

**THE TELANGANA INFRASTRUCTURE DEVELOPMENT  
CORPORATION ACT, 1998.**

**(ACT NO. 37 OF 1998.)**

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**THE TELANGANA INFRASTRUCTURE DEVELOPMENT  
CORPORATION ACT, 1998.<sup>1</sup>**

**ACT NO. 37 OF 1998.**

**CHAPTER - I.  
PRELIMINARY.**

1. (1) This Act may be called the <sup>2</sup>Telangana Infrastructure Development Corporation Act, 1998. Short title, extent and commencement.

(2) It shall extend to the whole of the State of <sup>2</sup>Telangana.

(3) It shall be deemed to have come into force with effect from the 14th September, 1998.

2. In this Act, unless the context otherwise requires,- Definitions.

(a) "**Corporation**" means the <sup>2</sup>Telangana Infrastructure Development Corporation established under section 3;

(b) "**Government**" means the State Government of <sup>2</sup>Telangana;

(c) "**Local Authority**" means,-

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1. The Andhra Pradesh Infrastructure Development Corporation Act, 1998 received the assent of the Governor on the 22<sup>nd</sup> December, 1998. The said Act in force in the combined State, as on 02.06.2014, has been adapted to the State of Telangana, under section 101 of the Andhra Pradesh Reorganisation Act, 2014 (Central Act 6 of 2014) vide. the Telangana Adaptation of Laws Order, 2016, issued in G.O.Ms.No.45, Law (F) Department, dated 01.06.2016.

2. Substituted by G.O.Ms.No.45, Law (F) Department, dated 01.06.2016.

(i) a Municipal Corporation constituted under any law relating to Municipal Corporations for the time being in force;

(ii) a Municipality or a notified Area Committee, constituted under the <sup>3</sup>Telangana Municipalities Act, 1965;

(iii) a Gram Panchayat, a Mandal Praja Parishad or a <sup>4</sup>Zilla Praja Parishad constituted under the <sup>5</sup>Telangana Panchayat Raj Act, 1994;

(d) **"Notification"** means a notification published in the <sup>6</sup>Telangana Gazette; and the word "notified" shall be construed accordingly;

(e) **"Prescribed"** means prescribed by rules made under this Act;

(f) **"Regulations"** means the regulations made under this Act.

## CHAPTER - II. ESTABLISHMENT, CONDUCT OF BUSINESS AND EMPLOYEES OF THE CORPORATION.

3. (1) The Government shall by notification establish for the purposes of this Act, a Corporation to be called the <sup>6</sup>Telangana Infrastructure Development Corporation.

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3. Adapted by G.O.Ms.No.142, Municipal Administration & Urban Development (A2) Department, dated 29.10.2015.

4. Substituted by Act No.41 of 2006.

5. Adapted by G.O.Ms.No.9, Panchayat Raj & Rural Development (Mandal) Department, dated 12.09.2014 and now see the Telangana Panchayat Raj Act, 2018 (Act No.5 of 2018).

6. Substituted by G.O.Ms.No.45, Law (F) Department, dated 01.06.2016.

(2) The Corporation established under sub-section (1) shall be a body corporate having perpetual succession and a common seal, with power to contract, acquire, hold and dispose of property, both movable and immovable and to do all things necessary for the purposes of this Act, and may sue and be sued by its Corporate name.

(3) The Head Office of the Corporation shall be at Hyderabad.

4. (1) The Corporation shall consist of the following members, namely:-

Constitution of Corporation.

- |  |    |                    |
|--|----|--------------------|
| (a) Chief Minister   | .. | Chairman           |
| (b) Minister - incharge of Planning  | .. | Member             |
| (c) Minister – Panchayatraj & Rural Development, Water Supply and Employment Generation.                       | .. | Member             |
| (d) Minister - Municipal Administration and Urban Development.   | .. | Member             |
| (e) Principal Secretary or Secretary to Government, Panchayat Raj & Rural Development Department.              | .. | Ex-Officio Member; |
| (f) Principal Secretary or Secretary to Government, Municipal Administration and Urban Development Department. | .. | Ex-Officio Member; |

- (g) Principal Secretary or Secretary to Government – Finance Department Ex-Officio Member;
- (h) One non-official Member representing reputed and recognised Principal Institutions, to be nominated by the Government
- (i) One officer to be appointed by the Government as the Member Secretary of the Corporation, who shall be the Managing Director of the Corporation
- (j) Three other Members to be nominated by Government from officials or non-officials.

(2) The term of office of nominated Members shall be for a period of one year unless terminated earlier by the Government.

(3) The non-official members of the Corporation under clauses (h) and (j) of sub-section (1) shall receive such remuneration and allowances as may be laid down by regulations.

(4) The Official Members of the Corporation shall receive such compensatory allowances, for the purposes of meeting the personal expenditure in attending the meetings of the Corporation as may be laid down by regulations.

5. (1) There shall be an Executive Committee consisting of the following Members, namely:- **Constitution of Executive Committee.**

- (a) Minister - incharge of Planning Chairman
- (b) Managing Director of the Corporation Vice-Chairman
- (c) Principal Secretary to Government, MA&UD Department Ex-Officio Member
- (d) Secretary to Government (RD), PR&RD Department Ex-Officio Member
- (e) Chief Accounts and Finance Officer of the Corporation Ex-Officio Member
- (f) One Representative of any Department of the Government as may be nominated by the Government.

