homogeneous industries/industries of same in the industrial park.

2.5. Suitable area may be earmarked for Industrial Housing as per the need.

3. SITE PLANS

3.1 Zonal Manager shall ensure that detailed survey and measurements are done for each of the premises in the Industrial Park.

3.2. Site plans of premises/plots, of all the common use areas earmarked, for green (open) spaces and of all the common facilities, are prepared and boundaries fixed, with standard boundary stones along with the details like dimensions, extent of plot/area, survey no. in which the same are situated are made available in the Zonal and the Sub-Zonal offices of the Zone for information of entrepreneurs

4. NOTIFICATION OF INDUSTRIAL PARKS

4.1 Whenever a new Industrial Park is developed by Corporation, Head Office of APIIC shall cause publication of the same, in one news paper in English and other in Telugu which has wide circulation intimating the launch of the New Industrial Park and inviting entrepreneurs to file applications for allotment.

4.2 The details of all industrial parks regarding facilities and availability of land for allotment and rate per sq. mt shall be hosted on the web sites of APIIC and Commissioner of Industries. The same shall be displayed on the notice boards of the respective Zonal, Sub- Zonal offices of APIIC and offices of DIC regularly.

4.3 In respect of vacancies in all Industrial Parks, the information shall be updated on the web site and also simultaneously cause display on the notice boards of the respective Zonal, Sub-Zonal offices of APIIC and offices of DIC.

4.4 The details of vacancy shall also be communicated to the respective District Collectorate, offices of District Industries Centre and AP State Financial Corporation.

4.5 The layouts of Industrial Parks should be displayed on the Notice Boards of respective Zonal/Sub Zonal offices and DIC offices. The layouts should also be placed in the web site of APIIC and Commissioner of Industries.

4.6 The components of infrastructure planned for an industrial park, will also be displayed in the website of APIIC

4.7. All the allotment committee members shall also be notified of the vacancy through e-mail or any other accepted mode of reference.

4.8 Allotment Committee:

4.8.1. The allotment committees will be constituted as per the directions of the Board of APIIC and/or Government of AP. It will be multi-tier structure with a provision to decide on the allotments with reference to value of the land sought for by the applicant and viability of the project and compatibility of the type of industry in the chosen industrial park.

4.8.2 The functions of the Allotment Committee will be defined by the Board of APIIC.

4.8.3. All allotments are made at the rate applicable as on the date of filing the valid application and any revision of cost, during the intermittent period of the date of filing the application and the date of convening of allotment committee in which the said applications are considered *is not applicable*. Since the applications are considered at different levels of the allotment committee and any delay in

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convening the allotment committee either at the district or at Head Office, shall not affect the applicant who has filed the application in full shape during the currency of the land rate and waiting for the allotment. However, this will not be applicable for deferred applications.

5. PRICE FIXATION & INFRASTRUCTURE COMMITTEE (PF&IC)

5.1 For fixation of land cost and to determine the level of infrastructure to be provided in an industrial park a committee may be constituted by MD, APIIC, called Price Fixation & Infrastructure Committee. It will replace the existing 'Price Fixation Committee'.

5.2 The role and responsibilities of the committee are as follows:

- a. To recommend the cost of land/premises to be allotted in an industrial park
- b. To discuss and recommend the level of infrastructure facilities to be provided for in an industrial park
- c. c. To review and recommend land cost in all the industrial parks periodically and upon the requirement.
- d. In cases where implementation of any project is delayed due to non-provision of any infrastructure facility by APIIC, the committee may recommend extension of time for implementation to such allottee after examining his request about non-provision / delay in execution of development works for extending time for implementation of project with or without penalty and such recommendations are to be considered by MD for approval or otherwise.
- e. In addition, PF&IC may review the land cost in any industrial park from time to time, depending on market conditions, enhanced land compensation claims made/received , additional infrastructure costs to be incurred or such events.

5.3. The PFI Committee is a recommendatory body and MD, APIIC may approve or modify the recommendations of the committee with reasons to be recorded.

5.4 The land costs, as approved by the MD, from time to time, for all the industrial parks are to be placed before the Board for information and shall be updated on the websites of APIIC & Commissioner of Industries.

6. FIXATION OF LAND COST

6.1 While fixing the land cost, the following components are taken in to consideration:

6.2 Land cost;

6.2.1 Cost of land acquisition includes land as fixed in the award and the costs incurred towards land acquisition proceedings

6.2.2. Rehabilitation and Resettlement cost, if any, as per Government policies.

6.2.3. Establishment charges of Special Deputy Collector, Land Acquisition Unit, if any.

6.2.4. Enhanced land compensation claims awarded by the Courts.

6.2.5. In case of Government lands, the value of the Government land as fixed by the Government through its alienation orders or any other communication and if the alienation cost is not fixed by the Government, the value of Government land is to be taken on par with Patta (private) land.

6.2.6. Any other charges incurred during acquisition / alienation including legal and other relevant expenses.

6.3 Internal Infrastructure Cost;

6.3.1. Layout approval charges/land use conversion charges/development cost or any other such statutory charges including NALA charges, etc. which are payable as levied by the statutory agencies.

6.3.2. Estimated cost of civil works like roads, water supply, power supply, sewerages, Administrative building, Environment Management Plan like CETPs, landfills etc

6.3.3. Administrative charges at the applicable rate as decided by APIIC from time to time.

6.3.4. Cost of the money spent on the above elements as determined by APIIC from time to time.

The above are the general principles of fixation of land cost at the time of fixing the land cost for the first time.

6.4 However, in cases where land has already been allotted at various rates, a breakeven cost is worked out duly considering realizations made till that time and internal infrastructure to be done in future depending up on the need. Land cost is also revised if enhanced compensation claims which were to be paid and not included in the land cost earlier.

6.5 In general, all the industrial parks shall have minimum facilities as indicated above. If any allottee desires to have more infrastructure facilities than provided for, the extra cost for providing the same will have to be met by the applicant as communicated by APIIC. Else the allottee may provide for the same at its cost.

6.6 The cost of the premises which are resumed or not new, would also include the land cost including development cost as mentioned above for the plot plus the cost of the superstructure to be fixed as per the current Standard Schedule of Rates duly taking into account the administrative charges, interest on expenditure for the construction period etc., and duly deducting cost of repairs, depreciation etc

6.7 Frontage Charges.

1. Frontage charges for premises, located facing/abutting the National Highways/ the Service Road of the Corporation parallel to the N.H. shall be levied at 20 % of the cost of the premises.
2. Frontage charges for premises, located facing/abutting the State Highways, or the Service Road of the Corporation parallel to the S.H, shall be levied at 10% of the cost of the premises
3. Frontage charges for premises facing/ abutting District/PWD and ZP roads, or the service road of the Corporation parallel to District/PWD road, shall be levied at 5% of the cost of the premises
4. Even if service roads formed by Corporation divide the plots/sheds from the National Highways/State Highways etc., frontage charges shall be levied as mentioned above.
5. Frontage charges shall be levied up to a maximum extent of 20,000 Sq. Mtrs. per allotment.
6. In respect of sheds, frontage charges shall be levied only on the cost of plot area.
7. Frontage charges levied shall form part of the cost of premises.
8. For allotments made through public auction, no frontage charges need be levied

9. For plots allotted at commercial rates, frontage charges need not be levied.

9. Zonal Managers should ensure that wherever applicable frontage charges at the prescribed rates are levied the same shall be included in the allotment letter.

6.8. The allotment shall be made at the cost of premises arrived at, as per the rate, fixed by the Corporation and applicable as on the date of filing application unless otherwise specified or indicated. **(4.8.3)**

6.9. In a new industrial park, the system of giving 10% rebate in land cost for MSME entrepreneurs who commence commercial production within a period of two years from the date of possession of the plot is introduced subject to limiting of such rebate to 10% of the net usable area of that Industrial Park on "first come first serve" basis. Such industrial Parks will be recommended by PFIC and approved by MD, APIIC from time to time. They will be notified and placed in the website of APIIC. The final allotment letter will mention that such identified eligible allottee will first pay the total land cost and then claim rebate after commencement of commercial production as agreed at the time of seeking allotment of land. All such cases for grant of rebate shall be referred to PF&IC for approval. In the event such eligible allottee fails to avail the rebate of 10% on the land cost (prevailing at the time of allotment), the allotted area will fall in non-incentive category.

6.10. The grants, if any, given by Government under certain specified schemes covering any component(s) of infrastructure will be utilized for the purpose intended and will not be included while fixing the land cost. This will not apply for subsequent revisions of land cost of that industrial park.

6.11. For allotment of land to MSME units, the cost of land will be arrived at by adding land cost and 50% of cost of infrastructure subject to receipt of grant from the Government of India / Andhra Pradesh for the specified industrial park. This incentive will not apply for subsequent revisions of land cost of that industrial park. **This incentive is industrial park -specific.**

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7. LAND FOR LARGE PROJECTS & ALLOTMENT OF LAND IN PHASES

7.1 LAND FOR LARGE PROJECTS

- a. Requests from entrepreneurs for allotment of land on "as is where is basis" will be considered on case to case basis. And in that event, all statutory approvals are to be procured by such allottees.
- b. Government may also direct APIIC to allot land for mega/large industrial projects and the infrastructure facilities to be provided are as per the arrangement/agreement entered into between the Government and the Investor/Promoter
- c. In such cases, separate/exclusive agreement/Memorandum of Understanding shall be entered into between the Government/ APIIC and investor/developer.
- d. The conditions of such agreements/memorandum of Understanding will prevail upon such allotments for implementation of the project.
- e. The cost towards land and infrastructure facilities will be worked out separately and will be collected from the investor/developer as per the agreed time lines.

7.2 Allotment of land in Phases:

- a. The allottee at the time of filing application for allotment of land may seek allotment in phases depending on the progress of execution of the project and seeks reservation for the land to be utilized in the subsequent phases.
- b. In such cases, allotment may be considered for the initial phase and the balance extent of land may be kept reserved for a maximum period of 5 years from the date of allotment for the initial phase, duly levying a process fee @5% of the prevailing land cost for each year of reservation which is payable in advance.
- c. During the period of reservation, the allottee may opt to convert reservation to firm allotment, and the same can be considered at the prevailing land cost and not at the rate prevailing on the date of first allotment.
- d. However, the requirement of land will be evaluated afresh depending on the progress of project/utilization of the allotted land and the prevailing allotment guidelines.
- e. At the end of the 5 years, the land reservation is withdrawn.

- f. The reservation of land is not transferable. The reservation fee is not refundable or adjustable.
- g. In all such cases, the Zonal Manager shall ensure that the activity by the allottee, should commence at one end of the plot and not from the middle of the allotted land, to ensure that in the event of non utilization of the land, the balance land which was reserved or allotted, can be resumed without any inconvenience to the allottee and APIIC.

8. APPLICATION FOR ALLOTMENT

8.1 Application for allotment of 'premises' in Industrial Parks for industrial purpose and also for common use facilities for industries shall be made "On-line"(website: www.apiic.in and www.apindustries.com)

8.2 The Application shall only be filed by the entrepreneurs through 'on-line'.

8.3 No application fee is payable.

8.4 Help desk at Head Office, Zonal Offices of APIIC, Commissionerate of Industries and GM-DIC offices, shall provide assistance to entrepreneur to upload the application on-line.

8.5 Immediately on filing the application "on-line", the same shall also be notified to the members of the Allotment Committee concerned by e-mail.

8.6 Separate application should be filed on-line in case the applicant seeks allotment at different Industrial Parks. Necessary attachments should be filed separately for each application

8.7 Applications are not transferable from one Industrial Park to another Industrial park, and any such request is treated afresh.

8.8 The Applicant shall file the physical applications with Zonal Manager/Offices of DIC along with DDs for EMD and non-refundable process fee and other relevant documents including project report, and Entrepreneurs Memorandum Part I/II etc., within a period of 7 (seven) calendar days in respect of applicant resident in India from the date of e- filing, and 15 (fifteen) calendar days from the date of e filing in respect of applicant who is not resident of India. The applicant shall ensure that the physical application along with annexure is received in the respective zonal office/ DIC Offices within the stipulated time.

8.9 The following shall be attached while sending the physical application form.

- a) Downloaded Application form which was already filled in on-line duly signed by Applicant / the authorized person
- b) Valid DD towards EMD at 10% of the value of the premises.

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- c) Valid DD towards non-refundable process fee at 0.1% of the value of the premises sought for by the applicant subject to a minimum of Rs.1000/-
- d) Separate DDs should be obtained for EMD and non-refundable process fee
- e) All attachments/enclosures shall be attested by the authorized person.
- f) Authorization letter, wherever necessary.
- g) Attachments to the application as filed with e-application.

h) Other documents to be attached.

- Detailed Project Report/profile with process flow chart, justifying the extent of the land/shed applied for with break-up, details of plot/shed already possessed, whether the premises are required for re-location (shifting) or expansion purposes manufacturing Process, proposed installed capacity (quantity and value), Power, water requirement etc, for the project.
- Plant / Machinery layout of the proposed project and details of greenery/lawn to be maintained as per the norms of APPCB, if any.
- Copy of partnership deed, in case of existing partnership firm. In case of proposed partnership firm, it should be stated that "Promoter of proposed Partnership firm, giving the names and full addresses of all the partners.
- A copy of Memorandum and Articles of Association in case of limited Companies and a copy of resolution authorizing the applicant to apply on behalf of the company; if the application is made in the capacity of a promoter of proposed company, same should clearly be stated as "Promoter of proposed Private/Public Ltd Company" and names and full addresses of all the promoters may be indicated. If application is being made on behalf of a group of companies and if at the time of making application, it is not known as to which of the companies or a new private/public company from the group will implement the project, the applicant should clearly mention this in the application form and also enclose a list of the companies or individuals with full addresses who are likely to take part in implementation or promotion of the new company.
- In case of Co-operative Societies/ Societies registered under the Societies Registration Act, similar details as in the case of limited company may be furnished.
- Self - Certified copy of address proof in case of Proprietary firm or Partnership firm (copy of any one of i) passport first page and last page, ii) Ration card iii) electoral card
- Valid Driving license.
- Self certified Copy of PAN Card

- 2 Photographs of the Applicant(s) in case of Proprietary firm or Partnership firm and authorized person in case of Company.
- Entrepreneurs Memorandum Part-I / Part-II (SSI Registration Certificate) issued by the District Industries Centre or any other relevant certificate;
- Technical Education/Qualification of entrepreneurs/promoters.
- Caste certificate issued by competent authority in case of SC/ST Entrepreneurs,
- Discharge certificate in case of ex-service man.
- Self-employment registration in case of self-employed entrepreneurs
- Any other relevant documents in support of the application

9. SCRUTINY & CATEGORISATION OF APPLICATIONS

9.1 The applications, filed 'on-line', will be scrutinized by the allotment committee on the scheduled date of Allotment Committee meeting.

