

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Industries & Commerce Department – “Andhra Pradesh Retail Parks Policy 2021-26”–Orders-Issued.

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INDUSTRIES AND COMMERCE (P&I) DEPARTMENT

G.O.MS.No.60.

Dated:15.07.2021.

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ORDER:

The Government of India has introduced reforms to attract Foreign Direct Investment (FDI) in retail industry and approved 51% FDI in multi-brand retail and 100% FDI in single-brand retail under the automatic route, which is expected to give a boost to Ease of Doing Business and Make in India schemes, with plans to allow 100% FDI in Ecommerce.

2. In view of the reforms of Government of India for attracting Investments, Government have decided to bring out a policy on Mega Retail Parks, keeping in view the advantage of State being ranked as No.1 under Ease of Doing Business by DPIIT during 2019-20 and the potential it offers to boost the economy, to develop the retail sector in a holistic manner and create large scale employment.

3. Accordingly, stakeholder discussions had necessitated drafting the “AP Retail Park Policy 2021-26” and Government, after careful examination, hereby introduces the Andhra Pradesh Retail Parks Policy 2021-2026. The detailed policy document is appended at Annexure.

**Andhra Pradesh Retail Parks Policy 2021-26**

Andhra Pradesh has huge potential to become one of the leading destinations for retail trade. The State is a leader in agriculture, horticulture, dairy/poultry production and other raw materials, ranking amongst the top states in India across many sectors. The State is also providing significant thrust to sectors such as Food Processing, Electronics, Textiles & Pharmaceuticals, and is poised to emerge as a key sourcing hub for many segments of the Retail trade industry.

The Retail Parks Policy 2021-2026 aims to catalyze growth and provide thrust to the development of the Retail sector in Andhra Pradesh.

1. Vision Objectives And Targets of the Policy

(P.T.O)

- i. Vision: The Vision of the policy is to encourage retail trade thereby generating employment opportunities in Retail sector, by way of facilitating investments in Retail Parks
- ii. Objectives:
  - 1) To boost Organized Retail Trade within the State of Andhra Pradesh thereby increasing the GSDP.
  - 2) Encourage skill development, create more employment opportunities for all sections of society involved in retail trade.
  - 3) To strengthen existing unorganized retail sector
- iii. Targets:
  - 1) Attract new investments worth Rs.5,000 crore in the sector by 2026.
  - 2) Create 50,000 additional direct employment opportunities in the retail Industry by 2026.

## 2. Policy Validity and Applicability

This policy will be valid for 5 years from date of notification, unless otherwise notified separately by GoAP. Department of Industries, Commerce & Export Promotion will act as the Implementing agency for the Policy.

## 3. Policy Initiatives

### 3.1 Measures towards Ease of Doing Business

#### 3.1.1 Single Desk Portal for Online Clearances

The following facilitation will be provided for Retail Park developers and retail enterprises set up within these parks, as part of Ease of Doing Business:

- i. Government of Andhra Pradesh shall appoint a Nodal Officer at each District Industries Center who shall provide hand holding services to retail park developers and retail enterprises setup in these parks
- ii. Government of Andhra Pradesh shall create customized facility on Single Desk Portal so that retail park developers and retail enterprises within these parks can obtain all clearances online in a time bound manner
- iii. All labour regulation related approvals are issued online on the spot. Other clearances, as applicable to retail such as Packers license (Legal Metrology), Tree felling permission, Pesticide/Insecticide license, mandatory approvals such as AP Shops Establishments registration & Trade License in

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- urban areas etc. to be given online in a time bound manner.
- iv. Essential renewals for retail pertaining to Labour regulations, Drug Retail (Pharmacy) & ULB Trade License will have the option for online auto- renewals\*

(\*Where a prescribed fee can be paid, and the validity of Registration/License is extended for a period as per relevant act. There is no need to go through a renewal process)

- v. Single online return under all Labour Laws can be fled using Single Desk Portal

### 3.1.2 Rationalization of Inspections

- i. All inspections under Labour, Factories, Boilers, Pollution Control Board and Legal Metrology are managed and monitored through the Central Inspection System in transparent manner.
- ii. Establishments are categorized as per risk where periodicity, compliance and other inspection requirements are simplified for low risk establishments.