(2) The powers, functions and duties of the Executive Committee shall be such as may be laid down by regulations.

6. (1) A person shall be disqualified for being nominated as a non-official Member or continue to be such Member, if he,- **Disqualification for Membership and removal of Members.**

(a) is an employee of the Corporation except the Managing Director;

(b) is of unsound mind and stands so declared by a competent court;

(c) is an undischarged insolvent;

(d) is convicted for an offence involving moral turpitude;

(e) has directly or indirectly by himself or by any partner, employer or employee, any share or interest, whether pecuniary or of any other nature, in any contract, or employment with, by or on behalf of the Corporation; or

(f) is a Director, Secretary, Manager or other Officer of any company, which has any share or interest in any contract or employment with, by or on behalf of, the Corporation:

Provided that, a person shall not be disqualified under clause (e) or clause (f) by reason only of his or the company in which he is a Director, Secretary, Manager or other Officer, having a share or interest in,-

(i) any sale, purchase, lease or exchange or immovable property or any agreement for the same;

(ii) any agreement for loan of any money or any security for payment of money only;

(iii) any newspaper in which any advertisement relating to the affairs of the Corporation is published.

(2) the Government may remove from the Corporation any non-official Member nominated by the Government, who, in its opinion,-

(a) has been disqualified under sub-section (1);

(b) refuses to act;

(c) has so abused his position as a Member as to render his continuance on the Corporation detrimental to the interest of the public; or

(d) is otherwise unsuitable to continue as Member.

(3) no order of removal under sub-section (2) shall be made unless, the non-official Member has been given an opportunity to submit his explanation to the Government and when such order is passed, the office of the Member so removed shall be deemed to be vacant.

(4) A Member who has been so removed under sub-section (3) shall not be eligible for reappointment as Member or in any other capacity, in the Corporation.

7. (1) The Corporation shall meet at such times and places as the Chairman may decide and shall, subject to the provisions of sub-section (3), observe such rules of procedure in regard to the transaction of business at its meetings including the quorum thereof as may be laid down by regulations:

Meetings of Corporation.

Provided that, at least one meeting shall be held in every three months period.

(2) The Chairman or, in his absence such other Member as may be approved by the Chairman, shall preside at every meeting of the Corporation. If any reason, the Chairman and such other Member are unable to attend any meeting, the meeting shall stand adjourned.

(3) A Member, who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into, or proposed to be entered into by or on behalf

of the Corporation, shall, at the earliest possible opportunity, disclose the nature of his interest to the Corporation, and shall not be present at any meeting of the Corporation when any such contract, loan, arrangement or proposal is discussed, unless his presence is required by the other Members for the purpose of eliciting information, but no Member so required to be present shall vote on any such contract, loan, arrangement or proposal:

Provided that a Member shall not be deemed to be concerned or interested as aforesaid by reason only of his being a share holder of a company concerned in any such contract, loan, arrangement or proposal.

**Constitution of Committees.**

8. (1) The Corporation may, from time to time, appoint a committee, or committees of officials, non-officials and its Members consisting of such number of them as it may think proper and may delegate to such committee such powers of the Corporation as it may deem fit for carrying out the purposes of this Act.

(2) The Corporation may appoint a Consultant or Consultants acting in an advisory or in any other capacity, in matters relating to its projects, works and schemes.

(3) The Corporation may appoint such auditors to certify, the valid execution of its projects, works and schemes as it may deem fit.

**Provision for inviting officers of Government and Local Authority and others.**

9. (1) The Corporation or any of its committees may invite any officer of the Central Government, State Government, a Local Authority, or any organisation or any other person to attend its meeting or meetings as a special invitee for the purpose of assisting or advising, on any matter or matters. The person so invited may take part in the proceedings, but shall have no right to vote.

(2) The person so invited shall be entitled to draw such honorarium or compensatory allowance for the purpose of meeting the personal expenditure in attending the meetings of the Corporation or any of its committees as the Corporation may determine, from time to time.

10. Any vacancy of a Member of the Corporation shall be filled as early as practicable, in like manner as if the appointment were being made for the first time.

**Filling up of casual vacancies of Members.**

11. No Act done or proceedings taken under this Act by the Corporation or a committee appointed by the Corporation shall be invalid merely on the ground of,-

**Acts or Proceedings not to be invalidated by vacancy or informality etc.,**

(a) any vacancy of a Member or any defect in the constitution or reconstitution of the Corporation or a committee thereof; or

(b) any defect or irregularity in the appointment of a person as a Member of the Corporation or of a committee thereof; or

(c) any defect or irregularity in such act or proceedings, not affecting the substance.

12. (1) The Government shall appoint the Managing Director as provided in sub-section (1) of section 4, a Chief Engineer, a Superintending Engineer, a Chief Accounts & Finance Officer and such other officers as may be required.