9.2 Incomplete applications filed on-line shall be rejected and the applicants are to be informed about the reasons for rejection. However, rejection is not a disqualification. All the deferred applications are deemed to be rejected for the purpose of validity of the land rate.

9.3 The Process fee is non-refundable.

9.4. Subject to the viability of the project, the applications received shall be categorized into the following categories

a) Entrepreneurs from Ex-Servicemen category, subject to production of necessary evidence of having served in the Military/auxiliary services.

b) The allottees who have implemented the industries in the allotted land fully and seek for adjoining/nearby premises for expansion of their existing units in the same Industrial Parks/Industrial Development Parks and such expansion involving a minimum 25% in the original installed capacity.

c) Women entrepreneurs;

d) Land losers- out of acquisition of lands secured for development of industrial parks by APIIC

e) Entrepreneur Development Programme (EDP) trainees;

f) Technocrats having experience in the line of manufacture who intend to resign from the service/or having served in Government, Public or Private Undertakings for the purpose of setting up of industrial units;

g) Others, not falling into the above categories.

9.5 No Reservation in considering applications for allotment, but priority shall be assigned depending on the viability of the project.

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9.6 In case of allotments to IT/IT Enabled Services the guidelines/policies of the Department of IT & C may be adopted.

9.6 The above priority/categorization will not apply in cases of the industrial areas where allotment is through public auction.

9.7 In cases of allotments to SC/ST entrepreneurs, including concessions in the land cost, penalties, restoration fee etc. the guidelines/directions of the Government issued, from time to time, shall prevail. (Chapter 13)

10. PROVISIONAL ALLOTMENT

1 The provisional allotment letter should indicate the details of premises, extent, and purpose of allotment and value of the allotment.

2. The allotment letter shall detail the components of infrastructure planned/provided for in the industrial park.

3. A copy of site plan shall also be attached along with the provisional allotment letter.

4. The allottee shall pay the entire cost of the premises as indicated in the provisional allotment with undertakings, as prescribed therein, within 90 days of the receipt of the provisional allotment letter. From 91st day to 180th day, the outstanding amount shall be paid with applicable rate of interest. Beyond 180 days, the provisional allotment shall stand cancelled without any further notice. No request for restoration of allotment shall be considered.

4 Provisional Allotment letter should be dispatched to the address of the allottee by registered post with Acknowledgment Due or handed over in person to the allottee under proper acknowledgement. The provisional allotment letter shall also be sent by email registered with APIIC.

11. SWITCH OVER OF PREMISES

11.1 Applicants may seek for change of premises before or after allotment.

11.2 In all such cases, the applicant shall file 'on-line' application afresh and allotment is subject to availability of the premises and also compatibility of the industry in the chosen industrial park/industrial development park and at the prevailing rates of land cost.

11.3 In cases where the plot is allotted and Corporation is unable to process further for possession and agreement, the EMD is fully refundable at the request of the allottee. If the allottee request for alternate plot in the same industrial park such a request can be considered at the cost of original allotment. And such request shall be entertained only once.

11.4 In case the allottee requests for an alternate premises in any other industrial park, in lieu of refund of amounts (11.3), such an application will not be given priority and the allottee shall pay the difference of land cost if any arising out of the difference in rate of land cost subject to the availability of chosen plot.

11.5. If the allottee requests for alternate plot in the same industrial park or any other industrial park, as an alternate choice, on his/her own consideration, in all such cases, the applicant shall be treated as the new applicant and shall not be conferred any priority in the allotment and the applicant shall make the application 'on-line' and shall be considered as per the procedure mentioned herein.

11.6 In all cases of switch over of premises, the date of first allotment shall be reckoned for the purpose of stipulated 90 days payment and all other guidelines mentioned herein, including the time for implementation.

12. PAYMENTS:

12.1 All amounts payable should be made by way of Demand Draft (DD), Pay Order(PO), or Bankers Cheque(BC) (hence forth called Demand Draft (DD) from any Scheduled Bank and should be drawn in favour of "APIIC Ltd " and the same should be payable "at par" at the respective places of Zonal Offices . 'Online payments' are also accepted.

12.2 The DD should have validity period of not less than 2 months at the time of payment to APIIC

12.3 Payment by cheques other than EMD/Process fee is also allowed subject to submission of same seven (7) working days prior to the due date. The cheques should be payable 'at par' in the respective places of zonal offices. Outstation cheques are not accepted.

12.4 Any bank charges levied for collection of Demand Draft/cheque by the Bank shall be to the account of the allottee.

12.5 The credit of the amount of cheque/DD will be given on the realization date.

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13. ALLOTMENT OF LAND TO SCHEDULED CASTE (SC) / SCHEDULED TRIBE (ST) ENTREPRENEURS

13.1 All procedures regarding allotments of land and concessions in the land cost/process fee etc to SC/ST entrepreneurs in the industrial parks shall be as per the directions issued by the Government from time to time/Board of APIIC.

14. ALLOTMENT BY AUCTION

14.1 MD is authorized to notify and de-notify certain industrial parks/industrial development parks/ or certain notified premises in industrial parks/industrial development parks under auction through publication in Newspapers.

14.2 MD may also consider to notify certain premises for auction, in Industrial Parks/Industrial Development Parks which are not notified under auction, due to location advantage and demand.

14.3. The terms and conditions of auction shall be decided by the MD from time to time.

14.4 The de-notification, of any industrial parks/notified premises in industrial parks under auction, shall be through the publication in the newspapers.

15. ALLOTMENT OF PREMISES FOR PUBLIC/UTILITY AGENCIES

All allotments are to be considered in the common areas and notified and approved in the layout.

15.1 At free of cost for:

- (a) Post office subject to a maximum of 500 sqmts;
- (b) Fire station subject to a maximum of 1000 sqmts;
- (c) Police station subject to maximum of 500 sqmts;
- (d) Government/ ESI Dispensaries subject to a maximum of 500 sqmts;

15.2 The allotment to the following agencies will be done as per the rates fixed by the PF&IC - "at cost".

- a) Andhra Pradesh Power Transmission Corporation (or its subsidiaries) provided the land is used for putting up for dedicated substation for the respective industrial park/industrial development park. The extent of land shall be determined by the scale of the activity/capacity of the sub-station.

- b) Andhra Pradesh State Road Transport Corporation for providing dedicated transport terminal/bus depot
- c) Water supply Boards/similar agencies.

15.3 For the following agencies 1 $\frac{1}{2}$ times of land cost as fixed by PF&IC:

- a) Scheduled Banks
- b) Dispensaries run by private individuals/missionaries/corporate bodies
- c) Any other commercial purpose compatible to the industrial or allied services like Canteens, weigh bridges, warehouses, cold chains
- d) Any telecom service provider

15.4 An extent of land not exceeding 500 Sq. Mts. would be earmarked for the Service Society of the industries located in the industrial area on lease basis for a period of 25 years with lease rent of Re.1/- per Sq.Mtr. per annum and to consider allotment only after the Service Society mobilizes necessary capital funds for construction of building or for any activity of the Corporation.

15.5 Allotment can be considered on lease/sale at commercial rates for Petrol retail outlets subject to clearance from the local authorities.

15.6 If the land earmarked for common facility is not allotted to any one and all the common utilities/services are available in the Industrial Park, the vacant land earmarked for Common Facilities Area can be considered for allotment for industrial use at normal rate of land cost, subject to terms and conditions of lay out approval. APIIC reserves the right to change common facility area as per the requirement.

15.7 All such cases as stated in para 15.6, the Zonal Manager shall send a comprehensive report along with lay out details to the Head Office, for taking a decision through PFIC.

16. FINAL ALLOTMENT ORDER:

16.1 The Zonal Manager shall issue Final allotment letter in the prescribed proforma within (5) days from the date of payment of the entire cost of the premises.

16.2. The final allotment order shall mention that the allottee is eligible for rebate of 10% of the land cost subject to compliance of allotment order and commencement of commercial activity/production within 2 years from the date of possession. And the eligible rebate amount, after approval of APIIC (HO), shall be paid or adjusted whichever the case may be.

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16.3. The rebate of 10% on the allotted value of the land is only an incentive and shall not be claimed as right and APIIC may withdraw the benefit at any time due to any exigency.

17. EXECUTION OF SALE AGREEMENT AND PHYSICAL POSSESSION

17.1 Agreement of sale in a prescribed format shall be executed by the allottee and Zonal Manager / Dy. Zonal Manager (AM) within one month from the date of receipt of Final Allotment order. A notice shall be issued to the allottee immediately after expiry of 30 days from the date of issue of Final Allotment order, in case of non-execution of sale agreement. The Agreement shall be registered within 21 days.

17.2 Physical possession shall be delivered only after receipt of total land cost and execution of sale agreement. The Zonal Manager / Dy. Zonal Manager (AM) shall cause actual plot to be measured physically and boundaries of the plot shall be fixed on the ground, as per the site plan attached to the provisional allotment order. Possession certificate in the prescribed format duly mentioning the exact area / Survey No. shall be signed by the allottee and ZM / DZM (AM).

18. MONITORING OF IMPLEMENTATION OF PROJECTS:

Micro/Small/Medium Enterprises:

18.1 The allottee, within six months from the date of taking over possession, shall take necessary steps for implementation of the project and file such papers in evidence of implementation, like applying or securing approval of building plan, power supply, sanction of term loan, Consent for establishment from AP Pollution Control Board or any other document in conjunction with the above approvals / permissions.

18.2 The allottee shall obtain the required statutory approvals/permissions and commence commercial production within two years from the date of possession of the allotted premises and implement the project in full as envisaged in the Project Report furnished by him at the time of filing the application for allotment.

18.3 Sheds; The allottee shall within (3) months of being put in possession of the shed, file application with APTRANSCO for power supply connection and obtain other necessary permissions from the competent authorities, including Consent for establishment from APPCB, financial sanctions etc.

18.4 The allottee shall commence commercial production duly obtaining regular power supply connection and other statutory approvals/permissions within one year of being put in possession of the allotted shed (premises).

Large Projects:

18.5 In case of allotments made for large projects, the time for implementation shall be as per the milestones/timelines, given in the project report and as approved by the Allotment Committee.

18.5. (b) The allottee, within the stipulated time as indicated in the Project Report, from the date of taking over possession shall take necessary steps for implementation of the project and file such papers in evidence of implementation, like applying or securing approval of building plan, power supply, sanction of term loan, Consent for establishment from AP Pollution Control Board or any other document in conjunction with the above approvals / permissions.

Other Conditions:

18.6 The allottee must submit periodic reports to the Zonal Manager reports about the progress in implementation.

18.7 The Zonal Manager or any other officer authorized by the Zonal Manager, shall inspect the premises at least once in every (3) months to verify progress on the implementation and assess the progress of implementation and record his findings in the proforma prescribed.

18.8. During such inspections by the Zonal Manager / Deputy Zonal Manager to the premises allotted, if it is found that the project has not been fully implemented even after completion of two years from the date of final allotment, then steps shall be taken for cancellation of allotment immediately as per the procedure prescribed.

19. TIME FOR IMPLEMENTATION OF THE PROJECT

19.1 Micro /Small / Medium Enterprises

a) As per the allotment order and agreement of sale, the allottee is allowed 2 years (24 months) time for full implementation of the project as per the time lines given in the final allotment order.

b) The period of Implementation may be considered to be extended up to one more year (12 months) in respect of Industrial parks where provision of infrastructure

development is delayed and/or where the allottee furnishes reasons for delay in the implementation and such reasons are beyond his control. Such extension of time shall reckon from the date of stipulated 24 months time.

c) In all cases, the maximum time for implementation shall not exceed 5 years subject to provision of infrastructure by APIIC (including the initial allowed time of 2 years and cooling time of one year) from the date of taking possession of the premises. The premises shall be resumed after following the due procedure for cancellation. In all cases of extension of time for implementation of the project, penalties/interest, as prescribed, will be levied.

d) For all cases, other than where waiver of penalty / interest granted, the penalty/interest, as prescribed wherever extension of time for implementation of time is granted, shall be levied.

e) Any allottee who seeks for any relief and having reasonable grounds may be considered as per these Regulations.

19.2 Large Projects.

19.2.(a) The timelines for implementation of large projects are as envisaged in the project report furnished at the time of seeking allotment and if the timelines are revised, the same are subject to the approval of Price Fixation & Infrastructure Committee.

19.2.(b) If there is delay in providing infrastructure facilities or in the project commissioning and /entrepreneur has valid reasons for such delay, which are beyond his/her control, one year extension may be granted without levying penalty or interest. The PF&IC may consider further extension of time not exceeding 2 years with penalty @ 2% of the prevailing land cost. (5.2.d)

19.3. Any allotment of land which is made in compliance of the Government orders shall be referred to the Government with recommendations of APIIC on granting of time for implementation and for levying of penalty.

19.4 In cases, where there is partial implementation of the project like going to commercial production of lesser capacity and utilizing the lesser extent, the time for implementation may be considered by 2 more years with a penalty @ 3% per extension on the prevailing land cost. This penalty is not to be computed with other penalties. Action shall also be initiated for cancellation of the unutilized extent of land and for resumption.

19.5 In cases where the infrastructure facilities as sought for by the allottee in the application are not provided for and not included in the cost of the land,

extension of time shall be granted till the provision of such facility is provided and applicant shall pay the required cost of facility to APIIC or to the agency that executes the facility. This shall be determined on case to case basis. In such cases no penalty shall be levied for the period considered for providing the additional infrastructure facility sought.

20. CANCELLATION & WITHDRAWAL OF ALLOTMENT

20.1 In case of failure on the part of the allottee to make total payment towards cost of premises within the stipulated time from the date of receipt of Provisional allotment letter, the Zonal Manager shall cancel the provisional allotment immediately after completion of the period indicated below:

- a) for Industrial Parks after 180 days
- b) in case of auction after 30 days

No request for extension of time / restoration of allotment beyond the stipulated time is considered.

