



Practice Followed by APIIC in Land Acquisition & Industrial Area Management

Acquisition, Allotment and Disposal of Land for Industrial Purpose

- Gives highest priority to creation of quality infrastructure for industrial growth through private participation
- Infrastructure Authority (IA) has been created for rapid development of physical & social infrastructure, to attract private sector participation in the :
 - Designing
 - Financing
 - Construction
 - Operation
 - Maintenance of infrastructure projects.

Industrial Policy of Andhra Pradesh

- For Mega Industrial Projects, preference is given to units which use environment-friendly technologies and offer employment to local people.
- Government gives highest priority for promotion of Industry Clusters in the State. Under IIUS, 6 Industrial Clusters have been identified.
 - Pharma Cluster
 - Auto Components Cluster
 - Marine Food Processing Cluster
 - Power Loom Cluster
 - Leather Cluster
 - Precision Engineering Tools & Components Cluster

Acquisition of Land by APIIC

Acquisition of Land by APIIC

➤ Entire fund for alienation / acquisition of land along with fund for R&R activities is borne by APIIC, as far as establishment of Industrial Areas / Parks / SEZs / Growth Centers are concerned

■ Government Land

■ Two categories of Government land are available

- Unassigned Government land (waste land)
- Assigned Government land (to landless persons on non-transferable right basis)

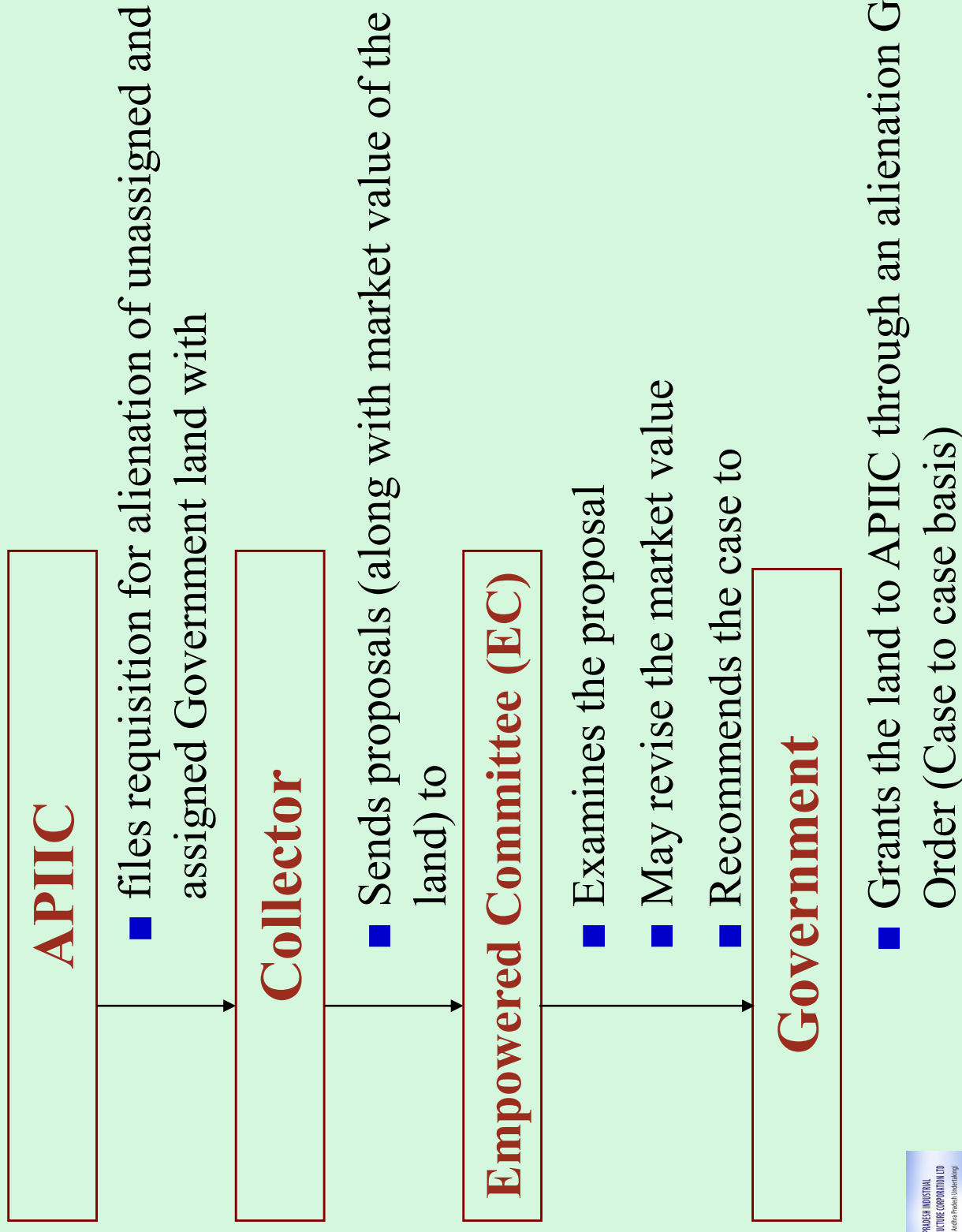
■ No further categories like

- Communal land
- Gochar
- Gramya Jungle etc.