**Officers and Servants of Corporation.**

(2) The Corporation may, with the prior approval of the Government, appoint such other officers and servants subordinate to the officers mentioned in sub-section (1) as it considers necessary for the efficient performance of its duties and functions.

(3) The conditions of appointment and service of the officers and servants and their scales of pay shall,-

(a) as regards the officers mentioned in sub-section (1) be such;

(b) as regards the officers and servants mentioned in sub-section (2) be such as may be laid down from time to time by regulations.

(4) Where any officers and employees belonging to any category in any Department of the Government are likely to be rendered surplus wholly or partially to the requirements of the Government due to the functioning of the Corporation by or under this Act or where services of such officers and employees are required by the Corporation for efficient exercise of its powers, performance of its duties or discharge of its functions, the Government or any officer duly authorized by the Government in this behalf may, by order, depute such officers and employees to the Corporation as may be found necessary from time to time, who shall be accordingly employed by the Corporation on deputation and their salaries and allowances shall be paid from the Corporation Fund.

(5) The period of deputation of any such officer or employee to the corporation shall ordinarily be five years, on expiry of which, such officer or employee shall stand repatriated to his parent service except when any such person is required by the Government to be repatriated earlier on such grounds as promotion, reversion, termination or superannuation or any other reason:

Provided that, during the period of such deputation all matters relating to the pay, leave, allowances, retirement, pension, provident fund and other conditions of service of such person on deputation shall be regulated by such rules

governing such matters at the time of the deputation or such other rules as may, from time to time, be made by the State Government, but they shall not be entitled to any deputation allowance.

(6) All such persons on deputation to the Corporation shall continue to have a lien on their posts in their parent service and the period of their service on deputation under the Corporation shall, on their repatriation to their parent service, be counted for increments, pension and other matters related to their service.

(7) The Corporation shall have the authority to transfer the officers, employees and servants to any area of its operation.

(8) Save as otherwise provided in this section, the terms and conditions of service of the officers and employees on deputation to the Corporation shall not be less advantageous than those applicable to them immediately before such deputation and shall not be varied to their disadvantage except with the previous sanction of the State Government.

(9) Subject to the superintendence of the Corporation, the Managing Director shall supervise and control all its officers and employees including any officers and employees of the Government appointed on deputation to the Corporation.

13. No person who has, directly or indirectly, by himself or by his partner or agent, any share or interest in any contract, by or on behalf of the Corporation or in any employment under by or on behalf of the Corporation otherwise than as an officer or servant thereof, shall be qualified to be an officer or servant of the Corporation.

**Disqualification of all Officers and Servants.**

Authentication of orders etc., of the Corporation.

14. All proceedings of the Corporation shall, be authenticated by the Chairman and all orders and instruments of the Corporation shall be authenticated by the Managing Director or any other officer of the Corporation as may be authorised in this behalf by regulations.

### CHAPTER - III. PROPERTY, ASSETS, LIABILITIES AND OBLIGATIONS.

Power of the Government to vest or entrust projects, works and schemes to the Corporation.

15. The Government may from time to time by notification, vest in or as the case may be, entrust to the Corporation, any water supply projects, sewerages and sewage projects, sanitation projects, other infrastructure projects works under construction, management of completed schemes, or any other works or projects specified in that behalf which vested in the Government and are under the control of the Panchayat Raj and Rural Development Department or the Municipal Administration and Urban Development Department, or any other Department of the Government:

Provided that any such vesting or entrustment in respect of any project or work or scheme situated within the jurisdiction of a Cantonment Board constituted under the \*Cantonments Act 1924, shall be to the extent of any agreement with such Cantonment Board only.

Central Act II of 1924.

Transfer of assets and liabilities of the Government to the Corporation.

16. (1) On and from the date of a notification under section 15,-

(a) all the properties and assets comprising of movables and immovables of such projects, works and schemes vested in the Government and under the control of the Panchayat Raj and Rural Development Department or the Municipal Administration and Urban Development

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\* See now the Cantonments Act, 2006 (Central Act 41 of 2006).

Department or any other Department of the Government, shall vest in and stand transferred to the Corporation;

(b) all rights, obligations and liabilities, acquired or incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Government, immediately before such date for or in connection with the purposes of any project or work or scheme or any part thereof vested in or entrusted to, the Corporation under section 15, shall be deemed to have been acquired, incurred, entered into and engaged to be done by, with or for the Corporation;

(c) all non-recurring expenditure incurred by or for the Government, or in connection with the purposes of any project or work or scheme or any part thereof, so vested in, or entrusted to, the Corporation, upto such date and declared to be capital expenditure by the Government shall subject to such terms and conditions as may be prescribed, be treated as capital provided by the Government to the Corporation;

(d) all sums of money due to the Government in relation to any project or work or scheme or any part thereof so vested in or entrusted to the Corporation immediately before such date shall be deemed to be due to the Corporation;

(e) all suits and other legal proceedings instituted or which could have been instituted by or against the Government, immediately before such date for any matter in relation to any project or work or scheme or any part thereof may be continued or instituted by or against the Corporation.

(2) Such properties, assets, rights, obligations and liabilities shall be valued in such manner as the Government may determine.