### 3.1.3 Local Sourcing

GoAP will work with retail associations to encourage local sourcing from Andhra Pradesh through buyer-seller meets.

### 3.2 Encouraging organized retail

- i. With the entry of many conglomerates into the organized retail sector, the Indian warehousing landscape is getting redefined from the conventional concept
- ii. To encourage such units, the distribution centres/warehouses will be considered as Service Industry.
- iii. Government will allow organised retailers to set up their warehouses/distribution centers within the designated areas in the Park.
- iv. The Logistic Policy proposed by the Government would cover the required initiatives for encouraging setting up of world class Warehouses on PPP basis.

### 3.3 Simplified Labour Laws

- i. Retail enterprise shall be allowed to stay open every day of the year to cater to the needs of the working class and other class of

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customers provided that the employees are given compulsory weekly offs on a preferential basis.

- ii. General permission shall be available for 3- shift operations with women working in the night, subject to the retail park and retail enterprises taking the prescribed precautions in respect of safety and security of employees.
- iii. Retail enterprise shall be exempted from maintaining physical records for attendance and salary. Provision for Retail enterprise to maintain employee related records required under various labour laws in electronic form, and to accept returns in electronic form will be made in line with the progress of computerization in the Labour Department, Government of Andhra Pradesh.
- iv. Retail enterprise shall have an option for self-certification and filing of consolidated annual returns under various Acts administered by the Labour Department, Government of Andhra Pradesh.

### 3.4 Support for Human Capital Development

- i. Special emphasis has been given to the development of human resources and skill development for the Retail industry, particularly in new era of high potential.
- ii. The State-run agencies and the renowned private institutions will institute training-based certification and placement programmes. They would collaborate with Retailers Association of India and other associations as well as the local retail industry to understand their resource requirements. Based on these requirements, a merit based, defined certification and placement procedure shall be instituted so that appropriate manpower is created for the retail enterprise. This is particularly important for small enterprises which are not in position to impart the required training in-house.

## 4. Fiscal Incentives

### 4.1 Incentives for Mega Retail Park Projects

Projects involving fixed capital investment (i.e. land, building, Plant and Machinery) of at least INR 100 crore or more than 5,000 direct employment for establishing a Consolidated Single Product/sector Retail Park, will be accorded Mega retail park status.

### 4.2 Incentives for Mega Retail Park Developers:

1. External Infrastructure: The Mega Retail Park developer will be eligible for reimbursement of 50% of cost of external infrastructure for the park with a specified cap as indicated below based on the

employment, whichever is lower.

<b>Direct Employment</b>	<b>Cap on Infrastructure Support</b>
5,000 to 10,000	INR 3 Crores
10,001 to 15,000	INR 4 Crores
15,001 to 20,000	INR 5 Crores

- i. Laying of approach road to the Industrial Park from the nearest highway / two-lane road / major road Upgradation of existing roads/widening of roads to the Retail Parks
- ii. Providing power, water, sewerage, telecommunication facilities up to the boundary of the Retail Park

2. Stamp Duty: Reimbursement of 100% of stamp duty for lease / sale of retail units within Mega Retail Parks on first transaction only.

#### 5. Incentive disbursement Mechanism

1. All the incentives as per this policy will be disbursed only after meeting the mandated investment or employment targets
  2. All the applications and incentive disbursement procedures for approvals will be as per the operational guidelines of Andhra Pradesh Industrial Development Policy of 2020 – 2023.
  3. The A.P. Retail Parks Policy will come into operation from date of issue of this order and shall remain in force for five years.
4. This orders issued with the concurrence to Finance (FMU-I&I, Energy and I&C) Department, vide their U.O.No. FIN01-FMU0ASD(IC)/69/2021-FMU-IIEIC (Computer No:1450676), dated.14.07.2021.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN  
SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP

To

The Director of Industries, Andhra Pradesh, Vijayawada.  
The Vice Chairman & Managing Director, Andhra Pradesh  
Industrial Infrastructure Corporation, Andhra Pradesh, Mangalagiri.  
The Director of Handlooms and Textiles, Andhra Pradesh,  
The Managing Director, Andhra Pradesh State Financial Corporation,  
Guntur.  
The Special Chief Secretary to Government, Revenue (CT) Department  
The Principal Secretary to Government, Finance Department.