20.2 If total cost is paid by the allottee, but fails to execute agreement of sale and take physical possession within the stipulated time of 30 days, the final allotment letter is liable to be withdrawn by the Zonal Manager. It is the responsibility of APIIC and allottee to ensure execution of agreement of sale within 30 days from the payment of total amount failing which the allotment will be cancelled duly issuing notice of 15 days time.

20.3 After execution of sale agreement and taking possession of the premises, if the allottee fails to implement the project within the stipulated time from the date of possession, Zonal Manager shall issue notice to the allottee to 'show cause' as to why allotment should not be cancelled for violation of terms & conditions of final allotment orders and advising the allottee to surrender the vacant possession of the premises.

20.4 In case the allottee, replies to the notice, explaining the reasons for the delay, the Zonal Manager, shall send a report offering remarks on the explanation of the allottee, seeking further instructions of Head Office, for extension of time/cancellation.

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20.5 If the request of the allottee for extension of time for implementation of the project is not considered, the Zonal Manager shall issue 'Cancellation order cum Resumption Notice within 7 days of receipt of communication from the Head Office.

20.6 The Zonal Manager shall resume the possession of the premises on the date specified in the cancellation order cum resumption notice. The Zonal Manager shall also initiate action for cancellation of sale agreement and refund the amounts paid after making necessary deductions within 15 days from the date of resumption of premises.

20.7 The Cancellation Orders cum Resumption Notice shall be sent to the address given in the Application form or to the last known address of the allottee by post under Registered Post & Ack. Due and Certificate of Posting and by e-mail. Copy of the Cancellation-cum-Resumption Notice shall also be sent to the APSFC / Financial Institutions, in case No Objection Certificate is issued to such Financial Institutions by the Zonal Managers for financing the unit.

20.8 A copy of the Cancellation Order cum Resumption Notice must also be affixed on conspicuous place in the premises if there is any structure in the presence of three witnesses.

20.9 The envelopes returned by the Postal Department undelivered to the addressee must be filed in the file as it is without opening the envelope.

20.10 On the date subsequent to the date mentioned in the Cancellation Order cum Resumption Notice, the Zonal Manager shall enter the premises under the right of re-entry in the presence of witnesses duly conducting a Panchanama on the spot.

20.11 Copies of Resumption Report must be sent to the defaulter allottee by Registered post & Acknowledgment Due. While resuming the premises, (colour) photographs should be taken showing the physical features / damages caused to the premises. Immediately after completion of the resumption of the premises, Zonal Manager should get a Notice affixed on the premises resumed by APIIC "**Trespassers will be prosecuted**" and ensure that the premises are protected from trespass by the defaulter allottee or any other person.

20.12 After resumption of the premises, Zonal Manager shall keep a watch over the public property of the premises. Any articles that were taken into the custody by Zonal Manager during Panchanama, same may be disposed off duly obtaining prior permission of HO.

20.13 In case the allottee is not able to implement the project due to any reason which is beyond his control, refund of the principal amounts can be made to the allottee after due cancellation of allotment and sale agreement, provided the allottee surrenders the land to the Corporation voluntarily and registers the cancellation deed. Such resumed premises shall be notified under vacancy.

21. RESTORATION

21.1. Cases of non-execution of agreement of sale

a) In cases, where the allottee, after payment of total cost of the premises, failed to execute the sale agreement within stipulated time of one month, the allotment is liable to be cancelled. If the allotment is cancelled, it shall be restored after the allottee complies with the notice issued by the Zonal Manager. No penalty is levied where there is delay in execution of sale agreement.

21.2. Restoration of allotment in cases after issue of Cancellation Order-cum - Resumption Notice

a) In case of allotments where cancellation is done for non-implementation within the stipulated time from the date of possession of the premises, and when the premises is not resumed by the Zonal Manager, any request for restoration of allotment shall be made by the allottee, to the Zonal Manager within one month from the date of receipt of cancellation orders-cum-Resumption notice.

b) Such request shall be made duly furnishing credible documentary evidence in support of delay in the implementation of the project like sanction from Financial Institutions, clearance from Andhra Pradesh Pollution Control Board /sanction of power from AP Transco/or any other related agency both at the Centre and State. The allottee shall also furnish an undertaking on Rs100/ Non judicial stamp paper agreeing to complete the project within the stipulated time from the date of receipt of restoration orders.

c) The Zonal Manager shall forward the request proposal to the Head Office and after obtaining the approval from the Head Office, the Zonal Manager shall issue the Restoration of allotment in the prescribed form duly indicating the penalty.

21.3 Where Premises is resumed:

a) In cases, where the Zonal Manager, resumed possession of the premises, as per the terms of cancellation order-cum-Resumption Notice, no request for restoration shall be entertained and the applicant shall be advised to file apply for premises afresh. The Zonal Manager shall cause a notice in the papers informing that the said premises was resumed and available for allotment.

22. PROCESS FEE

22.1 At the time of application - 0.1% of the value of the premises subject to a minimum of Rs.1000/-

22.2 For all cases of Changes in line of activity- Rs. 5000/

22.3 For all changes in name of the Firm without any changes from the original partners /proprietor / firms, in death case to legal heirs. - Rs 5000/-

22.4 For change in Constitution - 3% of the prevailing cost of the land on the date of issue of approval subject to a maximum of Rs 2.00 lakhs

22.5 For Transfer of allotment - 5% of the prevailing cost of the land on the date of issue of approval subject to a maximum of Rs. 5.00 lakhs

22.6 Transfer of allotments shall be done only after project implementation.

22.7 Process fee is to be levied on land cost only even in case of sheds.

23. PENALTIES

23.1 Where allotments are cancelled for non-execution of agreement of sale within the stipulated time - NIL

23.2 Where allotments are cancelled for non-implementation of the project within 2 years from the date of possession of the premises:

- 2% on the land cost prevailing on the date of restoration-for extension of the period of implementation by one year (2+1 years)
- 2%+1% (3%) on the land cost prevailing on the date of restoration-for extension of period of implementation by one more year (2+1+1 years)
- 2%+1%+2% (5%) on the land cost prevailing on the date of restoration - for extension of period of implementation by another one year (2+1+1+1 years)

- If a request is made for extension of time for implementation of the project before cancellation of the allotment, a fee @1% of the prevailing land cost may be levied for every year of extension, which shall not be more than 2 years. However, in case of extension of time for one more year (beyond 2 years), 2% of the prevailing land cost shall be levied in the addition to the above penalties. (1+1+2).

23.3 "In cases of partial implementation, the extension for implementation of the unit / project may be considered for 2 more years from the date of issue of orders with a penalty of 3% per extension on the prevailing land cost. After the expiry of two years, action shall be initiated for resumption of the premises following due procedure.

23.4 This penalty is levied exclusively for 23.3 and need not be reckoned along with 23.2

23.5 In case of allotments made to SC / ST entrepreneur all penalties shall be as per the directions of the government/board of APIIC

23.6 Penalty is to be levied on land cost only even in case of sheds.

24. REFUNDS

24.1. If any applicant makes a request for refund of EMD paid by him withdrawing his application before provisional allotment letter is issued, full EMD shall be refunded. The Process fee is non-refundable.

24.2. If the application for allotment could not be considered for want of vacant plots/ sheds or stands rejected, full EMD shall be refunded. However the process fee is refundable after deduction of Rs.2,000/-.

24.3. If the allotment letter for premises is issued but the allottee fails to comply with the terms and conditions of allotment and consequent to cancellation, and where request for restoration of allotment is not considered the EMD to be forfeited as follows:

For plot/land up to 1.00 acre - Rs.10,000/-

For plot/land above 1.00 acre - Rs.10,000/- per acre or part thereof.

24.4. If the allotment is cancelled and the premises is resumed by the Corporation after due process of issue of Cancellation Order cum Resumption Notice or if the allottee surrenders the premises, the amounts paid by the allottee including EMD stand forfeited as per the terms and conditions of agreement.

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However, as a measure of goodwill gesture, the Corporation may, at its discretion, consider refund of amount as indicated below:

- a) Amount to be deducted @ 5% per annum or part thereof on the cost of original allotment taking the period of occupation of the plot/land/shed/shop into account apart from the forfeiture of EMD @ Rs10,000/- per acre or part thereof.

24.5. Only after the deed of Cancellation is executed and got registered, refund may be considered.

24.6. In case where possession was not delivered, the amounts paid towards the cost of the premises shall be refunded duly forfeiting the EMD as indicated above. The process fee is non-refundable.

24.7. Refunds shall be made duly deducting the amount so arrived at from the payments made by the allottee to Corporation towards cost of premises. Interest paid/appropriated towards belated payment is not refundable.

24.8. In case the amounts paid by the allottee are lesser than the amount to be deducted, no amount is refundable to the allottee.

24.9. The amounts paid towards process fee, penalties, etc. are not refundable.

24.10 The amount towards repairs, damages caused, loss, theft of fittings, shall be deducted out of the amount if any refundable to the allottee.

24.11 In case, power supply is obtained by the allottee, a "No Dues Certificate" and "Dismantling Certificate" from APTRANSCO /APDISCOM shall be submitted before refund.

24.12 Dues in respect of water charges shall be deducted for the actual consumption as against the maximum rate as per the agreement.

24.13 The allottee shall also pay the property tax, to the local body/ authority and a certificate to this effect shall be furnished before refund.

24.14 If there are any buildings/additional structures made by the allottee on the Plot/ shed, the Corporation may at its option either refund the cost of such structures after it is realized from the re-allottee or adjust the amount towards deemed rentals for period of occupation of the property by the allottee. APIIC may otherwise direct the allottee for removal of the same at his cost within such time as may be allowed by it as per the terms of the Agreement

24.15. The refund cannot be claimed as a matter of right

24.16. No interest shall be payable to the allottee on the amounts paid.

25. EXCESS AREA

25.1 If at any time excess area is found in possession of the allottee due to discrepancy in the layouts or site plans, land cost as on date of allotment and interest at rates prescribed from the date of allotment till date of payment would be charged.

25.2 In case where the allottee is in occupation of excess area and which is found to be not objectionable, the same may be considered for regularization depending upon the merits of each case duly charging land cost at the time of allotment plus interest thereon at the rates specified by the Corporation or the land cost prevailing as on the date of detection of encroachment plus 5% of the regularization fee whichever is higher.

25.3 In case, an allottee encroaches any land of the Corporation, over and above the area allotted/ delivered possession to him, the encroachment shall be removed by the Zonal Office and the encroached area is to be resumed duly causing necessary notices. And in all such cases, the allottees are liable for civil/criminal actions to be initiated by the corporation.

26. CHANGE IN CONSTITUTION

26.1 Proposals for change in constitution can be considered before project implementation/during project implementation and shall be processed as follows:

26.2 Change in Constitution - among the family members:

Change in Constitution - among the family members or in favour of legal heirs on the death of allottee(s) or death in case of Proprietor/partner(s) or share holders and without addition of any outside member as partner/share holder, a process fee of Rs.5000/- shall be levied.

26.3. A process fee @ 3% on the value of the land prevailing on the date of issue of such approvals, subject to a maximum of Rs.2.00 lakhs shall be levied on each change and collected in the following cases.

- a. Proprietary firm becoming partnership firm where the proprietor of the original firm holds not less than 51% or more share in Profit and Loss and Capital Investment within the same legal entity.
- b. Partnership firm becoming proprietor firm with exit of all but one partner within the same legal entity.

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- c. Where proprietary concern or partnership concern converts into a Private Limited Company or Public Limited company and the original proprietor/partners together hold not less than 51% of the Paid-up share capital of the same legal entity.
- d. Changes within the Partnership firm where the original partners together hold not less than 51% in the share of Profit and Loss and Capital Investment in the original partnership firm and the reconstituted partnership firm without change of name of the firm.
- e. In respect of Private Limited firm/Public Limited/LLP firms, where there are changes in share holding and the original share holders continue to maintain their holding of 51% or more in the same legal entity.
- f. In cases, where NOC was given by APIIC to APSFC/Scheduled Banks/Public Financial Institutions for creating equitable mortgage on the allotted premises, and the terms of NOC was complied with and the unit is transferred by these institutions for recovery of the loan or otherwise.

26.4. On approval of the changes in constitution a supplementary sale agreement/amendment to the sale agreement should be entered into, duly paying the appropriate stamp duty and the same shall be registered.

26.5. The process fee levied is for approval of change in constitution

26.6. Approval of change in Constitution shall be issued by the Zonal Manager after seeking necessary permission from the Head office.

26.7 Allottees seeking change in constitution shall produce the necessary documents like Firm Registration certificate, Incorporation of the Company from Registrar of Companies/Articles of Association/Memorandum of Association/Entrepreneur' Memorandum. Profit & Loss Account Statements/ Balance Sheets/Share Capital structure duly certified by practicing Chartered Accountants.

26.8 In all cases, before issuing approval, all dues whatsoever to the APIIC shall be collected.

27. TRANSFER OF ALLOTMENT

27.1. The proposal for transfer of allotment shall be approved only after project implementation.

27.2 A process fee of @ 5% on the value of the land prevailing on the date of issue of the approval subject to a maximum of Rs. 5 lakhs for each change shall be levied

27.3. In the following cases, proposal for transfer of allotments can be considered as follows, wherein the percentage of holding is less than 51% by the original allottee/proprietor/partner(s)/share holder(s).

Sl. No.	Original allottee	Converts into/new allottee in whose name the allotment to be transferred
1.	Proprietor/Individual	1. Partnership Firm 2. Company (under the Companies Act) 3. LLP
2.	Partnership	1. Company (under the Companies Act) 2. LLP
3	Company (under the Companies Act) LLP	1. Special Purpose Company 2. Any other Company
4	Company (under the Companies Act)	Transfer of allotment to subsidiary/holding/associated companies.

27.4. In the following cases, irrespective of share holding of the original allottees, the allotments can be transferred:

- Allotments transferred to the third party by APSFC/ Nationalized Banks/Public Financial Institutions with the consent of the corporation
- In cases, where amalgamation/merger/demerger of companies is effected through proceedings / orders of Courts

27.5. Approval of change in transfer of ownership shall be issued by the Zonal Manager after seeking necessary permission from the Head office.

27.6. In respect of transfer of ownership, a deed of cancellation of agreement is to be executed and registered and a fresh agreement of sale is to be executed and registered.