(3) If any doubt or dispute arises to as to which of the properties or assets or rights or liabilities of the Government have been transferred to the Corporation such doubt or dispute shall be referred to and decided by the Government, whose decision shall be final.

#### **CHAPTER - IV. FUNCTIONS AND POWERS OF CORPORATION.**

**Functions of the Corporation.**

17. The functions of the Corporation shall be,–

(a) supply of water for domestic, industrial and commercial purposes including planning, design, construction, maintenance, operation and management of any water supply system including maintenance of drinking water tanks;

(b) establishing and maintaining schemes incidental to water supply such as testing of water, designing of plant for purification of water, and conducting research relating to water supply;

(c) sewerage, sewage disposal and sewage treatment works including planning, design, construction, maintenance, operation and management of sewerage and sewage treatment works;

(d) planning, design, construction maintenance, operation and management of all sanitation and public health works, schemes and projects including afforestation protection, of environment and promotion of ecological aspects, safe handling of drinking water, waste water

disposal, garbage disposal, cleanliness and personal hygiene;

(e) planning, design, construction, maintenance, operation and management of minor irrigation tanks having ayacut of less than 100 acres, including watershed management, and storage and management of rainwater;

(f) planning, design, construction, maintenance, operation and management of any infrastructure facility within the meaning of section 80 IA of the Income Act, 1961, as amended from time to time;

Central Act 43 of 1961.

(g) planning, design, construction, maintenance, operation and management of schemes or projects in relation to the matters listed in the eleventh and twelfth schedules of the Constitution of India;

(h) planning, design, construction, maintenance, operation and management of schemes or projects for developing Inland Waterways and Inland Transportation;

(i) procurement and servicing of Government Loans, Open Market Borrowings, loans borrowed from Banks, Financial Institutions, Insurance Companies, and other Institutions, for the purposes of clauses (a) to (h) above, either on behalf of Government or Local Authorities;

(j) entering into contracts in respect of the works and any other matters transferred to the Corporation along with the assets and liabilities under this Act;

(k) inviting tenders, bids, offers and enter into contracts for the purposes of all the activities of the Corporation;

(l) promoting participation of any person or body or association of individuals whether incorporated or not, in

planning, investigation, designing, construction and management of water supply, sewerage, sanitation projects and schemes, other projects and schemes in relation to matters listed in the eleventh and twelfth schedules of the Constitution of India, projects and schemes falling under the definition of infrastructure facility under section 80 IA of the Income Tax Act, 1961 or any other project or scheme as may be entrusted by the Government from time to time;

(m) undertaking schemes or works, jointly with other corporate bodies, or institutions or with Government or Local Authorities or on agency basis in furtherance of the purposes for which the Corporation is established and all matters connected therewith;

(n) preparing annual plan and five year working development plan;

(o) preparing annual budget;

(p) taking all such steps as may be necessary or convenient for, or may be incidental to the exercise of any power or the discharge of any function conferred, imposed on it by this Act; and

(q) undertaking any other activities entrusted by the Government in furtherance of the objectives for which the Corporation is established.

**General Powers of the Corporation.**

18. (1) The Corporation shall have the power to accord administrative approval, revised administrative approval, technical sanction, acceptance of all tenders, sanctioning, budget and making financial provisions, settling disputes arising out of contracts and any other things which may be necessary or expedient for the purposes of carrying out its functions under this Act.

(2) without prejudice to the generality of the foregoing provision such power shall include the power,-

(a) to acquire and hold property, both movable and immovable as the Corporation may deem necessary for the performance of any of its functions, duties, and activities and to lease, sell, exchange or otherwise transfer any property held by it on such conditions as may be deemed proper by the Corporation;

(b) to construct or cause to be constructed such facilities within the scope of its functions, and such other works and structure as may be required;

(c) to take measures to prevent pollution of any water under its control and to take all measures deemed necessary to prevent discharges into such water of effluents which are harmful to water supply, or public health;

(d) to assist the water users associations and any other societies or organisations formed under any other law for the time being in force for the better use of facilities made available by the Corporation;

(e) to engage suitable consultants or persons having special knowledge or skill to assist the Corporation in the performances of its functions; and

(f) to do all such other things and perform such other acts as may be necessary for or incidental or conducive to any matters which are necessary for furtherance of the objectives for which the Corporation is established.

19. The Corporation shall, from time to time, determine and levy charges for the facilities provided and services rendered for any purpose to the Government, Local

**Charges for providing facilities and rendering services.**

Authorities, Government agencies, associations, societies, organisations or any other users or consumers:

Provided that, the levy of such charges shall be such that the charges so recovered shall be sufficient at least to cover the interest charges of the loans raised by the Corporation from the open market.

Responsibility of the Corporation for payment of interest on borrowed money.

20. The Corporation shall pay the interest on the borrowed money through the recovery of charges levied and collected under section 19 of this Act.

Prohibition of construction of any facility for extraction of surface water without approval of Corporation.

21. No person shall construct, operate or maintain within the area of operation of any project or work or scheme vested in or entrusted to the Corporation any facility for the extraction of surface water, without the prior approval of the Corporation:

Provided that the Government or a Local Authority may, construct and operate such facility, or assign or hand over such facility to the Corporation.