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The Principal Secretary to Government, LET &F Department  
The Secretary to Government, Energy, Department.  
The Secretary to Government, Food & Civil Supplies Dept.  
The Secretary to Government, Agri & Co-op. Department.  
The Secretary to Govt., Skill Dev. Dept.  
The Secretary to Govt. Law Dept.

Copy to:

The LET & F (Employment) Department.  
The Law (H) Department.  
The Accountant General, Andhra Pradesh, Vijayawada  
The Convener, State Level Banker's Committee.  
The Pay and Accounts Officer, Vijayawada.  
All District Collectors through Director of Industries, Vijayawada.  
All Heads of Departments through Director of Industries, Vijayawada.  
All Departments of Secretariat.  
All Govt. Companies/Corporations through Director of Industries,  
Vijayawada  
The P.S. to Prl. Secretary to Chief Minister.  
The P.S. to Chief Secretary to Government  
All Private Secretaries to the Ministers.  
All General Managers, District Industries Centre in the State through  
Director of Industries, Vijayawada.  
SC/SF.

// FORWARDED::BY ORDER //

SECTION OFFICER

## ANNEXURE

to GO.Ms.No.60, Industries and Commerce (P&I) Department, dated.15.07.2021.



**Andhra Pradesh  
Retail Parks  
Policy(Draft)  
2021-26**

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## Definitions

- a. **Retailing** - Retailing is defined as a set of activities or steps used to sell a product or a service to consumers for their personal or family use. It is responsible for matching individual demands of the consumer with supplies of all the manufacturers.
- b. **Retail Industry** - The retail field consists of supermarkets, department stores, chain stores, specialty stores, variety stores, franchise stores, mail-order houses, online merchants, and door-to-door sellers. Retail stores buy their goods from wholesalers, stock the goods, and resell them to individual consumers in small quantities.
- c. **Retail Enterprise** - Any entity that sells goods or provides service to the eventual consumer would be termed as a retail enterprise. A retail enterprise therefore is one who deals with end consumers, maintains data of dealing with such consumers and is responsible for service provided to end consumer. Sale of such goods can happen over various channels including – brick-and-mortar, online and other channels.
- d. **Retail Park** - A Retail Park is a group of retail enterprises and other commercial establishments that is planned, developed and managed as a single property owned by single or more than one owner, comprising retail units such as shops offering goods and services and including family entertainment centres, hotels, offices/commercial complex, restaurants, pubs, gym, auditorium for plays, and similar retail units, multiplex, and common areas in an area not less than five (5) Acres of land. The park developer is mandated to setup common Effluent treatment Plant (ETP) and Common Sewage treatment Plant (STP) to provide for combined requirements of all units within the park.
- e. **Distribution Center** - Distribution center is a facility at a single location that stocks a vast number of products sourced from different suppliers and distributes goods to retail stores or direct-to-consumer.
- f. **Warehouse** - means any premises (including any protected place) conforming to all requirements including manpower specified by relevant and competent authority by regulations wherein warehouseman takes custody of goods deposited by depositor and includes a place of storage of goods under controlled conditions of temperature and humidity or otherwise.
- g. **Mega Retail Park** - Projects with an investment of at least 100 crore or direct employment generation of **5,000** for establishing a Consolidated Single Product/Sector Retail Park will be accorded mega retail park status. Such investments will include setting up of at least one of the following components – workshop, pre-processing units, large distribution Centers, Warehouses and Retail enterprises.

## Introduction

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India is the fifth largest and preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail market is estimated to reach USD 1.1-1.3 trillion by 2025, from USD 0.7 trillion in 2019, growing at a compound annual growth rate (CAGR) of 9-11%.

India's retail sector is experiencing exponential growth with retail development taking place not just in major cities and metros, but also in tier II and III cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, changing consumer tastes and preferences are some of the factors driving growth in the organised retail market in India.

The Government of India has introduced reforms to attract Foreign Direct Investment (FDI) in retail industry. The Government has approved 51% FDI in multi-brand retail and 100% FDI in single-brand retail under the automatic route, which is expected to give a boost to Ease of Doing Business and Make in India schemes, with plans to allow 100% FDI in E-commerce. Cumulative FDI inflow in retail stood at USD 2.17 billion between April 2000 to June 2020. India's retail sector attracted US\$ 970 million from various private equity (PE) funds in 2019.