27.7. Allottees seeking transfer of ownership shall produce the necessary documents like Firm Registration certificate, Incorporation of the Company from Registrar of Companies/Articles of Association/Memorandum of Association/Entrepreneur' Memorandum. Profit & Loss Account Statements/ Balance Sheets/Share Capital structure duly certified by practicing Chartered Accountants.

27.8. In all cases, before issuing approval, all dues whatsoever to the APIIC shall be collected.

28. EXECUTION OF SALE DEEDS AFTER PROJECT IMPLEMENTATION

28.1. The allottee shall seek execution of sale deeds soon after full implementation and on production of the following documents:

- a) Entrepreneur Memorandum Part II
- b) Power release certificate
- c) First sales invoice
- d) Approved building plan
- e) CFO from PCB wherever it is applicable
- f) No dues on Property tax
- g) Valuation on Investment duly certified by Chartered Accountant

28.1 All allottees who have utilized not less than 50% of the allotted premises are eligible to seek sale deeds. Utilization of land includes manufacturing/processing activity, and land utilized for support facilities like Transformer, watchman quarters, Godowns and any other supplementary/ancillary facility as detailed in the project report.

28.3 Soon after receipt of documents and request, the Zonal Manager shall make confirmation of payments against the premises and other dues outstanding to APIIC.

28.4. The Zonal Manager shall get the premises surveyed to ascertain the exact extent in occupation by the allottee and also the extent of land used for industrial activity including other support facilities, like transformer, watchman quarters, godowns etc.

28.6 A certificate shall also be obtained from Chartered Engineer by the allottee, about the area constructed within the premises and whether the constructed area is as per the approved building plan and the same shall be furnished to the Zonal Manager for verification.

28.7 Land used for non-industrial use shall not be reckoned for purpose of evaluation of the land usage.

28.8. After due verification of the required documents received from the allottee, and after confirmation of all the payments, the Zonal Manager shall initiate the process for registration of the document within 10 days.

28.9. The Zonal Manager shall ensure that the registered sale deed document shall be first received by him after registration and shall handover/forward the document to the allottee after obtaining the acknowledgement.

28.10. The Zonal Manager shall forward a copy of the registered deed to the Asset Management Wing /Finance wing of APIIC for necessary action.

28.11. In case of allotment of land made at acquisition cost plus services charges, sale deed shall be executed only after settlement of claims filed by Pattadars in courts for enhancement of compensation under Land Acquisition Act and after complying with conditions like payment of entire sale consideration along with other dues if any. These cases arise, where the corporation acquires and allots the land for large projects/developers and/or on the directions of the government. (Chapter7)

29. SALE DEEDS BEFORE IMPLEMENTATION

29.1 In respect of cases, where APSFC/Scheduled Banks/Central Financial Institutions, have sanctioned term loan for the project to be implemented in the premises and sought for execution of sale deed, before implementation, the same may be considered subject to the following:

29.2 The allottee should have paid total sale consideration, obtained duplicate copy of the registered sale agreement and taken physical possession.

29.3 On sanction of loan by the Financial Institution, with a condition to furnish original registered sale deed, APIIC will execute the same before or during project implementation, ensuring collection of all the dues and obtaining consent of the allottee to forward the registered sale agreement and sale deed to the Financial Institution along with No objection Certificate for release of the sanctioned loan under intimation to APIIC

29.4 The No Objection Certificate (NoC) issued to the Financial Institution shall stipulate that it is obligatory on the part of the financial institution to keep APIIC informed periodically about the release of loan and repayments and implementation of the project. It is also to be made explicitly clear to the financial institution that in the event of cancellation/withdrawal of sanctioned loan against which the original sale deed is deposited with the financial institution or the allottee has not availed the loan from the financial institution, the registered sale deed and sale agreement shall be returned to APIIC and APIIC may consider to initiate appropriate legal or measures of action for cancellation of sale deed and resumption of the allotted land for non compliance. And only on agreeing to these conditions the registered sale deed and sale agreement shall be deposited with the financial institution and the Zonal Manager shall obtain acknowledgement to that effect, agreeing to the terms of NOC.

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29.5 The original registered sale deed and sale agreement shall not be handed over to the allottee for onward submission to the Financial Institution.

29.6 In case of auction of mortgaged premises by the financial institution to recover the loan outstanding against which the loan was sanctioned, the financial institutions shall remit to APIIC, the surplus auction proceeds over and above the outstanding loan.

30. GOVERNMENT OF INDIA & GOVERNMENT OF AP PROMOTED PARKS

30.1 In case of allotment of land to developers for development of Theme Parks like Food Processing Park, Apparel Park etc., for which the Government of India / Government of Andhra Pradesh stipulates a condition that these projects are to be executed through Special Purpose Vehicle (developer) the land can be registered in the name of the SPV before implementation. All these allotments are regulated according to the conditions stipulated in the sanction of grant for these projects by GoI and/or GoAP and GoI and /or GoAP may hold equity in the SPV.

31. CHANGES IN LINE OF ACTIVITY AND NAME OF THE FIRM

31.1 The request of the allottee(s) for change in name of the Firm shall be approved by the Zonal Manager provided it does not fall under change in constitution/transfer.

31.2 The request for change in line of activity or additional line of activities shall be considered by Zonal Manager, subject to justifying the requirement of the extent of premises already allotted and such changes in line of activity/additional line of activities are compatible to the nature of Industrial Park and shall not be detrimental to the other neighbouring allottees.

31.3 The process fee is to be levied @ Rs.5000/- for each such change

31.4 In all such cases, the period of implementation shall be reckoned from the date of possession of the premises. In cases of delay in implementation, penalties shall be levied as stated under these rules.

32. INDUSTRY RELATED COMMERCIAL ACTIVITIES

32.1 In cases of allottees approaching APIIC for permission to establish support/industrial related commercial activities in their allotted premises, **after implementation of the project** and after securing sale deed, such proposals shall be processed.

32.2 The activity proposed shall be support services to the industrial units in the Industrial Parks like cold storages, warehouses,/godowns, weigh bridges, quality control laboratories, packaging units, petrol outlets .

32.3 The proposed activity shall not affect the existing/neighbouring industrial units and shall be compatible to the Industrial Park and subject to furnishing approvals from local and statutory bodies/agencies.

32.4 To levy a process fee equivalent to the 20% of the prevailing land cost at the time of approval.

32.5 All these approvals are subject to the extent of land reallocated for such activities and not exceeding 10% of the gross industrial area/or where provision for such facilities are not delineated in the lay out plan.

32.6 In respect of allotment of industrial/CFC area for commercial purposes like Business Centres/Business Hotel cum convention centre/show room/malls or such other related activities, the lay out needs to be revised and secure approval of revised lay out. In such cases, a process fee equivalent to 50% of the prevailing land cost as on the date of such approval may be levied.

32.7 The applicant shall obtain necessary approvals/clearances from the Authorities/Departments concerned.

33. ALLOTMENTS MADE BY GOVERNMENT AT CONCESSIONAL RATES

33.1 All the allotments that are made with the directions of the Government or MoUs, the conditions of MoUs/directions, shall prevail over the APIIC Regulations and same shall be followed.

33.2 Wherever allotments are made as per the directions of the Government, any deviation in the agreement / directions shall be with the approval of the Government.

33.3. No Objection Certificate for mortgaging the land in favour of banks/financial institutions can only be given with the approval of the Government.

33.4 Execution of sale deed can only be done after fulfillment of all conditions of the agreement between the allottee and Government/APIIC and with prior approval of the Government.

34. ALLOTMENT OF UNITS IN SPECIAL ECONOMIC ZONES

34.1 All the allotments of land in SEZ are governed by SEZ Act and Rules of Government of India and as amended from time to time.

34.2 All the allotments are made on lease basis and the developer (APIIC) will fix the lease premium and lease rentals and also the period of lease, as per APIIC policy.

34.3 The lease premium shall be paid by the allottee within 90 days from the date of allotment. The lease rentals shall be payable for the period of lease as fixed by APIIC

34.4 The allottee shall arrange details of quantity and value of the product/services exported on half yearly basis to APIIC which is the developer. 35.

35. REPORTING

35.1 The Zonal Manager shall submit the Report periodically as per the instructions issued from time to time He shall also conduct periodic inspections of all units which are allotted the premises and ensure that conditions of sale agreement/sale deed are not deviated or violated. If any such deviation or violation is found, the Zonal Manager must initiate corrective actions under intimation to the Head Office.

36. Government Directions:

36.1 The directions issued by Govt of AP/Govt of India. in respect of any project/allotment will override these regulations.

37. REDRESSAL

37.1 If the allottee is aggrieved that certain actions of APIIC are not justified, he/she has the right to appeal to the Managing Director duly explaining the reasons. The Managing Director may consider initiating appropriate mechanism by creating an exclusive structure within the organization

38. REPEAL.

38.1 The allotment regulations of 1998 and subsequent modifications/amendments stand repealed. However, the actions/deeds done under the earlier guidelines/amendments/modifications shall be valid.

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NEW REGULATIONS

These rules are called the
“APIIC INDUSTRIAL PARKS ALLOTMENT REGULATIONS 2015”.

These regulations shall apply to the Allotment of Premises/Industrial Plots/Land, in all Industrial Parks /Industrial Development Parks, & all Theme Parks developed by APIIC.

Land allotments made under APIIC Industrial Parks Allotment Regulations, 2012 or earlier, will continue to be governed by the same regulations. The APIIC Industrial Parks Allotment Regulations 2015 shall not apply to those cases in respect of which decisions have already been taken and also to the cases pending before the Courts of Law.

These Regulations shall come into effect from **30th April, 2015**.

1. DEFINITIONS

1.1. **“Allotment”** means allotment of premises for establishment of Industrial/Commercial activity/Service /Housing, as prescribed in these regulations.

1.2. **“Allottee”** means an individual or person including a group of individuals under Indian Partnership Act of 1932 or a company registered under the Indian Companies Act or Limited Liability Partnership Act of 2008, or Co-operative Institution, or a body incorporated under any Act of Indian Law, established for the purpose of industrial activity/service to whom any premises was allotted by the Corporation.

1.3. **“Applicant”** means an individual or person including a group of individuals under Indian Partnership Act 1932 or a company registered under the Indian Companies Act or Limited Liability Partnership Act 2008, or Cooperative institution, or a body incorporated under any Act, who has made an application following the prescribed procedure of APIIC for establishing an industrial activity

1.4. **“Authorized Person”** a person who can sign all the documents and perform all acts for and on behalf of the applicant and so authorized ‘in writing’

1.5. **“Corporation or APIIC”** means the Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC)

1.6. **“Change in Constitution”** means change in shareholding pattern of allottee and / or change in legal status of Allottee and shareholders/partners/members of the allottee at the time of allotment shall hold not less than 51% of share/equity of the business unit after such change.

1.7. **“Board”** means the Board of Directors of APIIC as defined under relevant provisions of Companies Act 2013.

1.8. **“Deputy Zonal Manager”** means the officer of the corporation who is appointed as Deputy Zonal Manager and includes the one who is holding the post as additional charge and also includes any other officer who is vested with such responsibilities.

1.9. **“Implementation”** means where the unit was fully implemented and commenced commercial operation to the capacity indicated in the project report and has fully utilized the plot/land allotted for the purpose for which it is allotted as envisaged in project report.

1.10. **“Industrial Park”** means an estate developed primarily for establishment of industrial units to manufacture any product or service units, and having basic infrastructural facilities like developed plot, internal roads, water distribution facilities, sewage, power distribution, common effluent treatment facilities, communication facilities and such other facilities/services as may be required. Wherever, the word “Industrial Park” is indicated, it includes Industrial Parks, Industrial development parks, Industrial Development areas, Autonagars, Wood Complexes, Electronic Complexes as the case may be.

1.11. **“Large Project”** means, the entire project/industrial unit which is not covered under MSME Development Act 2006(No.27 of 2006) Government of India.

1.12. **“Layout”** means and includes a plan approved or proposed to be approved or sent for approval to Directorate of Town and Country Planning (DT&CP) or any Urban Development Authority (UDA) or any other Competent Authority or Layouts prepared by as per the applicable norms and approved by Competent Authority.

1.13. **“Manager”** means the officer of the Corporation who is appointed as Manager by the Corporation and includes the one who is holding the post as additional charge.

1.14. **“Managing Director” or “MD”** means and includes the Managing Director, Chairman & Managing Director or Vice Chairman & Managing Director of APIIC, including the one who is holding the post as additional charge or his successor as appointed by the State Government.

1.15. **“Micro, Small & Medium Enterprises (MSME)”** mean the industrial units as defined in the MSME Development Act 2006 (No.27 of 2006) Government of India, or as updated from time to time.

1.16. **“Partial Implementation”** means where the unit was implemented and gone into commercial operation either not to the capacity indicated in the project report or has not fully utilized the land allotted or both.

1.17. **“Premises”** means and includes any plot, land, shops, godowns, sheds, any structures etc., held by the Corporation, which is meant for lease/lease by auction

1.18. **“Process Fee”** means a non-refundable fee, which shall be payable by each applicant at the time of filing application or obtaining any approvals/restoration etc.

1.19. **“Sub Zonal Office”** means the branch/field office of the corporation and functioning under the orders of the Managing Director with a specified jurisdiction of the industrial parks and which is under the control of Zonal Manager.

1.20. **“Theme Park”** means and includes a sector specific park like Financial District, Information Technology park, Electronic Manufacturing Clusters, Food processing park, Textile/Apparel park, Biotechnology Park etc.

1.21. **“Zonal Manager”** means the officer of the Corporation who is appointed as Zonal Manager by the corporation and includes the one who is holding the post as additional charge and also includes any other officer who is vested with such responsibilities

1.22. **“Zonal Office”** means the branch/field office of the Corporation and functioning under the orders of the Managing Director with a specified jurisdiction of the industrial parks.

1.23. **“Family”** means Spouse, Mother, Father, Sons, Unmarried daughters, Widowed Daughters-in-Law, brothers below 18 years and unmarried sisters.

1.24. **“Upfront cost”** is the value of the land charged as upfront payment for the land allotted as arrived at by APIIC.

1.25. **“Annual Lease Rent”** is the annual lease rent charged to the allottee for the land allotted as fixed by APIIC but excluding service and other taxes.