Co-ordination with other authorities to minimise inconvenience caused by projects or works or schemes of the Corporation.

22. The Corporation shall keep Co-ordination with the Government, Local Authorities and Statutory Bodies with a view to minimising inconvenience likely to be caused by the Corporation's projects, works and schemes.

Powers to be exercised by the Corporation under certain Laws.

23. All or any of the functions that may be carried out or all or any of the powers that may be exercised by the Government or any authority or officer under any law for the time being in force or the rules framed thereunder, in respect of any project or work or scheme vested in or entrusted to the Corporation may be carried out or exercised by the Corporation or any officer of the

Corporation duly authorized in this behalf by the Corporation respectively.

24. The Government may issue to the Corporation such general or special directions as to policy or exercise of the powers or performance of the functions by the Corporation, as it may think necessary or expedient for carrying out the purposes of this Act and the Corporation be bound to follow and act upon such directions.

**Powers of the Government to issue directions.**

25. Save as otherwise expressly provided herein, section 17 to 52 in chapter V and sections 53 to 77 in chapter VI of the Hyderabad Metropolitan Water Supply and Sewerage Act, 1989 are hereby extended to and apply mutatis and mutandis to the Corporation established under this Act, in relation to the properties and assets of the Corporation and all references in the said sections of the said Act to "Board" shall be read and construed as references to "Corporation" in so far as such properties and assets are concerned.

**Application of the Provisions of Hyderabad Metropolitan Water Supply and Sewerage Act, 1989.**  
Act 15 of 1989.

## CHAPTER - V. ACQUISITION OF LAND.

26. The Government may, for carrying out the purposes of this Act, compulsorily acquire land under the <sup>7</sup>Land Acquisition Act, 1894 and the acquisition of any land for any of the said purposes shall be deemed to be of a public purpose within the meaning of that Act:

**Power to acquire land.**  
Central Act 1 of 1894.

Provided that where the owner of a land agrees to surrender his land at a price mutually agreed between the Corporation and the owner, the Corporation shall have the power to acquire such land at agreed rate with the prior approval of the Government.

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7. See now the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act 30 of 2013).

Transfer of  
Government lands  
to Corporation.

27. (1) For the furtherance of the objects of this Act, the Government may, by notification, upon such conditions as may be agreed upon between the Government and the Corporation, place at the disposal of the Corporation, any lands vested in the Government:

Provided that, the Government shall not place at the disposal of the Corporation any lands which are notified and included in a reserved forest.

(2) After any such land has been so placed at the disposal of the Corporation, it shall be dealt with by the Corporation in accordance with the provisions of this Act, or the rules or regulations made thereunder and the directions, if any, given by the Government in this behalf.

(3) If any land placed at the disposal of the Corporation under sub-section (1) is not required by the Corporation, the Government may ask the Corporation to surrender it to the Government upon such terms and conditions as may be mutually agreed upon.

Powers of  
Corporation to  
dispose of land  
etc.

28. Subject to any rules made by the Government under this Act, the Corporation may retain, lease, sell, exchange, or otherwise dispose of any land, any building or other property vested in it, in such manner as it thinks fit for carrying out the purposes of this Act.

#### CHAPTER - VI. FINANCE, ACCOUNTS AND AUDIT.

Application of  
Corporation  
assets etc.

29. All property, fund and other assets vesting in the Corporation shall be held and applied by it, for the purposes of this Act.

Fund of the  
Corporation.

30. (1) The Corporation shall have and maintain its own fund, to which it shall be credited,-

(a) all moneys received by the Corporation from the Government by way of grants, subventions, loans, advances and the loans raised under this Act;

(b) all fees, costs and charges received by the Corporation under this Act;

(c) all moneys received by the Corporation from the disposal of lands buildings and other properties, movable and immovable, and other transactions;

(d) all moneys received by the Corporation by way of charges, from all projects works and schemes, rents and profits or from any other sources.

(2) The Corporation may keep current and deposit account with such bank or banks, specified by the Government in this behalf.

(3) Such accounts shall be operated by such Officers of the Corporation as may be authorised by it in this behalf.

(4) Notwithstanding anything contained in sub-sections (2) and (3) the Corporation may keep on hand such sums as it thinks fit for its day to day transaction, subject to such limits and conditions as may be prescribed.

31. (1) The Government shall, by appropriation duly made in this behalf, from time to time, provide funds to the Corporation to the extent considered necessary for the performance of the functions of the Corporation under this Act.

**Contribution of  
Government to  
Corporation Fund.**

(2) The capital provided by the Government shall not carry any interest.

Grants,  
subventions,  
loans and  
advances to the  
Corporation.

32. The Government may, after due appropriation made by the State Legislature by law in this behalf made such grants, subventions, loans and advances to the Corporation as it may deem necessary for the performance of the functions of the Corporation under this Act and all grants, subventions, loans and advances made shall be on such terms and conditions as the Government may determine.

Power of  
Corporation to  
borrow.

33. (1) The Corporation may, subject to such conditions as may be prescribed in this behalf, borrow money from the financial institutions or Commercial Banks or non-resident Indians or from the open market by issue of guaranteed or unguaranteed bonds, debentures stocks or otherwise, for the purpose of providing itself with adequate resources.