India is expected to become the world's third-largest consumer economy, reaching INR 27.95 lakh crore (USD 400 billion) in consumption by 2025. Increasing participation from foreign and private players has given a boost to Indian retail industry. India's price competitiveness attracts large retail players to use it as a sourcing base. Global retailers such as Walmart, GAP, Tesco and JC Penney are increasing their sourcing from India and are moving from third-party buying offices to establishing their own wholly owned/wholly managed sourcing and buying offices in India.

With 13 districts and a geographical area of 1,62,970 sq. km., Andhra Pradesh ranks as the 8th largest state in the country. The state has a well-developed social, physical, and industrial infrastructure and virtual connectivity. It also has good power, airport, IT, and port infrastructure. At current prices, Andhra Pradesh's Gross State Domestic Product (GSDP) was Rs. 9,72,782.11 crore (US\$ 138.19 billion) for 2019-20 as opposed to Rs. 8,62,957.08 crore (US\$ 126.1 billion) for 2018-19.

The Government is striving towards creating quality infrastructure, coupled with congenial industrial environment in the state, to make AP an attractive destination for both domestic and foreign investors. The nature and scale of retailing in Andhra Pradesh has undergone major changes, mainly driven by economic development and also by changes within the industry itself. Specific retail planning requirements are to be met by regional authorities and planning authorities in the state of Andhra Pradesh to carry out their regional planning and development functions respectively.

A variety of initiatives need to be introduced to provide a conducive environment for the growth of the retail enterprises. To allow the retail industry in the State to achieve its true potential, some relaxations in the current regulatory framework are done according to the industry requirements through this policy.

## Trends in Retail Industry

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- 2.1. **Sustainability** - More and more brands are trying to find ways in which they can have the least harmful impacts on the environment, and more brands realize the importance of incorporating their processes in a more sustainable manner.
- 2.2. **Newer Store Concepts** - Stores are constantly trying to find ways to come forward with newer concepts to stand out to the masses and seem more attractive. This incorporates the entire package – right from storefronts to in-house experiences. The entire experience that a customer is given has now become crucial to the success of a retail store.
- 2.3. **Personalized Experiences** - Tailoring an experience to the customer generates a sense of goodwill and makes customers feel more welcome, which is why this trend has been growing rapidly all over the world.
- 2.4. **Direct to Consumer** - Direct to customer businesses are built on the premise that the brand must have personal and direct communication with the customer to be able to help them reach their maximum interest.
- 2.5. **Private Labels** - Private Labels are growing more with every passing day because of the ease at which they can be set up and the access they already have to large audiences due to online marketplaces. E-commerce-related investments have grown considerably over the years.
- 2.6. **The Retail Apocalypse** - The number of brands choosing to let go of their physical stores in favor of online marketplaces is enormous, leading to something economists are now referring to as the retail apocalypse.
- 2.7. **Loyalty Rewards** - Most brands are now offering services to customers that enable them to get access to certain privileges for a small fee or a certain amount of purchases. These programs also offer attractive discounts, which is why it is so sought after by individuals who regularly purchase what the store has to offer.
- 2.8. **Tech Shopping** - Whilst there is an enormous amount of growth within this sector, the technology that operates these e-commerce marketplaces is now smarter and more efficient than ever before.
- 2.9. **Ever Growing E-commerce** - The trend of developing into an e-commerce marketplace is not something that is reserved for the big names. Even smaller brands are opting to go for the e-commerce route instead of other options because of the wider access that they get to customer bases because of the extensive amount of options that it opens them up to and the cost-effectiveness at which they can run their entire business.

## Key drivers of Policy

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Gross State Domestic Product (GSDP) of Andhra Pradesh at current prices was INR 9,72,782.11 crore (US\$ 138.19 billion) for 2019-20 and accounted for 8.16 percent of India's GDP. Given the consistent growth in the retail sector in Andhra Pradesh and considering the potential it offers to boost the economy, the State Government wishes to formulate a Retail Trade Policy to develop the retail sector in a holistic manner and create large scale employment.