2. LAYOUT

2.1. APIIC shall prepare layout as per applicable norms and get it approved by the Competent Authority.

2.2. While developing a large Industrial Park, exceeding 250 acres of gross area, part of the gross area may be earmarked for Micro, Small and Medium enterprise units only.

2.3. It is mandatory that all Layouts shall provide space for waste disposal/waste management. It is the responsibility of the industrial unit to take necessary actions/to make arrangements for safe disposal of treated waste complying with the norms prescribed by APPCB. However, APIIC shall facilitate setting up of common effluent treatment plants, including marine outfall wherever relevant for homogeneous industries/industries of same nature in the industrial park.

2.4. Suitable area may be earmarked for Industrial Housing as per the need.

3. SITE PLANS

3.1. Zonal Manager shall ensure that detailed survey and measurements are done for each of the premises in the Industrial Park.

3.2. Site plans of premises/plots, of all the common use areas earmarked, for green (open) spaces and of all the common facilities, are prepared and boundaries fixed, with standard boundary stones along with the details like dimensions, extent of plot/area, survey no. in which the same are situated are made available in the Zonal and the Sub-Zonal offices of the Zone for information of entrepreneurs. Bifurcation of plots shall not be allowed, without the permission of the Competent Authority.

4. NOTIFICATION OF INDUSTRIAL PARKS

4.1. Head Office of APIIC shall publish information periodically in one English newspaper and Telugu newspaper, which have wide circulation intimating the launch of the New Industrial Park or intimating availability of vacancies and inviting entrepreneurs to file applications for allotment.

4.2. The details of all Industrial Parks regarding facilities and availability of land for allotment and rate per sq. meter shall be hosted on the web sites of APIIC and Commissioner of Industries. The same shall be displayed on the notice boards of the respective Zonal, Sub-Zonal offices of APIIC and offices of DIC regularly.

4.3. In respect of vacancies in all Industrial Parks, the information shall be updated on the website and also simultaneously cause display on the notice boards of the respective Zonal, Sub-Zonal offices of APIIC and offices of DIC. No allotment shall be made without displaying the vacancy on the website at least for continuous period of 7 days inviting the applications for allotment of the plot.

4.4. The details of vacancy shall also be communicated to the respective District Collectorate, offices of District Industries Centre and AP State Financial Corporation.

4.5. The layouts of Industrial Parks should be displayed on the Notice Boards of respective Zonal/Sub Zonal offices and DIC offices. The layouts should also be placed in the web site of APIIC and Commissioner of Industries.

4.6. The components of infrastructure planned for an industrial park, will also be displayed on the website of APIIC.

4.7. All the allotment committee members shall also be notified of the vacancy through e-mail or any other accepted mode of reference.

4.8. The following shall be attached while sending the physical application form:

- a) Download Application from which was already filed in on-line duly signed by applicant/the authorized person.
- b) Proof of payment towards EMD at 10% of the value of the premises.
- c) Proof of payment towards non-refundable process fee at 0.1% of the value of the premises sought for by the applicant subject to a minimum of Rs.1000/-.
- d) Proof of payment should be obtaining for EMD and non-refundable process fee.
- e) All attachments/enclosures shall be attested by the authorized person.
- f) Authorization letter, wherever necessary.
- g) Attachments to the application as filed with e-application.
- h) **Other documents to be attached:**
 - Detailed Project Report/profile with process flow chart, justifying the extent of the land/shed applied for with breakup, details of plot/shed already possessed, whether the premise are required for re-location(shifting) or

expansion purposes manufacturing process, proposed installed capacity(quantity & value), power, water requirement etc., for the project.

- Plant / Machinery layout of the proposed project and details of greenery/lawn to be maintained as per the norms of APPCB, if any.
- Copy of partnership deed, in case of existing partnership firm. In case of proposed partnership firm, it should be stated that “Promoter of the proposed Partnership Firm, giving the names and full address of all the partners”.
- A copy of the Memorandum and Articles of Association in case of limited Companies and a copy resolution authorizing the applicant to apply on behalf of the company; if the application is made in the capacity of the promoter of proposed company, same should clearly be stated as “Promoter of proposed Private/Public Limited Company” and names and full address of all the promoters may be indicated. If application is being made on behalf of the group of companies and if at the time of making application, it is not known as to which of the companies or a new private/public company from the group will implement the project, the applicant should clearly mention this in the application form and also enclose a list of the companies or individuals with full address who are likely to take part in implementation or promotion of the new company.
- In case of Co-operative Societies/Societies registered under the Societies Registration Act, similar details as in the case of limited company may be furnished.
- Self-Certified copy of address proof in case of Proprietary firm or Partnership Firm(copy of any one of i) passport first page and last page, ii) Ration card iii) Electoral Card.
- Valid Driving license.
- Self certified copy of PAN Card.
- 2 Pass port size Photographs of the Applicant(s) in case of Proprietary firm or Partnership Firm and authorized person in case of Company.
- Entrepreneurs Memorandum Part-I / Part-III (SSI Registration Certificate) issued by the District Industries Centre or any other relevant certificate:
- Technical Education/Qualification of entrepreneurs/promoters.
- Caste certificate issued by competent authority in case of SC/ST entrepreneurs.
- Discharge certificate in case of ex-service man.
- Any other relevant documents.

4.9. Allotment Committee:

4.9.1. The Allotment Committees will be constituted as per the directions of the Board of APIIC and/or Government of AP. It will be multi-tier structure with a provision to decide on the allotments with reference to value of the land sought for by the applicant and viability of the project and compatibility of the type of industry in the chosen industrial park.

4.9.2. The functions of the Allotment Committee will be defined by the Board of APIIC.

4.9.3. All allotments are made at the rate applicable as on the date of filing the valid application. Any revision of cost, during the intermittent period of the date of filing the application and the date of convening of allotment committee in which the said applications are considered is not applicable. Since the applications are considered at different levels of the Allotment Committee and any delay in convening the Allotment Committee either at the district or at Head Office, shall not affect the applicant who has filed the application in full shape during the currency of the land rate and waiting for the allotment. However, this will not be applicable for deferred applications.

4.9.4. The allotment of the land/premises is made only on lease basis for a period of 99 years. This 99-year period will be reckoned from the date of expiry of the time stipulated for implementation as stated in the regulations. The title over the land including treasure trove and minerals, if any found at a later date shall, remains vested with the APIIC only. However, Government reserves the right to allot the land on any other mode as deemed appropriate.

5. PRICE FIXATION & INFRASTRUCTURE COMMITTEE (PF&IC)

5.1. For valuation of land and to determine the level of infrastructure to be provided in an industrial park, a committee may be constituted by MD, APIIC, called Price Fixation & Infrastructure Committee (PF&IC)

5.2. The role and responsibilities of PF&IC are as follows:

- a) To recommend the value of land /premises to be allotted in an industrial park
- b) The PF&IC may recommend annual lease rent / user charges of land/premises to be allotted in addition to value of land.
- c) To discuss and recommend the level of infrastructure facilities to be provided for in an industrial park
- d) To review and recommend applicable rate of administrative charges, provision for environment management plan and interest from time to time.
- e) To review and recommend value of land in all the industrial parks periodically
- f) In cases where implementation of any project is delayed due to non-provision of any infrastructure facility notified by APIIC, PF&IC may recommend extension of time for implementation to such allottee after examining his request about non-provision / delay in execution of development works for extending time for

implementation of project with or without penalty and such recommendations are to be considered by MD for approval or otherwise.

- g) In addition, PF&IC may review the value of land, in any industrial park from time to time, depending on market conditions, enhanced land compensation claims made/received, additional infrastructure costs to be incurred etc.

5.3. The PF&IC is a recommendatory body and MD, APIIC may approve or modify the recommendations of the committee, mandatorily recording reasons for the same.

5.4. The value of land, as recommended by PF&IC, and approved by the MD, from time to time, for all the industrial parks are to be placed before the Board for information and shall be updated on the websites of APIIC & Commissioner of Industries.

6. FIXATION OF UPFRONT COST

6.1. While fixing the upfront cost, following components are taken into consideration:

6.2. Value of land

6.2.1. Value of land includes cost of raw land as fixed in the land acquisition award by the Government of Andhra Pradesh, and the costs incurred towards land acquisition proceedings.

6.2.2. Rehabilitation and Resettlement cost, if any, as per Government policies.

6.2.3. Establishment charges, if any, of the Land Acquisition Unit.

6.2.4. Enhanced land compensation claims awarded by the Courts.

6.2.5. In case of Government lands, the value of the Government land and exgratia as fixed by the Government through its alienation orders or any other communication and if the alienation cost is not fixed by the Government, the value of Government land is to be taken on par with Patta (private) land. If the value of the patta (private) land is not available, the market value of the nearby land for the purpose of the registration can be taken as the value of the Government of land after deducting exgratia paid if any.

6.2.6. Any other charges incurred during acquisition / alienation including legal and other relevant expenses

6.2.7. Cost of money spent for land acquisition as determined by APIIC from time to time.

6.2.8. Administrative charges at applicable rate as decided by APIIC from time to time.

6.2.9. The value of raw land (undeveloped developed land) for some projects on as is where is basis can be worked out separately considering estimated deductions for open spaces, approach roads, wastages and market value and such other relevant factors.

6.3. Infrastructure Cost

6.3.1. Layout approval charges/land use conversion charges/development cost or any other such statutory charges including NALA charges, etc. which are payable as levied by the statutory agencies.

6.3.2. Estimated cost of civil works like compound wall, approach and internal access roads, communication facilities, water supply, power supply, rain water harvesting, sewage and drainage lines, storm water drainage, effluent treatment, disposal facilities, landscaping and tree plantation, administrative building, environment management plan, fibre optics and other facilities as may be required.

6.3.3. Estimated cost of environment management plan at the applicable rate as decided by APIIC from time to time for environment management plan and viability gap fund for common effluent treatment plant etc.

6.3.4. Administrative charges at the applicable rate as decided by APIIC from time to time

6.3.5. Cost of the money spent on the above elements, as determined by APIIC from time to time.

6.3.6. The above are the general principles of fixation of value of land.

6.4. However, in cases where land has already been allotted at various rates, a breakeven cost is worked out duly considering realizations made till that time and internal infrastructure to be done in future depending on the need. Value of land, is also revised if enhanced compensation claims which were to be paid and not included in the upfront cost earlier.

6.5. In general, all the Industrial Parks shall have facilities as notified by APIIC. If any allottee desires to have more infrastructure facilities than provided for, the extra cost for providing the same will have to be met by the applicant as communicated by APIIC. Else the allottee may provide for the same at its cost.

6.6. The upfront cost for which are resumed or not new, would also include the value of land including development cost as mentioned above for the plot plus the cost of the superstructure to be fixed as per the current Standard Schedule of Rates duly taking into account the administrative charges, interest on expenditure for the construction period etc., and duly deducting cost of repairs, depreciation etc.

6.7. Grants, concessions and rebates

6.7.1. The grants, if any given by Government (subject to receipt of grant) under certain specified schemes covering component(s) of infrastructure will be utilized for the purpose intended and will not be included while fixing the upfront cost. This will not apply for subsequent revisions of upfront cost of that industrial park.

6.7.2. Estimated cost of concessions and rebates, if any given under these regulations shall be included while fixing upfront cost if the cost of such concessions/rebates is not reimbursable by the government.

6.8. Frontage Charges

- i. Frontage charges for premises, located facing/abutting the National Highways/ the Service Road of the Corporation parallel to the N.H. shall be levied at 15% of the cost of the premises.
- ii. Frontage charges for premises, located facing/abutting the State Highways, or the Service Road of the Corporation parallel to the S.H, shall be levied at 10% of the cost of the premises.
- iii. Frontage charges for premises facing/ abutting District/PWD and ZP roads, or the service road of the Corporation parallel to District/PWD road, shall be levied at 5% of the cost of the premises.
- iv. Even if service roads formed by Corporation divide the plots/sheds from the National Highways/State Highways etc., frontage charges shall be levied as mentioned above.
- v. Frontage charges shall be levied up to a maximum extent of 50,000 Sq. Mtrs. Per allotment.
- vi. In respect of sheds, frontage charges shall be levied only on the value of plot.
- vii. Frontage charges levied shall form part of the upfront cost.
- viii. For allotments made through public auction, no frontage charges need be levied.
- ix. For plots allotted at commercial rates, frontage charges need not be levied.

6.9. The lease allotment shall be made at the upfront cost arrived at, as per the rate fixed by the Corporation, and applicable as on the date of filing application, unless otherwise specified or indicated by the Corporation

6.10. In a new Industrial Park, 10% rebate on upfront cost for MSME entrepreneurs who commence commercial production within the prescribed period is applicable. Such industrial Parks will be recommended by PF&IC and approved by MD, APIIC from time to time. They will be notified and information will be placed on the website of APIIC. The final allotment letter will mention that such identified eligible allottee will first pay the upfront cost and then claim rebate after commencement of commercial production as agreed at the time of seeking allotment of land.

7. FIXATION OF ANNUAL LEASE RENT

7.1. Lease rent shall be Rs.1.00 per square metre, subject to a minimum of Rs.1,000-00 and maximum of Rs 10,000 or as fixed by APIIC, which will be payable, at such intervals and in such form, as will be intimated separately along with service tax as applicable. The lease rentals are subject to revision from time to time at the sole discretion of the corporation with 2 months prior notice to the allottee.

8. LAND FOR LARGE & MEGA PROJECTS & ALLOTMENT OF LAND IN PHASES

8.1. Land for Large Projects

- a) Requests from entrepreneurs for allotment of raw land (undeveloped land) on “**as is where is basis**” will be considered on case-to-case basis. And in that event, all statutory approvals are to be procured by such allottees.
- b) Government may also direct APIIC to allot land for mega/large industrial projects and the infrastructure facilities to be provided are as per the arrangement/agreement entered in to between the Government and the Investor/Promoter.
- c) In such cases, separate/exclusive Agreement/Memorandum of Understanding shall be entered into between the Government/APIIC and investor/developer.
- d) The conditions of such agreements/memorandum of Understanding will prevail upon such allotments for implementation of the project.
- e) The value of such raw land will be worked out separately which will form the basis for upfront cost and will be collected from the investor/developer as per the agreed time lines.