(2) The maximum amount which the Corporation may at any time have on loan under sub-section (1) shall not exceed rupees one thousand crores, unless the Government fixes a higher maximum limit for this purpose.

(3) The Corporation may approach any financial Institution or Commercial Bank for guaranteeing repayment of loans borrowed and payment of interest thereon on payment of guarantee commission.

(4) The Corporation may also accept contributions and donations from any individual including a non-resident Indian, or corporate body or trust, or multilateral agency for the purpose of undertaking projects or schemes notified under section 35 AC of the Income Tax Act, 1961:

Central Act 43 of 1961.

Provided that acceptance of any contribution or donation from a Non-resident Indian shall with the prior permission of the concerned authority under any law for the time being in force.

34. The Corporation may accept deposits on such conditions as it deems fit from persons, authorities or institutions, to whom, allotment or lease or sale of land or buildings or other properties or rights is made or is likely to be made in furtherance of the objects of this Act. **Acceptance of deposits by Corporation.**
35. The Corporation shall have the authority to spend such sums as it thinks fit for the purposes authorised under this Act from and out of the fund of the Corporation referred to in section 30 or from the reserve and other funds referred to in section 37, as the case may be. **Power to spend.**
36. It shall be competent for the Corporation to spend such sums as it thinks fit also on objects authorized under this Act other than projects and schemes referred to in section 17 and such sums shall be treated as common expenditure payable out of the funds of the Corporation. **Expenditure on objects other than those stated in section 17.**
37. (1) The Corporation shall make provisions for such reserve and other specially denominated funds as the Government may, from time to time direct. **Reserve and other funds.**
- (2) The management of the funds referred to in sub-section (1), the sums to be transferred, from time to time, to the credit thereof and the application of money comprised therein, shall subject to the directions, if any, issued by the Government in this behalf, be determined by the Corporation.
- (3) None of the funds referred to in sub-section (1) shall, except with the previous approval of the Government, be utilised for any purposes other than that for which it is constituted.
38. (1) The Managing Director of the Corporation shall, at a special meeting to be held in the month of October in each **Submission of budget to Corporation.**

year, lay before the Corporation, the budget estimates of the Corporation for the next year.

(2) Every such budget estimates shall be prepared in such form as the Government may from time to time, by order, determine and shall provide for,-

(i) the proposals, plans and projects which the Corporation proposes to execute either in part or in whole during the next year;

(ii) the due fulfilment of all the liabilities of the Corporation; and

(iii) the implementation of the provisions of this Act, such estimates shall contain a statement showing the estimated income and expenditure on capital and revenue accounts for the next year and such other particulars, indicating the financial performance of the Corporation, as the Government may direct. The budget shall clearly reveal the financial outlay and performance.

**Sanction of budget estimates.**

39. The Corporation shall consider the budget estimates submitted to it under section 38 and approve the same with or without modifications on or before such dates as the Government may, from time to time determine.

**Government as Guarantor.**

40. The Government may guarantee the repayment of any loans and payment of interest on all or any of the loans given or transferred to the Corporation.

**Disposal of profits and deficits.**

41. (1) Subject to the provisions of sub-section (2) of section 43 of this Act, the net profit, if any, attributable to each of the main objects, like water supply, sanitation or sewerage, shall be fully credited to the Corporation.

(2) The net deficit, if any, in respect of any of the objects shall be solely borne by the Government.

42. The interest, charges and all other expenditure shall be added to the capital cost and all receipts shall be taken in reduction of such cost, if the Corporation is in deficit.

Interest, charges and other expenses to be added to and receipts taken for reduction of capital cost.

43. (1) The Corporation may make provision for depreciation fund at such rates and on such terms as may be specified by the Comptroller and Auditor General of India, and in consultation with the Government.

Depreciation Fund.

(2) The net profit for the purpose of section 41 shall be determined after such provision has been made.

44. In the event of any betterment levy being imposed by the Government, the proceeds thereof in so far as they are attributable to the operations of the Corporation, shall be credited to the Corporation.

Apportionment of, betterment charges levied by Government.

45. (1) The Corporation shall, by such date in each financial year as may be prescribed, prepare and submit to the Government for approval of annual financial statement and the programme of work for the succeeding financial year and the Government may, approve such financial Statement and the programme of work of the Corporation as submitted by the Corporation or with such variations as the Government thinks fit.

Financial Statement and programme of work.

(2) The annual financial statement shall show the estimated receipts and expenditure during the succeeding financial year in such form and detail as may be prescribed.

(3) The Corporation shall be competent to make variations in the approved programme of work in the course

of the financial year provided that all such variations and re-appropriations out of the sanctioned budget are brought to the notice of the Government by a supplementary financial statement.

(4) A copy of the annual financial statement and the supplementary financial statement, if any, shall be placed before the State Legislature as soon as may be after their receipt by the Government.

**Accounts and  
Audit.**

46. (1) The Corporation shall maintain books of account and other book in relation to the business and transactions in such form, and in such manner, as may be prescribed.

(2) The accounts of the Corporation shall be audited by an Auditor appointed by the Government, in consultation with the Comptroller and Auditor General of India.