- Focus is on alienation of unassigned government land as vast stretches of government waste lands are plentifully available.

- Private land is acquired when necessary to maintain compactness of the

Land Alienation Process



Land Alienation Process

- APIIC becomes free holder of the land
- No deed is executed between Govt. and APIIC
- If any water body / lake exists, APIIC maintains it and does not change its character
- Provision for advance possession is there, pending alienation process

Land Alienation Process

- For assigned government land, Ex-Gratia is given to the assignees, which includes:
 - Market value of land
 - 30% solatium
 - Cost of structures over the land
 - Reference cannot be made to Court u/s 18 and 28-A of LA Act.
 - Housing sites are provided to assignees by APIIC under R&R package as a social responsibility

■ Private Land

- Housing sites (homestead lands) are avoided to the extent possible
- Collectors are empowered to issue :
 - 4(1) Notification
 - 6(1) Declaration
 - 17(4) Emergency clause where 5-A hearing is omitted
- Certificate of Screening Committee (like Administrative Approval) is not required
- Always opt for Consent Award
- A Negotiation Committee is formed under the Chairmanship of Collector after order u/s 7 is passed

■ Private Land

- Negotiation Committee can enhance the land rate upto 50% of the original estimated rate.
- Chief Secretary can enhance the land rate upto 100% of the original estimated rate.
- Two types of Award are passed, if all the affected persons do not consent to the consent amount.
 - ◆ Those who consent – Consent Award
 - ◆ Those who do not consent – Normal Award
- If no legal matters are involved during acquisition, land is generally acquired within 6 months – 1 year period.

■ Private Land

- After LA proceeding, private land vests with government.
- Government gives the land to APIIC as grant on free hold basis
 - ➡ **LAO establishment**
- Do not charge 10% of land cost, but they put some demand before APIIC
- After LA Proceeding is completed, LAO will submit Utilization Certificate to APIIC and accordingly the cost will be adjusted.

Acquisition of Land for Mega Projects

- Requisition is filed for establishment of Industrial Park
- No extra land is acquired than the requirement of particular mega project
- Land is acquired and delivered on back to back basis.
- Fund for acquisition:
 - ◆ Sometimes part funding is done by APIIC, which is collected from the industry later on
 - ◆ Sometimes entire funding is done by the particular industry, through APIIC as advance.
- APIIC do not provide infrastructural facilities to the mega industries.

Acquisition of Land for Mega Projects

- Only 10% - 15% is charged from the industry as service charge of APIIC.
- APIIC only supervises those responsibilities (including R&R, Employment generation, Green belt etc.) which are mentioned in the MoU signed between Project Authority and the Government.
- If the Project Authority does not comply with the responsibilities, APIIC issues show cause notices to the Project Authority.
- If thereafter, the Project Authority does not comply, APIIC brings the matter to the notice of the Government.

Socio Economic Survey (SES) and R&R Package

- SES and R&R activities are the responsibilities of Government
- APIIC only funds for it
- R&R package includes:
 - Grant for cattle shed
 - Grant for transportation
 - Income generating scheme grant
 - Wages, if after acquisition, land owner becomes marginal farmer
 - Providing housing unit
 - Wages to labourers
 - Subsistence allowance to displaced family
 - Amenities at resettlement centre
 - To monitor and review the progress of implementation of R&R scheme / plan of the PAF, R&R Committee is constituted by the Government at the project level

Land Allotment by APIIC

➤ As per APIIC Allotment Regulation, 1998 :

■ Preparation of site plan

- Generally go for sector specific development of IPs., which help in designing and planning common infrastructure facilities to be provided to the allottees in the IPs.
- Zonal Manager ensures that detailed survey and measurements are done
- Site plan includes
 - Plots / Sheds / Shops etc.
 - Dimensions / extent of plot area / survey no
 - Individual unit also includes % average of green cover
 - Common use areas (earmarked)
 - Include common green belt area (10% of the entire area)
 - Common Infrastructure Facilities to be provided by APIIC (Road, Electric Substation, Water Tank, Sewerage treatment plant etc)