8.2. Allotment of land in Phases

- f) The allottee at the time of filing application for allotment of land may seek allotment in phases depending on the progress of execution of the project and seeks reservation for the land to be utilized in the subsequent phases.
- g) In such cases, allotment may be considered for the initial phase and the balance extent of land may be kept reserved for a maximum period of 5 years from the date of allotment for the initial phase, duly levying a process fee @3% of the prevailing upfront cost for each year of reservation which is payable in advance.
- h) During the period of reservation, the allottee may opt to convert reservation to firm allotment, and the same can be considered at the prevailing upfront cost and not at the rates that prevailed on the date of first allotment.
- i) However, the requirement of land will be evaluated afresh depending on the progress of project/utilization of the allotted land and the prevailing allotment guidelines.
- j) At the end of the 5 years, the land reservation is automatically deemed to be withdrawn.
- k) The reservation of land is not transferable. The reservation fee is not refundable or adjustable.

- l) In all such cases, the Zonal Manager shall ensure that the activity by the allottee, should commence at one end of the plot and not from the middle of the allotted land, to ensure that in the event of non-utilization of the land, the balance land which was reserved or allotted, can be resumed without any inconvenience to the allottee and APIIC.

9. Allotment on Lease Basis, Application for allotment and Related matters

The premises will be allotted on lease basis for 99 years. After the allotment, provisional allotment letter will be given to the allottee. After receipt of the upfront cost within 90 days from the date of provisional allotment, final allotment letter will be given. Thereafter within one month, Agreement for Lease will be executed between APIIC and allottee for implementation of the project. After implementation of the project, Lease Deed will be executed in favour of the allottee for 99 years.

9.1. Application for allotment of 'premises' in Industrial Parks for industrial purpose and also for common use facilities for industries shall be made "online"(website: www.apiic.in and www.apindustries.com) only. The on line application is available in the websites of www.apiic.in and www.apindustries.com. No application fee is payable.

9.2. Help desk at Head Office, Zonal Offices of APIIC, Commissionerate of Industries and GM-DIC and Mee Seva Centers shall provide assistance to entrepreneur to upload the application online.

9.3. Separate application should be filed online in case the applicant seeks allotment at different Industrial Parks. Necessary attachments should be filed separately for each application. Applications are not transferable from one Industrial Park to another Industrial Park, and any such request is treated afresh.

9.4. In case of developed plots, non-refundable process fee at 0.1% of upfront cost sought for by the applicant subject to a minimum of Rs.1000.00 and In case of application for undeveloped land (UDL), the additional process fee @ Rs. 15,000/- per acre, upto 100 acres, Rs. 10,000/- per acre from 101-400 acres and Rs. 7,500/- per acre for above 400 acres, shall be paid in addition to the process fee at time of application.

9.5. The Applicant shall file the physical application with HO, APIIC/ concerned Zonal Office with annexure as mentioned in the application form, within a period of 3 (three) calendar days in respect of applicant resident in India from the date of e-filing, and 7 (seven) calendar days from the date of e filing in respect of applicant who is not resident of India. The applicant shall ensure that the physical application along with annexure is received in the HO, APIIC/ concerned Zonal Office within the stipulated time and proof of submission of application shall be obtained.

10. SCRUTINY & CATEGORISATION OF APPLICATIONS

10.1. The applications filed 'online' will be examined and decided by the Allotment Committee in its meetings.

10.2. Incomplete applications filed through online shall be rejected and the applicants will be informed about the reasons for rejection. However, rejection is not a disqualification. All the deferred applications are deemed to be rejected for the time being. Whenever they are reconsidered, the value of land prevailing at that time will be applicable.

10.3. The Process fee is non-refundable.

10.4. Subject to the viability of the project, the applications received shall be categorized into the following categories:

- a) SC & ST applicants, in case reserved plots/lands are not available for them.
- b) Entrepreneurs from Ex-Servicemen category, subject to production of necessary evidence of having served in the Military/auxiliary services;
- c) The allottees who have established the industries in the allotted land fully and seek for adjoining/nearby premises for expansion of their existing units in the same Industrial Parks/Industrial Development Parks and such expansion involving a minimum 25% in the original installed capacity.
- d) Women entrepreneurs;
- e) Land losers-out of acquisition of lands secured for development of industrial parks by APIIC;
- f) Entrepreneur Development Programme (EDP) trainees;
- g) Technocrats having experience in the line of manufacture who intend to resign from the service/or having served in Government, Public or Private Undertakings for the purpose of setting up of industrial units;
- h) Others, not falling into the above categories.

The applications filed will be scrutinized, based on the above categorisation and submitted before the Sub-Committee. Based on the recommendations of the Sub-Committee, the State Level Allotment Committee/ District Allotment Committee will take decision for allotment on the basis of the following criteria such as Financial viability of the project, Green category industries, Justification for land, Investment to be made and Employment to be created etc.

i) When multiple applications are received for same plot(s), priority shall be given for expansion of the existing unit and the weightage shall be accounted to other applicants which is as follows:

- 1) SC & ST , BC, Women and Ex Servicemen 10%
- 2) Land Losers 10%

3) EDP trainees	10%
4) Experience in the field / Technocrat	10%
5) Projected investment	10%
6) Projected generation of employment	10%
7) Innovative Line of activity	10%
8) Land sought for expansion	10%
9) Green category Industries	10%

10.5. No Reservation in considering applications for allotment, but priority shall be assigned depending on the viability of the project. However, reservations are to be assigned to specific category of applicants, as per the directions of the Government from time to time.

10.6. In case of allotments to IT/IT Enabled Services the guidelines/policies of the Department of ITE & C shall be adopted.

10.7. The above priority/categorization will not apply in cases of the industrial areas, where allotment is through public auction.

10.8. In cases of allotments to SC/ST entrepreneurs, including concessions in the upfront cost, penalties, restoration fee etc., the guidelines/directions of the Government issued, from time to time, shall prevail.

11. PROVISIONAL ALLOTMENT

11.1. The provisional allotment letter will indicate the details of premises, extent, and purpose of allotment and value of the allotment.

11.2. Allotment Letter shall detail the components of the infrastructure planned and provided for in the industrial park.

11.3. A copy of site plan will also be attached along with the provisional allotment letter.

11.4. The allottee shall pay the upfront cost as indicated in the provisional allotment with undertakings, as prescribed therein, within 90 days of the receipt of the provisional allotment letter. On a specific written request from the allottee, extension of time for payment of the upfront cost can be considered by the Zonal Manager. This extension of time can be considered only up to 180 days from the date of receipt of the Allotment letter by the Allottee. APIIC will send Allotment letter only online hereafter. From 91st day to 180th day, the outstanding amount shall be paid with applicable interest. Beyond 180 days, the provisional allotment shall stand cancelled without any further notice. No request for restoration of allotment shall be considered.

11.5. Provisional Allotment letter shall be compulsorily sent online to the email registered with APIIC and also be dispatched to the address of the allottee by registered post with

Acknowledgment Due or handed over in person to the allottee under proper acknowledgement.

11.6. The provisional allotment letter shall be issued within 5 working days on consideration/finalization of allotment by the Allotment Committee concerned.

12. SWITCH OVER OF PREMISES / ALTERNATE PLOTS

12.1. Applicants may seek for change of premises before or after allotment.

12.2. In all such cases, the applicant shall file 'online' application afresh and allotment is subject to availability of the premises and also compatibility of the industry in the chosen industrial park/industrial development park and at the prevailing upfront cost.

12.3. In cases where the plot is allotted and Corporation is unable to process further for possession and agreement, the EMD is fully refundable at the request of the allottee. If the allottee requests for an alternate plot in the same industrial park, such, a request can be considered at the cost of original allotment. Such requests shall be entertained only once.

12.4. In case the allottee requests for an alternate premises in any other Industrial Park, in lieu of refund of amounts, such an application will not be given priority and the allottee shall pay the difference of upfront cost and annual lease rental, if any arising out of the difference in rate of upfront cost and annual lease rental subject to the availability of chosen plot.

12.5. If the allottee requests for alternate plot in the same Industrial Park or any other Industrial Park, as an alternate choice, on his/her own consideration, in all such cases, the applicant shall be treated as the new applicant and shall not be conferred any priority in the allotment and the applicant shall make the application 'on-line' and will be considered as per the procedure mentioned herein.

12.6. In all cases of switch over of premises, the date of first allotment shall be reckoned for the purpose of stipulated 90 days payment and all other guidelines mentioned herein, including the time for implementation.

13. PAYMENTS

The allottee shall pay the upfront cost and lease rentals on annual basis through RTGS/NEFT/online as indicated in the provisional allotment letter. All amounts payable can also be made by way of Demand Draft (DD), Pay Order (PO), or Bankers Cheque (BC) (hence forth called Demand Draft (DD) from any Scheduled Bank and should be drawn in favour of "APIIC Ltd " and the same should be payable "at par" at the respective places of Zonal Offices .

13.1. Any bank charges levied for collection/clearing of outstation cheques by the Bank shall be collected from the allottee.

13.2. The credit of the amount of DD will be given on the realization date.

14. ALLOTMENT OF LAND TO SCHEDULED CASTE (SC) / SCHEDULED TRIBE (ST) ENTREPRENEURS/BACKWARD CLASE ENTREPRENEURS(BC)

All procedures regarding allotments of land to SC/ST/BC entrepreneurs will be governed as determined from time to time by Government of Andhra Pradesh.

ALLOTMENT THROUGH TRANSPARENT PROCESS/ BY AUCTION.

14.1. A part of the Theme park not exceeding 20 percent of the gross area of the park can be allotted at nominal or concessional rates for one or more anchor industries in a transparent process publishing in Newspapers.

14.2. Similarly a part of the other parks not exceeding 50 per cent of the gross area of the park can be allotted as undeveloped land for large industries or industries of some strategic importance after publishing the information in newspapers and later it shall be publicized in APIIC website.

14.3. MD is authorized to notify and de-notify certain industrial parks/industrial development parks/ or certain notified premises in industrial parks/industrial development parks under auction through publication in Newspapers.

14.4. MD may also consider notifying certain premises for auction, in Industrial Parks/Industrial Development Parks which are not notified under auction, due to location advantage and demand.

14.5. The terms and conditions of auction/publication shall be decided by the MD from time to time.

14.6. The de-notification, of any industrial parks/notified premises in industrial parks under auction, shall be through the publication in the newspapers.

15. ALLOTMENT OF PREMISES FOR PUBLIC/UTILITY AGENCIES

15.1. All allotments are to be considered in the common areas and notified and approved in the layout

15.2. At Nominal upfront cost, which shall be fixed by APIIC from time to time on a case by case basis

- a) Post office subject to a maximum of 500 sqmts, with nominal upfront cost.
- b) Fire station subject to a maximum of 1,000 sqmts, with nominal upfront cost.
- c) Police station subject to maximum of 500 sqmts, with nominal upfront cost
- d) Government/ ESI Dispensaries subject to a maximum of 500 sqmts, with nominal upfront cost.
- e) Andhra Pradesh Power Transmission Corporation (or its subsidiaries) provided the land is used for putting up for dedicated substation for the respective Industrial Park/Industrial Development Park. The extent of land shall be determined by the scale of the activity/capacity of the sub-station.

- 15.3. The allotment to the following agencies will be done at upfront cost
- a) Andhra Pradesh State Road Transport Corporation for providing dedicated transport terminal/bus depot
 - b) Water supply Boards/similar agencies
 - c) Industrial dormitories/hostels run by private parties.
- 15.4. For the following agencies, the upfront cost, shall be 1.5 times of that fixed for industrial activity
- a) Scheduled Banks
 - b) Hospitals or Dispensaries run by private individuals/ corporate bodies.
 - c) Any other commercial purpose compatible to the industrial or allied services like Canteens, Weigh Bridges, Ware Houses, Cold Chains.
 - d) Any Telecom service provider
- 15.5. An extent of land not exceeding 500 Sq. Mts. would be earmarked for the Service Society of the industries located in the industrial area on lease basis with annual lease rental of Re.1/-per Sq.Mtr. and to consider allotment only after the Service Society mobilizes necessary capital funds for construction of building or for any activity of the Corporation.
- 15.6. Allotment can be considered on lease at 1.5 times of the upfront cost apart from annual lease rental for Petrol retail outlets subject to clearance from the local authorities.
- 15.7. Land earmarked for common facilities shall be utilized only for common utilities/services.

16. FINAL ALLOTMENT ORDER

- 16.1. The Zonal Manager shall issue Final allotment letter in the prescribed proforma within (5) days from the date of payment of upfront cost of the premises
- 16.2. The final allotment order shall mention that the allottee is eligible for rebate of 10% of the upfront cost subject to compliance of allotment order and commencement of commercial activity/production within the prescribed period from the date of possession. The eligible rebate amount, shall be paid or adjusted whichever the case may be. after approval of APIIC (HO).
- 16.3. The rebate of 10% on the allotted value of the land, only an incentive and cannot be claimed as a right. APIIC may withdraw the benefit at any time due to any exigency.

17. EXECUTION OF AGREEMENT TO LEASE AND PHYSICAL POSSESSION

- 17.1. Agreement to lease in a prescribed format shall be executed and registered by the allottee and Zonal Manager / Dy. Zonal Manager (AM) only after receipt of the upfront cost within 15 days from the date of receipt of entire upfront cost.
- 17.2. Physical possession shall be delivered only after receipt of prescribed upfront cost and execution of Lease Agreement. The Zonal Manager / Dy. Zonal Manager (AM) shall cause actual plot to be measured physically and boundaries of the plot shall be fixed on the

ground, as per the site plan attached to the provisional allotment order. Possession certificate in the prescribed format duly mentioning the exact area / Survey No. shall be signed by the allottee and ZM / DZM (AM).

18. IMPLEMENTATION OF PROJECTS

- a) The allottee, within six months from the date of taking over possession, shall take necessary steps for implementation of the project and file such papers in evidence of implementation, like applying or securing approval of building plan, power supply, sanction of term loan, Consent for establishment from AP Pollution Control Board or any other document in conjunction with the above approvals / permissions.
- b) The Allottee should implement the project as envisaged and commence commercial production within the stipulated period as per the undertaking given at the time of execution of Agreement of Lease after taking possession of the plot/land. If within the period mentioned above from the date of final allotment and taking possession of the plot/land the project is not implemented, the allotment made shall remain cancelled and the Corporation shall have a right to resume possession of the subject plot/land.
- c) The Allottee should implement the project in the allotted plot, for the purpose for which it is Leased, within the stipulated period of the taking possession and go into commercial production before seeking lease deed registration of the plot in favour of the allottee.