(3) Within nine months from the end of the financial year, the Corporation shall send a copy of the accounts audited together with a copy of the report of the Auditor thereon to the Government.

(4) The Government shall cause the accounts of the Corporation together with the audit report thereon forwarded to it under sub-section (3) to be laid before the State Legislature, as far as possible before the expiry of the year next succeeding the year to which the accounts and the report relate.

**Concurrent and  
special audit of  
accounts.**

47. (1) Notwithstanding anything contained in the last preceding section, the Government may order that there shall be concurrent audit of the accounts of the Corporation by such person as it thinks fit. The Government may also direct a special audit to be made by such person as it thinks fit of the accounts of the Corporation relating to any

particular transaction or class or series of transactions or a particular period.

(2) When an order is made under sub-section (1), the Corporation shall present or cause to be presented for audit all such accounts and shall furnish to the person appointed under sub-section (1) such information as the said person may require for the purpose of audit.

**CHAPTER - VII.  
MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS.**

48. (1) The Corporation shall prepare and submit to the Government, in such form as may be prescribed, an annual report within six months after the end of every financial year of its activities during the previous financial year, with reference to its functions under section 17.

**Furnishing of annual reports and returns etc.**

(2) The Corporation shall also furnish to the Government such returns, statistics, reports, accounts and other information with respect to its conduct of affairs, properties or activities or in regard to any proposed project, work or scheme as the Government may, from time to time, require.

49. The rehabilitation and resettlement of the persons affected due to the works, schemes and projects of the Corporation shall be carried out by the Government in accordance with the provisions of this Act:

**Rehabilitation of affected persons.**

Provided that all the expenditure required to be incurred by the Government for the rehabilitation and the resettlement of persons affected by the water supply, sanitation, sewerage and other projects undertaken by the Corporation shall be borne by the Corporation.

- Execution of contracts etc. 50. Every contract or assurance of property on behalf of the Corporation shall be in writing and executed by such authority or officer in such manner as may be provided by regulations.
- General penalty. 51. Whoever contravenes the provisions of this Act or any rule or regulations made thereunder or fails to comply with any notice, order or requisition issued under this Act shall, on conviction, be punished with imprisonment which may extend, to six months or with fine which may extend to one thousand rupees or with both.
- Power of entry. 52. Any officer or servant of the Corporation generally or specifically authorised by the Corporation may at all reasonable time enter upon any land or premises and do such things as may be necessary for the purpose of lawfully carrying out any of its works or of making any survey, examination or investigation preliminary or incidental to the exercise of powers or the performance of functions by the Corporation under this Act.
- Dues to be recovered as an arrear of land revenue. 53. All sums due or payable by any person to the Corporation are recoverable by it on account of any charge, costs, expenses, fees, rent, compensation, or on any other account under this Act or any rule or regulation made thereunder or any agreement made with the Corporation and all charges or expenses incurred in connection therewith shall, without prejudice to any other mode of recovery, be recoverable as an arrear of land revenue.
- Service of notice etc. 54. (1) All notices, orders and other documents, required by the Act or any rule or regulation made thereunder to be served upon any person shall, save as otherwise provided in this Act or such rule or regulation, be deemed to be duly served,-

(a) where a person to be served is a Company, the service is effected in accordance with the provisions of section 51 of the <sup>8</sup>Companies Act, 1956;

Central Act 1 of 1956.

(b) where the person to be served is a firm, if the document is addressed to the firm at its principal place of business, identifying it by the name and style under which its business is carried on, and is either,-

(i) sent under a certificate of posting or by registered post; or

(ii) left at the said place of business;

(c) where the person to be served is a statutory public body or a Corporation or a society or other body, if the document is addressed to the Secretary, Treasurer or other Principal Officer of that body, Corporation or society at its principal office, and is either,-

(i) sent under certificates of posting or by registered post; or

(ii) left at that office;

(d) in any other case, if the document is addressed to the person to be served and,-

(i) is given or tendered to him; or

(ii) if such person cannot be found, is affixed or some conspicuous part of his last known place of residence or business or is given or tendered to some adult member of his family or is affixed on some conspicuous part of the land or building to which it relates; or

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8. See now the Companies Act, 2013 (Central Act 18 of 2013).

(iii) is sent under a certificate of posting or by registered post to that person.

(2) Any document which is required or authorised to be served on the 'owner' or 'occupier' of any land or building may be addressed to the 'owner or the occupier' as the case may be of that land or building (naming that land or building), name or description, and shall be deemed to be duly served,-

(a) if the document so addressed is sent or delivered in accordance with clause (d) of sub-section (1); or

(b) if the document so addressed or a copy thereof so addressed is given or tendered to some person on the land or building or, where there is no person on the land or building to whom it can be delivered, is affixed on some conspicuous part of the land or building.

(3) Where a document is served on the firm in accordance with this section, the document shall be deemed to be served on each partner.

(4) For the purpose of enabling any document to be served on the owner of any property, the occupier if any of the property may be required by notice in writing by the Government or the Corporation, as the case may be, to state the name and address of the owner thereof.