- Forms have been specified
 - Form – 1 – Application form
 - Form – 2 – Acknowledgement by APIIC
 - Form – 3 – Registration of application by APIIC
 - Form – 4 – Scrutiny of application
 - Form – 5- Provisional Allotment Letter
 - Form – 6 – Undertaking by entrepreneur to implement project within in 2 years from taking possession
 - Form – 7 – Final Allotment Letter
 - Form – 8 – Quarterly inspection report
 - Form – 9 – Possession Certificate

Allotment Procedure

- ◆ Form – 11 – Show Cause Notices
- ◆ Form – 12 – Cancellation of allotment order cum resumption notice
- ◆ Form – 13 – Restoration Order
- ◆ Form – 14 – Approval of change in Constitution
- ◆ Form – 15 – Notice for Sale Deed
- ◆ Form – 16 – Intimation of eligibility for sale deed
- ◆ Form – 17 – Monthly development report
- ◆ Form – 18 – Typical site plan

Allotment Procedure

- Application (Form – 1)
 - ◆ On-line application, physical application
 - ◆ Application form to include
 - Processing fee (Non-refundable) of Rs. 1,000.00
 - EMD (Refundable)
 - 10% of sale consideration
 - Documents:
 - DPR / Profile, justifying the extent of land required
 - Plant layout also containing the details of greenery / lawn to be maintained
 - Articles of Association etc.
 - ◆ Applications are placed in the District Allotment Committee / State Allotment Committee for approval.

Allotment Procedure

■ Provisional Allotment (Form – 5)

- Total land cost (less EMD 10%) to be deposited within 90 days from the date of receipt of provisional allotment order
- After 90 days (if not paid)
- Order stands cancelled
- EMD is forfeited
- If any of the terms and conditions stipulated in the allotment letter are not complied with, all amounts paid by the allottee is forfeited

■ Land cost excludes:

- Cost of power supply
- Water supply
- Effluent Disposal
- Effluent Treatment Plant

Allotment Procedure

- Sewerage treatment Plant
- Development charges
- Land Conversion charges
- Property tax
- Fee for approval of building plan
- Other statutory dues
- Construction activities to be started within 6 months of taking over possession and commercial production within 2 years.
- Allottee has to spend 2% of his revenue on CSR activities
- Allottee has to provide employment to the land ousters / locals to the maximum extent based on their qualification subject to minimum 20% of total requirement.

■ Final Allotment Order (Form – 7)

- ➔ Issued after 7 days from the date of payment of entire cost of the plot
- ➔ Execution of undertakings in Form – 6
- ➔ Fulfillment of other formalities on provisional allotment order
- ➔ **Physical Possession**
- ➔ Handed over after fulfillment of all terms and conditions of the provisional allotment order
- ➔ **Execution of Sale Deed**
- ➔ Sale deed is executed after
 - Payment of all dues
 - On implementation of project as per DPR
 - On construction of the buildings in a minimum 1/6th area of the allotted plot
- ➔ Transfer is allowed (with approval of APIIC) after sale-deed is made

- Allotment of land on lease hold basis (in case of SEZs)
 - Allotment letter is issued first
 - Allottee pays total lease premium (less EMD of 10%) within 90 days from the date of receipt of allotment orders
 - Lease Premium (land cost + development cost) 50 : 50 is fixed by CMD through Price Fixation Committee)
 - Annual lease rentals @ 2% P.A on the lease premium
 - Annual hike of lease rental = 5% on 2% lease rental
 - Lease initially is for 33 years, which is extendable for another terms of 33 years

Allotment Procedure

- ◆ Further extension for another 24 years may be considered on case to case depending on merits.
- ◆ Lease deed and possession is given within 30 days from the date of payment of total lease premium.
- ◆ No transfer/sub-let/sub-lease give on license is allowed
- ◆ NOC is issued by APIIC for raising finances on the allotted property by the company through mortgage.

Creation of Industrial Area Local Authority (IALA)

Maintenance of Industrial Areas

■ Powers of Local Self – Government

- APIIC functions as Industrial Area Local Authority (IALA) for notified Industrial Areas falling under Municipalities, Municipal Corporations and Gram Panchayats through Government notification from time to time.
- Exercises certain statutory powers / functions such as :
 - assessment, levy and collection of property taxes
 - sanction of building permits (as per AP Building Rules, 2012). A Uniform Building Rules have been formulated by Andhra Pradesh which is applicable to all Urban Development Authority areas, Urban Local Bodies, Gram Panchayat areas covered in Master Plan / General Town Planning Schemes and Industrial Area Local Authority (IALA) / SEZs notified by Government

Maintenance of Industrial Areas

- removal of encroachments
- management and maintenance of Civic Services in the IAs.
- Remits 35% / 50% of the property tax, so collected to the concerned local bodies.
- Service Societies involving the tax payers are created in the IALA to act as Advisory bodies / Nodal Agencies (similar to the councils in the local bodies) to assist in collection of property taxes and maintenance of Civic Services.