18.1. Micro/Small/Medium Enterprises:

- a) The allottee shall obtain the required all statutory approvals/permissions and commence commercial production **within 24 months** for Micro , Small and Medium enterprises, from the date of possession of the allotted premises and implement the project in full as envisaged in the Project Report furnished by him at the time of filing the application for allotment.

18.2. Sheds: The allottee shall within (3) months of being put in possession of the shed, file application with APTRANSCO for power supply connection and obtain other necessary permissions from the competent authorities, including Consent for establishment from APPCB, financial sanctions etc.

18.3. The allottee shall commence commercial production duly obtaining regular power supply connection and other statutory approvals/permissions within 24(twenty four) months of being put in possession of the allotted land/shed (premises).

18.4. Large Projects:

- a) The allottee shall obtain the required statutory approvals/permissions and commence commercial production within **thirty six (36) months** from the date of taking possession of the allotted premises and implement the project in full as

envisaged in the Project Report furnished by him at the time of filing the application for allotment.

- b) The allottee, within the stipulated time as indicated in the undertaking and provisional allotment letter, from the date of taking over possession shall take necessary steps for implementation of the project and file such papers in evidence of implementation, like applying or securing approval of building plan, power supply, sanction of term loan, Consent for establishment from AP Pollution Control Board or any other document in conjunction with the above approvals / permissions.

18.5. Mega Projects:

The allottee shall obtain the required statutory approvals/permissions and commence commercial production within **forty eight (48) months** from the date of taking possession of the allotted premises and implement the project in full as envisaged in the Project Report furnished by him at the time of filing the application for allotment.

Other Conditions:

18.6. The allottee must submit quarterly reports to the Zonal Manager reports about the progress in implementation.

18.7. The Zonal Manager or any other officer authorized by the Zonal Manager, shall inspect the premises at least once in every (3) months to verify progress on the implementation and assess the progress of implementation and record his findings in the proforma prescribed.

- a) During such inspections by the Zonal Manager / Deputy Zonal Manager to the premises allotted, if it is found that the project has not been fully implemented even after completion of stipulated time from the date of final allotment, then steps shall be taken for cancellation of allotment immediately as per the procedure prescribed.
- b) The period of Implementation will be considered for extension by a maximum of further one year for Micro Small and Medium enterprise, on a case by case basis, where there is full justification with recorded evidences.
- c) In all cases, extension of time for implementation of the scheme will be considered only if 50% of the project is already completed. This percentage will be calculated with reference to the timelines furnished in the project report at the time of allotment. For the purpose of computing the completion of project, applications made to the authorities for statutory approvals cannot be taken into consideration. Only investment on construction of buildings (excluding compound wall), machinery, power, shall be taken into account. Amounts paid to APIIC cannot be included in the investment assessment. Extension of time shall reckon from the date of stipulated time. The premises shall be resumed after following the due procedure for cancellation.

- a) If there is delay in the project commissioning of large projects and entrepreneur has valid reasons for such delay, which are beyond the control of allottee, one year extension may be granted without levying penalty.
- b) Extension of time for implementation of the scheme will be considered only if 50% of the project is completed by the time of seeking extension. For the purpose of computing the completion of project, applications made to the authorities for statutory approvals cannot be taken into consideration. Only investment on construction of buildings (excluding compound wall), machinery, power, shall be taken into account. Amounts paid to APIIC cannot be included in the investment assessment. Extension of time shall reckon from the date of stipulated time. The premises shall be resumed after following the due procedure for cancellation.
- b. Any allotment of land which is made in compliance of the Government orders shall be referred to the Government with recommendations of APIIC on granting of time for implementation and for levying of penalty.
- c. In cases, where there is partial implementation of the project like going to commercial production of lesser capacity and utilizing the lesser extent, the time for implementation may be considered by 2 more years with a penalty @ 3% per extension on the prevailing upfront cost. This penalty is not to be computed with other penalties. Action shall also be initiated for cancellation of the unutilized extent of land and for resumption.

19. MONITORING, CANCELLATION & WITHDRAWAL OF ALLOTMENT

19.1. In case of failure on the part of the allottee to pay Upfront cost towards the land/premises, within the stipulated time from the date of receipt of Provisional allotment letter, the Zonal Manager shall cancel the provisional allotment immediately after completion of the period indicated below.

1. For Industrial Parks after 120 days
2. In case of auction after 30 days

No request for extension of time / restoration of allotment beyond the stipulated time is considered.

19.2. If the prescribed Upfront cost is paid but the allottee fails to execute the lease agreement and take physical possession duly registered, within 15 days of issue of final allotment orders, the allotment letter is liable to be withdrawn by the Zonal Manager. It is the responsibility of APIIC and allottee to ensure execution of lease agreement within 30 days from the payment of total amount failing which the allotment will be cancelled duly issuing notice of 15 days' time.

19.3. After taking possession of the premises, if the allottee fails to implement the project within the stipulated time from the date of possession, Zonal Manager shall issue notice to the allottee to 'show cause' as to why allotment should not be cancelled for violation of terms & conditions of final allotment orders and advising the allottee to surrender the vacant possession of the premises.

19.4. In case the allottee, replies to the notice, explaining the reasons for the delay, the Zonal Manager, shall send a report offering remarks on the explanation of the allottee, seeking further instructions of Head Office, for extension of time/cancellation. Normally, no extension of time will be considered. Excuses like market was bad or economy underwent recession, etc., will not be considered. However, if extraordinary conditions which are peculiar to the project and beyond their control exist and if the promoter's sincerity in making efforts for the project execution are evident clearly, then such cases will be considered on a case by case basis.

19.5. If the request of the allottee for extension of time for implementation of the project is not considered by Head Office, the Zonal Manager shall issue 'Cancellation order cum Resumption Notice within 7 days of receipt of communication from the Head Office.

19.6. The Zonal Manager shall resume the possession of the premises on the date specified in the cancellation order cum resumption notice. The Zonal Manager shall also initiate action for cancellation of lease deed and refund the amounts paid after making necessary deductions within 15 days from the date of resumption of premises.

19.7. The Cancellation Orders-cum-Resumption Notice shall be sent to the address given in the Application form or to the last known address of the allottee by post, under Registered Post & Ack. Due and Certificate of Posting and by e-mail. Copy of the Cancellation-cum-Resumption Notice shall also be sent to the APSFC / Financial Institutions, in case No Objection Certificate is issued to such Financial Institutions by the Zonal Managers for financing the unit. The cancellation orders shall also be sent by email and all applicants shall give their email address compulsorily while submitting application.

19.8. A copy of the Cancellation Order cum Resumption Notice must also be affixed on conspicuous place in the premises, if there is any structure in the presence of three witnesses.

19.9. The envelopes returned by the Postal Department undelivered to the addressee must be filed in the file as it is without opening the envelope.

19.10. On the date subsequent to the date mentioned in the Cancellation Order cum Resumption Notice, the Zonal Manager shall enter the premises under the right of re-entry in the presence of witnesses duly conducting a Panchanama on the spot.

19.11. Copies of Resumption Report must be sent to the defaulter allottee by Registered post & Ack Due. While resuming the premises, (colour) photographs should be taken

showing the physical features / damages caused to the premises. Immediately after completion of the resumption of the premises, Zonal Manager should get a Notice affixed on the premises resumed by APIIC "Trespassers will be prosecuted "and ensure that the premises are protected from trespass by the defaulter allottee or any other person.

19.12. After resumption of the premises, Zonal Manager shall keep a watch over the public property of the premises. Any articles that were taken into the custody by Zonal Manager during Panchanama, same may be disposed of duly obtaining prior permission of HO.

19.13. In case the allottee is not able to implement the project for reasons which are clearly beyond his control, refund of the upfront cost can be made to the allottee after deducting 25% of the upfront cost amount, provided the allottee surrenders the leased land/premises land to the Corporation voluntarily and registers the cancellation deed. Such resumed premises shall be notified under vacancy.

19.14. In case the allottee is not able to implement the project within stipulated time, the allotment will be cancelled and 50% of the upfront cost paid will be forfeited.

19.15. Cases of non-execution of lease deed

In cases, where the allottee, after payment of upfront cost of the premises, fails to execute the agreement to lease within stipulated time of 30 days, the allotment is liable to be cancelled.

19.16. The APIIC has right to cancel the lease allotment whenever it was found that the land is not utilized by the allottee for the purpose of which it was allotted. Consequent upon cancellation, APIIC has a right to allot the subject land for any needy entrepreneur.

20. RESTORATION

20.1. Cases of non-execution of agreement to lease

- a) In cases, where the allottee, after payment of total upfront cost, fails to execute the agreement to lease within stipulated time of one month, the allotment is liable to be cancelled. If the allotment is cancelled, it shall be restored after the allottee complies with the notice issued by the Zonal Manager. No penalty is levied where there is delay in execution of agreement to lease.

20.2. Restoration of allotment in cases after issue of Cancellation Order-cum – Resumption Notice

- a) In case of allotments where cancellation is done for non-implementation within the stipulated time from the date of possession of the premises, and when the premises is not resumed by the Zonal Manager, any request for restoration of allotment shall be made by the allottee, to the Zonal Manager within one month from the date of receipt of cancellation orders-cum-Resumption notice.

- b) Such request shall be made duly furnishing credible documentary evidence in support of delay in the implementation of the project like sanction from Financial Institutions, clearance from Andhra Pradesh Pollution Control Board /sanction of power from AP Transco/or any other related agency both at the Centre and State. The allottee shall also furnish an undertaking on Rs100/ Non judicial stamp paper agreeing to complete the project within the stipulated time from the date of receipt of restoration orders.
- c) The Zonal Manager shall forward the request proposal to the Head Office and after obtaining the approval from the Head Office, the Zonal Manager shall issue the Restoration of allotment in the prescribed form duly indicating the penalty.

21. RESUMPTION

23.1 In cases, where the Zonal Manager, resumed possession of the premises, as per the terms of cancellation order-cum-Resumption Notice, no request for restoration shall be entertained and the applicant shall be advised has to (file) apply for premises afresh, if he so desires. The Zonal Manager shall cause a notice in the papers informing that the said premises was resumed and available for fresh allotment. Under no circumstances, restoration of premises will be considered by the Corporation.

22. REFUNDS

22.1. If any applicant makes a request for refund of EMD paid by him withdrawing his application before provisional allotment letter is issued, full EMD shall be refunded. The Process fee is non-refundable.

22.2. If the application for allotment could not be considered for want of vacant plots/sheds, full EMD shall be refunded.

22.3. If the allotment letter for premises is issued but the allottee fails to comply with the terms and conditions of allotment and consequent to cancellation, the EMD will be forfeited as follows:

- For plot/land up to 1.00 acre - Rs.10,000/-
- For plot/land above 1.00 acre - Rs.10,000/-per acre or part thereof.

22.4. If the allotment is cancelled and the premises is resumed by the Corporation after due process, the amounts paid by the allottee including EMD stand forfeited as per the terms and conditions of agreement for lease/ lease deed. However, as a measure of goodwill gesture, the Corporation may, at its discretion, consider refund of amount as indicated below:

22.4.1. Amount to be deducted as per the below mentioned schedule part thereof on the value of original allotment value taking the period of occupation of the plot/land/shed/shop into account, apart from the forfeiture of EMD @ Rs10,000/-per acre or part thereof

Occupation period (No. of years from the date of possession)	% of occupation charges to be deducted per annum or part thereof, cumulatively
Up to 1 year	1%
2 years	1%+1%=2%
3 years	1%+1%+2%=4%
4 years	1%+1%+2%+3%=7%
5 years	1%+1%+2%+3%+5%=12%
Above 5 years	12% + 5% for each of the additional year or part thereof.

22.5. Only after the deed of Cancellation is executed and got registered, refund will be considered.

22.6. In case where possession was not delivered by APIIC, the amounts paid towards upfront cost shall be refunded duly including the EMD. The process fee is non-refundable.

22.7. Refunds shall be made duly deducting the amount so arrived at from the payments made by the allottee to Corporation towards upfront cost. Interest paid/appropriated towards belated payment is not refundable.

22.8. In case the amounts paid by the allottee are lesser than the amount to be deducted, no amount is refundable to the allottee.

22.9. The amounts paid towards process fee, interested penalties, etc. are not refundable.

22.10. The amount towards repairs, damages caused, loss, theft of fittings, shall be deducted out of the amount if any refundable to the allottee.

22.11. In case, power supply is obtained by the allottee, a "No Dues Certificate" and "Dismantling Certificate" from APTRANSCO /APDISCOM shall be submitted before refund.

22.12. Dues in respect of water charges shall be deducted for the actual consumption as against the maximum rate as per the agreement.

22.13. The allottee shall also pay the property tax, to the local body/ authority and a certificate to this effect shall be furnished before refund.

22.14. If there are any buildings/additional structures made by the allottee on the Plot/ shed, the Corporation may at its option either refund the cost of such structures after it is realized from the re-allottee or adjust the amount towards deemed rentals for period of occupation of the property by the allottee. APIIC may otherwise direct the allottee for removal of the same at his cost within such time as may be allowed by it as per the terms of the Agreement. The refund on this account cannot be claimed as a matter of right. No interest shall be payable to the allottee on the amounts paid on this account.

23. EXCESS AREA

If at any time excess area is found in possession of the allottee due to any reason, the encroachment shall be removed by the Zonal Office and the encroached area is to be resumed duly causing necessary notices. In all such cases, it will be the responsibility of the allottee to inform APIIC. If the allottee informs in the initial stage itself, then allotment of such additional land can be considered, if found feasible by APIIC on payment of prevailing upfront cost and lease rental. In all cases of wilful encroachment, the allottee and the concerned officers responsible, are liable for civil/criminal actions to be initiated by the corporation, besides penalties to be levied @ 5% on the prevailing land cost.

24. CHANGE IN CONSTITUTION

24.1. Change in constitution means change in shareholding pattern of the allottee and/or change in legal status of the allottee.

24.2. Proposals for change in constitution shall be considered by APIIC before or during project implementation period. The object of allowing change in constitution is to enable allottee to raise necessary resources/finances to implement the project and prevent trading of industrial plots. All such changes shall be with prior approval of APIIC only.

24.3. The share holders/partners/members of the allottee at the time of allotment shall hold not less than 51% equity/share in profit & loss of the business unit till implementation of the project.