**Public notice how to be made known.**

55. Every public notice given under this Act or any rule or regulation made thereunder shall be in writing and under the signature of the officer concerned and shall be widely made known in the locality or in the properties or area to be affected thereby affixing copies thereof in conspicuous public places, within the said locality or the said properties or areas by publishing the same by beat of drum or by any other means that the officer may think fit.

56. Where any notice, order or other document issued or made under this Act or any rule or regulation made thereunder requires anything to be done for the doing of which no time is fixed in this Act or the rule or regulation, the notice, order or other document shall specify a reasonable period of time for doing the same or complying therewith.

**Notice period for performance.**

57. (1) If the Government is of the opinion that the Corporation has made a default in the performance of any duty or obligation imposed or cast on it by or under this Act, the Government may fix a period for the performance of that duty or obligation and give notice to the Corporation accordingly.

**Default in performance of duty.**

(2) If, the Corporation fails or neglects to perform such duty or obligation within the period so fixed for its performance, it shall be lawful for the Government to supersede and reconstitute the Corporation as it deems fit.

(3) After the supersession of the Corporation and until it is reconstituted, in the manner laid down in chapter II, the powers, duties and functions of the Corporation under this Act shall be carried on by the Government or by such officer or officers or body of officers as the Government may appoint for this purpose, from time to time.

(4) All property vested in the Corporation shall, during the period of such supersession, vest in the Government.

58. (1) Where an offence, under this Act has been committed by a company, every person, who at the time the offence was committed, was in charge of and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

**Offences by Companies.**

Provided that, nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company, and it is proved that the offence has been committed with the consent or connivance of or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer also deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**Explanation:-** for the purposes of this section,-

(a) 'Company' means a body corporate and includes a firm, association of persons or body of individuals whether incorporated or not; and

(b) 'director' in relation to a firm means a partner in that firm, and in relation to any association of persons or body on individuals, means any member controlling the affairs thereof.

**Authority for prosecution.**

59. Unless otherwise expressly provided, no court shall take cognizance of any offence relating to property belonging to, or vested by or under this Act in the Corporation, punishable under this Act except on the complaint of, or upon information received from the Corporation or any person authorized by the Corporation by general or special order in this behalf.

**Compounding of offences by Corporation.**

60. (1) The Corporation or any person authorised by the Corporation by the general or special order in this behalf

may, either before or after the institution of the proceedings, compound any offence made punishable by or under this Act.

(2) Where an offence has been compounded, the offender if in custody shall be discharged and no further proceedings shall be taken against him in respect of the offence compounded.

61. Any person who obstructs the entry of a person authorised under section 52 to enter into or upon any land or building or molests such person after such entry or who obstructs the lawful exercise by him of any power conferred by or under this Act shall, on conviction be punished with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees or with both. **Penalty for obstruction.**
62. The Corporation may, with the previous approval of the Government, delegate any of its powers under this Act to any officer of the Government or any of its officers to permit them to re-delegate specific powers to their subordinates, by general or specific order in this behalf. **Delegation of powers of Corporation.**
63. No suit, prosecution or other legal proceedings shall lie against any person for anything which is in good faith done or intended to be done under this Act or rules or regulations made thereunder. **Protection of action taken in good faith.**
64. The Chairman, Members, Managing Director, Officers, Employees and Servants on deputation to or of the Corporation as the case may be, shall, while acting or purporting to act in pursuance of any of the provisions of this Act, or rules or regulations made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code, 1860. **Chairman, Managing Director, Members and Officers etc. to be Public Servants.**

Effect of provisions inconsistent with other laws.

65. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law.

Power to make rules.

66. (1) The Government may, by notification, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall immediately after it is made, be laid before the Legislature of the State, if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is also so laid or the session immediately following, the Legislature agrees in making any modification in the rule or in the annulment of the rule, the rule shall, from the date on which modification or annulment is notified have effect only in such modified form or shall stand annulled as the case may be so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to make regulations.

67. The Corporation may, with the previous approval of the Government, make regulations consistent with this Act and the rules, made thereunder for all or any of the matters to be provided under this Act by regulations and generally for all other matters for which provision is, in the opinion of the Corporation, necessary for the exercise of its powers and the discharge of its functions under this Act.

Power to remove doubts and difficulties.

68. If any doubt or difficulty arises in giving effect to the provisions this Act, the Government may, by order, make provision or give such direction, not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for the removal of the doubt or difficulty.

69. (1) Where the Government is satisfied that the purposes for which the Corporation was established under this Act have been substantially achieved so as to make the continued existence of the Corporation in the opinion of the Government unnecessary, the Government may by notification, declare that the Corporation shall be dissolved with effect from such date as may be specified in the notification, and the Corporation shall be deemed to be dissolved accordingly and upon such dissolution the Members including that Chairman, shall vacate their respective offices.

**Dissolution of Corporation.**

(2) From the said date,-

(a) all properties, funds and dues which are vested in, or realisable by, the Corporation shall vest in, or be realisable by the Government.

(b) all liabilities which are enforceable against the Corporation shall be enforceable against the Government.

70. The Andhra Pradesh Infrastructure Development Corporation Ordinance, 1998 is hereby repealed.

**Repeal of Ordinance 8 of 1998.**

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