The key drivers of the policy include:

- a. Creation of employment opportunities
- b. Promoting grass-root entrepreneurship
- c. Empowerment of women
- d. Empowerment of farmers
- e. Create demand and support industries
- f. Manufacturing 'Made in India' commodities.
- g. Growth of Micro, Small and Medium
- h. Enterprises ('MSMEs') in retail trade
- i. Contribution to exchequer
- j. Enable stable prices and offer greater variety to consumers

## Vision Objectives And Targets of the Policy

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**Vision:** The Vision of the policy is to encourage retail trade thereby generating employment opportunities in Retail sector, by way of facilitating investments in Retail Parks

### **Objectives:**

- 1) To boost Organized Retail Trade within the State of Andhra Pradesh thereby increasing the GSDP.
- 2) Encourage skill development, create more employment opportunities for all sections of society involved in retail trade.
- 3) To strengthen existing unorganized retail sector

### **Targets:**

- 1) Attract new investments worth Rs.5,000 crore in the sector by 2026.
- 2) Create 50,000 additional direct employment opportunities in the retail Industry by 2026.

## Policy Validity and Applicability

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This policy will be valid for 5 years from date of notification, unless otherwise notified separately by GoAP. Department of Industries, Commerce & Export Promotion will act as the Implementing agency for the Policy.

## Policy Initiatives

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### Measures towards Ease of Doing Business

#### Single Desk Portal for Online Clearances

The following facilitation will be provided for Retail Park developers and retail enterprises set up within these parks, as part of Ease of Doing Business:

- i. Government of Andhra Pradesh shall appoint a **Nodal Officer at each District Industries Center** who shall provide hand holding services to retail park developers and retail enterprises setup in these parks
- ii. Government of Andhra Pradesh shall create customized facility on Single Desk Portal so that retail park developers and retail enterprises within these parks can obtain all clearances online in a time bound manner
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- iv. Essential renewals for retail pertaining to Labour regulations, Drug Retail (Pharmacy)&ULB Trade License will have the option for online auto- renewals\*  
*(\*Where a prescribed fee can be paid, and the validity of Registration/License is extended for a period as per relevant act. There is no need to go through a renewal process)*
- v. Single online return under all Labour Laws can be filed using Single Desk Portal

#### Rationalization of Inspections

- i. All inspections under Labour, Factories, Boilers, Pollution Control Board and Legal Metrology are managed and monitored through the Central Inspection System in transparent manner.
- ii. Establishments are categorized as per risk where periodicity, compliance and other inspection requirements are simplified for low risk establishments.

#### Local Sourcing

GoAP will work with retail associations to encourage local sourcing from Andhra Pradesh

through buyer-seller meets.

### **Encouraging organized retail**

- i. With the entry of many conglomerates into the organized retail sector, the Indian warehousing landscape is getting redefined from the conventional concept
- ii. To encourage such units, the distribution centres/warehouses will be considered as Service Industry.
- iii. Government will allow organised retailers to set up their warehouses/distribution centers within the designated areas in the Park.
- iv. The Logistic Policy proposed by the Government would cover the required initiatives for encouraging setting up of world class Warehouses on PPP basis.

### **Simplified Labour Laws**

- i. Retail enterprise shall be allowed to stay open every day of the year to cater to the needs of the working class and other class of customers provided that the employees are given compulsory weekly offs on a preferential basis.
- ii. General permission shall be available for 3-shift operations with women working in the night, subject to the retail park and retail enterprises taking the prescribed precautions in respect of safety and security of employees.
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## Fiscal Incentives

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### Incentives for Mega Retail Park Projects

Projects involving fixed capital investment (i.e. land, building, Plant and Machinery) of at least INR 100 crore or more than 5,000 direct employment for establishing a **Consolidated Single Product/sector Retail Park**, will be accorded Mega retail park status.

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Direct Employment	Cap on Infrastructure Support
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  - ii. Providing power, water, sewerage, telecommunication facilities up to the boundary of the Retail Park
2. **Stamp Duty:** Reimbursement of 100% of stamp duty for lease / sale of retailunits within Mega Retail Parks on first transaction only.

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1. All the incentives as per this policy will be disbursed only after meeting themandated investment or employment targets
2. All the applications and incentive disbursement procedures for approvals will be as per the operational guidelines of Andhra Pradesh Industrial Development Policy of 2020 – 2023.

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