24.4. Change in share holding of allottee in the following situations shall be processed and approved by collecting process fee of Rs.5000/- for each change.

a) Among the family members, wherein changes occur on account of death of members/partners/shareholders of the allottee or wherein the members/partners/shareholders of the allottee desire to transfer of shares/interest in favour of the family members without addition of outsiders.

b) Change of shareholding between the existing members/shareholders/partners of allottee without addition of new members.

24.5. Dilution of Shares up to 49%

a) Change of share holding upto 49% of the allottee, wherein the share holders / partners / members of the allottee at the time of allotment shall hold not less than 51% equity / share in profit & loss of the allottee business unit till implementation of the project in full and commencement of regular production. For dilution of 49% of the equity / share in profit & loss of the allottee business unit, in such a case, a process fee of 3% on the upfront cost prevailing as on the date of such change subject to a maximum of Rs.2 lakhs for such change. In case of granting approvals for multiple changes, the process fee shall be collected once i.e., Rs.2,00,000/- for dilution of 49% or part thereof. For MSME sector, it will be a maximum of Rs. 1.00 lakh per such change.

Necessary supplementary / revised agreement in the above cases shall be executed and got registered.

24.6. Change in the legal status of the allottee

I. A process fee @ 3% on the value of the land prevailing on the date of issue of such approvals, subject to a maximum of Rs.2.00 lakh shall be levied on each change. For MSME Sector, it will be a maximum of Rs. 1.00 lakh only for each such change. The fee will be collected in the following cases.

a) Where the allottee is Proprietary firm converts into a partnership firm / a company under the Companies Act / such other legal entity as per any other existing Law, where the proprietor of the original firm holds not less than 51% or more share in Profit and Loss and Capital Investment / Equity.

b) Where the allottee is partnership firm and converts into a company under the Companies Act / such other legal entity as per any other existing Law where the original partners together hold not less than 51% equity of the company under the Companies Act / such other legal entity.

c) Where the allottee is Company as per the Companies Act / such other legal entity as per any other existing Law decides to implement the project in the name of the Special Purpose Company (SPC) incorporated under the Law, wherein the original allottee company/its share holders at the time of allotment shall hold not less than 51% equity of the Company in the SPC. In such case, the original allottee needs to hold 51% equity until the project is implemented and the company goes in to commercial production.

II. Where the allottee is a Partnership firm converts into proprietary firm with exit of all but one partner, a process fee of Rs.5,000/- shall be collected.

24.7. On approval of the changes in legal status (conversion), a supplementary agreement / amendment to the agreement to lease should be entered into, duly paying the appropriate stamp duty and the same shall be registered.

24.8. Approval of change in constitution shall be issued by the Zonal Manager with prior approval of Head Office in writing as per the above guidelines duly collecting the process fee as prescribed above.

24.9. Allottees seeking change in constitution shall produce the necessary documents duly certified by the Professionals / Competent Authorities.

24.10. In all cases, before issuing approval, all dues whatsoever to the APIIC shall be collected.

25. TRANSFER OF ALLOTMENT

Transfer of allotment means transfer of land allotment from original allottee to 3rd Party and dilution of percentage by more than 49% by original allottee.

25.1. The proposal for transfer of allotment shall be approved after implementation of the project in full and after commencement of regular production of the unit.

25.2. A process fee of @ 5% on the value of the land prevailing on the date of issue of the approval subject to a maximum of Rs.3 lakhs for each transfer shall be levied.

In the following cases, proposal for transfer of allotments can be considered as follows, wherein the percentage of holding is less than 51% or without any share holding by the original allottee.

Sl. No.	Original Allottee	New allottee in whose name the allotment to be transferred.
1	Proprietor/ /individual	1.Other proprietary firm 2.Partnership Firm 3.Company(under the Companies Act) 4.LLP or such other legal entity
2	Partnership	1.Company(under the Companies Act) 2.LLP or such other legal entity
3	Company (under the Companies Act)LLP	1.Special Purpose Company or such other legal entity

25.3. In the following cases, irrespective of share holding of the original allottees, the allotments can be transferred with a process fee equivalent to 5% of the upfront cost prevailing as on the date of approval with prior notice to APIIC.

- a) Allotments transferred to the third party by APSFC/ Nationalized Banks/Public Financial Institutions with the consent of the corporation.
- b) In cases, where amalgamation/merge/demerger of companies is effected through proceedings / orders of Courts, after due notice to APIIC.

25.4. Approval of change in transfer of ownership shall be issued by the Zonal Manager, after obtaining prior approval in writing

25.5. From the Head Office.

25.6. In respect of transfer of lease rights, a deed of cancellation of agreement is to be executed and registered and a fresh agreement to lease is to be executed and registered.

25.7. Allottees seeking transfer of lease rights shall produce necessary documents about implementation of project duly certified by the Professionals / competent authorities.

25.8. In all cases, before issuing approval, all dues whatsoever to the APIIC shall be collected.

26. PERMISSION FOR SUB-LETTING OF PREMISES

26.1. The proposal of Sub-letting of premises shall be permitted only after full implementation of the project and after commencement of commercial production/service of the unit.

26.2. A fee of @ 2% per year on the prevailing upfront cost on the date of issue of the approval shall be levied.

26.3. The sub-letting fees shall be collected in advance.

27. EXECUTION OF LEASE DEEDS AFTER PROJECT IMPLEMENTATION

27.1. The allottee shall seek execution of lease deeds soon after full implementation and on production of the following documents:

- a) Entrepreneur Memorandum Part II
- b) Power release certificate
- c) First sales invoice
- d) Approved building plan
- e) CFO from PCB wherever it is applicable
- f) No dues on Property tax
- g) Valuation on Investment other than land duly certified by Chartered Accountant

27.2. All allottees who have utilized for the project implementation / construction, not less than 50% of the allotted premises are eligible to seek lease deeds. Utilization of land includes manufacturing/processing activity, and land utilized for support facilities like transformer, watchman quarters, godowns and any other supplementary/ancillary facility as detailed in the project report.

27.3. Soon after receipt of documents and request, the Zonal Manager shall make confirmation of payments against the premises and other dues outstanding to APIIC.

27.4. The Zonal Manager shall get the premises surveyed to ascertain the exact extent in occupation by the allottee and also the extent of land used for industrial activity including other support facilities, like transformer, watchman quarters, godowns etc.

27.5. A certificate shall also be obtained from Chartered Engineer by the allottee, about the area constructed within the premises and whether the constructed area is as per the approved building plan and the same shall be furnished to the Zonal Manager for verification.

27.6. Land used for non-industrial use shall not be reckoned for purpose of evaluation of the land usage.

27.7. After due verification of the required documents received from the allottee, and after confirmation of all the payments, the Zonal Manager shall initiate the process for registration of the document within 10 days.

27.8. The Zonal Manager shall ensure that the registered lease deed document shall be

first received by him after registration and shall handover/forward the document to the allottee after obtaining the acknowledgement.

27.9. The Zonal Manager shall forward a copy of the registered deed to the Asset Management Wing /Finance wing of APIIC for necessary action.

27.10. In case of allotment of land made at upfront cost as undeveloped land, lease deed shall be executed only after settlement of claims filed by Pattadars in courts for enhancement of compensation under Land Acquisition Act and after complying with conditions like payment of entire lease consideration along with other dues if any. These cases arise, where the corporation acquires and allots the land for large projects/developers and/or on the directions of the government.

28. LEASE DEEDS BEFORE IMPLEMENTATION.

28.1. In respect of cases, where APSFC/Scheduled Banks/Central Financial Institutions, have sanctioned term loan for the project to be implemented in the premises and sought for execution of lease deed, before implementation, the same may be considered subject to the conditions mentioned under this regulations.

28.2. The allottee should have paid total upfront cost / lease consideration, obtained duplicate copy of the registered agreement to lease and taken physical possession.

28.3. On sanction of loan by the Financial Institution, with a condition to furnish original registered lease deed, APIIC will execute the same before or during project implementation, ensuring collection of all the dues and obtaining consent of the allottee to forward the registered agreement to lease and lease deed to the Financial Institution along with No objection Certificate for release of the sanctioned loan under intimation to APIIC.

28.4. That subject to the financing agency complying with the terms and conditions of the NoC, the financing agency will have first mortgage over the assets and the APIIC shall have a second charge over the land, buildings, plant & machinery which shall be converted into a first charge when the obligations of the financial agency are liquidated.

28.5. The No Objection Certificate (NoC) issued to the Financial Institution shall stipulate that it is obligatory on the part of the financial institution to keep APIIC informed periodically about the release of loan and repayments and implementation of the project. It is also to be made explicitly clear to the financial institution that in the event of cancellation/withdrawal of sanctioned loan against which the original lease deed is deposited with the financial institution or the allottee has not availed the loan from the financial institution, the registered lease deed and agreement to lease shall be returned to APIIC and APIIC may consider to initiate appropriate legal or measures of action for cancellation of lease deed and resumption of the allotted land for non-compliance. And only on agreeing to these conditions the registered lease deed and agreement to lease shall be deposited with the financial institution

and the Zonal Manager shall obtain acknowledgement to that effect, agreeing to the terms of NOC.

28.6. The original registered lease deed and agreement to lease shall not be handed over to the allottee for onward submission to the Financial Institution.

28.7. In case of auction of mortgaged premises by the financial institution to recover the loan outstanding against which the loan was sanctioned, the financial institutions shall remit to APIIC, the surplus auction proceeds over and above the outstanding loan.

29. GOVERNMENT OF INDIA & GOVERNMENT OF AP PROMOTED PARKS

In case of allotment of land to developers for development of Theme Parks like Food Processing Park, Apparel Park etc., for which the Government of India / Government of Andhra Pradesh stipulates a condition that these projects are to be executed through Special Purpose Vehicle (developer) the land can be registered in the name of the SPV before implementation on lease basis. All these allotments are regulated according to the conditions stipulated in the sanction of grant for these projects by Gol and/or GoAP and Gol and /or GoAP may hold equity in the SPV. Separate guide lines will be issued for developers of Industrial Parks.

30. CHANGES IN LINE OF ACTIVITY AND NAME OF THE FIRM

30.1. The request of the allottee for change of its name shall be approved by the Zonal Manager provided it does not fall under change in constitution/transfer.

30.2. The request for change in line of activity or additional line of activities shall be considered by Zonal Manager, subject to justifying the requirement of the extent of premises already allotted and such changes in line of activity/additional line of activities are compatible to the nature of Industrial Park and shall not be detrimental to the other neighboring allottees.

30.3. The process fee is to be levied @ Rs.5000/-for each such change.

30.4. In all such cases, the period of implementation shall be reckoned from the date of possession of the premises. In cases of delay in implementation, penalties shall be levied as stated under these rules.

31. INDUSTRY RELATED COMMERCIAL ACTIVITIES AND HOUSING

33.1 In cases of allottees approaching APIIC for permission to establish support/industrial related commercial activities in their allotted premises, after implementation of the project and after securing lease deed, such proposals shall be processed.

33.2 The activity proposed shall be support services to the industrial units in the Industrial Parks like cold storages, weigh bridges and quality control laboratories.

33.3 The proposed activity shall not affect the existing/neighboring industrial units and shall be compatible to the Industrial Park and subject to furnishing approvals from local and statutory bodies/agencies.

33.4 To levy a process fee equivalent to the 25% of the prevailing upfront cost at the time of approval.

33.5 All these approvals are subject to the extent of land reallocated for such activities and not exceeding 10% of the gross industrial area/or where provision for such facilities are not delineated in the lay out plan.

33.6 In respect of allotment of industrial/CFC area for commercial purposes like Business Centers/Business Hotel cum convention centre/show room/malls, warehouses/godowns or such other related activities, the lay out needs to be revised and secure approval of revised lay out. In such cases, allotment shall be by auction process. In the absence of auction process, a process fee equivalent to 50% of the prevailing upfront cost or value of upfront cost as on the date of such approval may be levied.

33.7 Allotment of earmarked housing area shall be by auction only. In the absence of auction process, a process fee equivalent to 50% of the prevailing upfront cost or value of the upfront cost as on the date of such allotment may be levied.

33.8 The applicant shall obtain necessary approvals/clearances from the Authorities/Departments concerned.

34 ALLOTMENTS MADE BY GOVERNMENT AT CONCESSIONAL RATES

34.1 All the allotments that are made with the specific directions of the Government or based on MoUs entered into by Government with such parties, the conditions of MoUs/directions, shall prevail over the APIIC Regulations and same shall be followed. If there are any violations of the directions of Government or of the conditions of MOU signed by Government, then such cases shall be referred to Government.

34.2 Wherever allotments are made as per the directions of the Government, any deviation in the agreement / directions shall be with the approval of the Government.

34.3 No Objection Certificate for mortgaging the land in favour of banks/financial institutions can only be given with the approval of the Government.

35 ALLOTMENT OF UNITS IN SPECIAL ECONOMIC ZONES

35.1 All the allotments of land in SEZ are governed by SEZ Act and Rules of Government of India and as amended from time to time.

35.2 All the allotments are made on lease basis and APIIC will fix the upfront cost and annual lease rentals and also the period of lease, as per APIIC policy.

35.3 The upfront cost shall be paid by the allottee within 90 days from the date of allotment. The annual lease rentals shall be payable for the period of lease as fixed by APIIC every year.

35.4 The allottee shall arrange details of quantity and value of the product/services exported on half yearly basis to APIIC.

36 REPORTING

The Zonal Manager shall submit the Report periodically as per the instructions issued from time to time He shall also conduct periodic inspections of all units which are allotted the premises and ensure that conditions of agreement to lease, lease deed are not deviated or violated. If any such deviation or violation is found, the Zonal Manager must initiate corrective actions under intimation to the Head Office.

37 GOVERNMENT DIRECTIONS

The specific directions issued by Government of Andhra Pradesh /Government of India in respect of any project/allotment will override these regulations.

38 REDRESSAL

If the allottee is aggrieved, by any order/action of APIIC, the allottee may appeal to the Managing Director duly explaining the reasons. The Managing Director may appoint a exclusive committee within the organization to recommend appropriate action to the Managing Director on the matter, which will be final and binding on allottee.

39 REPEAL

The allotment regulations of 2012 and subsequent modifications/amendments stand repealed. However, the actions/deeds done/decisions already taken under the earlier guidelines /amendments/modifications shall be valid.