

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

ITE&C Department –Integrated Innovation and Technology Policy of Andhra Pradesh 2017-20 – Extending Benefits of Andhra Pradesh Information Technology Policy to Large Information Technology Firms - Promotion of Integrated Innovation and Technology Campus Projects in the State – Orders Issued – Reg.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No.23

Date: 06.12.2017

Read the following:

1. AP IT Policy 2014-2020, issued vide G.O.Ms. No: 13, ITE&C Department, dated: 11.08.2014
2. AP IT Policy 2014-2020 (Amended), issued vide G.O Ms. No: 21, ITE&C Department, dated: 22.09.2016
3. AP GIC Policy 2014-2020, issued vide G.O. Ms. No: 7, ITE&C Department, dated: 6.06.2017
4. AP DTP Policy 2017-2020, issued vide G.O. Ms. No: 10, ITE&C Department, dated: 25.07.2017
5. AP Innovation & Start-up Policy 2014-2020, issued vide G.O. Ms. No: 17, ITE&C Department, dated: 09.09.2014

ORDER

The Government of Andhra Pradesh, is committed to augment inclusive growth of the state across different sectors and strongly believes that technology is at the core of economic development. Vide 1st to 5th read above, Government has formulated the Information Technology Policy 2014-20, Innovation & Start-up Policy 2014-2020, Designated Technology Park 2017-20, and Global In-house policy 2017-20 to create an enabling policy environment and establish the state as the leading destination of IT investment in the country. The state has been able to attract appreciable investment from Indian and global companies.

2. The fourth industrial revolution or Industry 4.0 is driven by Internet of Things, Machine Learning, Datalytics, Biometrics, Data Visualization, Blockchain, Augmented and Virtual reality and similar technologies. Major international IT giants have expressed their inability to establish their operations of industry 4.0 in the State. As the technology is still in its nascent stage, companies are citing the need of State-Support and broader policy view to propel growth of Industry 4.0. Further, the Government is also committed to development of startup and innovation ecosystem, and has agreed to focus on addressing the same to support the industry.

3. The Government, through its agencies, had held consultation with various groups and global IT companies and have come to an understanding that in order to clinch a leadership position in the IT sector and to attract high-end employment and large investment to create Integrated Innovation and Technology Campuses, it is necessary that State should offer substantial support through a comprehensive incentive package for development. After careful examination, Government issued orders for “Integrated Innovation and Technology Policy”.

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4. The “Integrated Innovation and Technology” policy will only be applicable to projects providing impetus to knowledge economy by developing the entire ecosystem of IT in Andhra Pradesh, thereby accelerating high end employment and innovation within the State.

4.1. The target companies for this are typically large global companies (May be from Fortune 500 list) that have a budget and interest to invest in IT Development Centers, CoE, Research and Development, development of Start-Up Eco system type of activities etc. will be considered under this policy.

4.2. Large Indian companies that are interested to create the requisite eco-system and demonstrate the financial strength will also be considered for inclusion under this policy.

5. Policy vision of Government of Andhra Pradesh is to create an enabling, integrated Information Technology policy initiative for a new category of investment by companies titled “Integrated Innovation and Technology Campus” where state offers substantial support through a comprehensive incentive package.

6. Integrated Innovation and Technology Projects:

6.1. The Projects to be considered under this policy shall have most of the following business activities in the campus:

6.1.1. Industry 4.0 and FinTech operations.

6.1.2. Research and development

6.1.3. Development Center

6.1.4. Centers of Excellence,

6.1.5. Incubation centres,

6.1.6. Disaster recovery/ Data centres

6.1.7. Employee housing and walk to work etc.

6.2. The total project investment by the project proponent shall either be on its own and/or in consortium and/or through joint venture to create a minimum of 2,500 high end direct IT employment, in emerging technologies with in 7 years from commencement of project start.

6.3. Total project investment shall not be less than INR 250 Crore over a period of 7 years. Investment would include investment in land, R&D, fixed assets etc.

6.4. The project proponent should be a Fortune 500 company or with a minimum market cap of USD 5 billion or an annual turnover of minimum USD 1 billion.

6.5. The project proponent will invest and nurture a minimum of 5 start-up companies from the State.

7. The policy offer fiscal and non-fiscal incentives to the Integrated Innovation and Technology Campus, investing in the State of Andhra Pradesh are given below:

7.1. Land and Infrastructure:

7.1.1. GoAP will allot developed land to Integrated Innovation and Technology Campus project at a nominal price.

7.1.2. Investment would include investment in land, R&D centre, fixed asset and data centers.

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- 7.1.3. Government shall allow mixed zoning to facilitate R&D centre, employee housing, data centres etc. and other such zoning as the State Government may deem fit from time-to-time and case-to-case basis.
- 7.1.4. The project will create minimum high end and direct employment, in emerging technologies, of 100 employees/acre.
- 7.1.5. Sub-leasing of the space created for IT employment would be permitted in the IT Layouts/IT Towers and incubation hubs to synergise collaborations and enhance IT employment, subject to the condition that such sub-leasing shall be only in favour of any other IT company or startup as the case maybe.
- 7.2. Employment Linked Incentive:**
- 7.2.1. For direct high end employment in emerging technologies, incentive of Rs.1,00,000/- per additional employment generated or 6 months cost to company, whichever is lower, will be offered to the company.
- 7.3. Other Incentives - Startup ecosystem (Plug and Play) incentives:**
- 7.3.1. Incubation centre/plug and play facility may be allotted to the project proponent at nominal rate for two years or until captive infrastructure is created by the proponent, whichever is earlier.
- 7.3.2. Plug and play facilities to start operations/ Centre of Excellence/ Research and Development can be allotted at subsidized cost of not less than 50% of the market value for 3 years or completion of captive infrastructure, whichever is earlier.
- 7.3.3. Reimbursement of 100% SGST on goods and services supplied/sold/leased by incubator to incubatee within the State.
- 7.4. Data Centre incentives:**
- 7.4.1. Government, contingent to such provider restoring the roads or any other public infrastructure/indemnifying the State on account of digging the road or any other public infrastructure, will provide right of way at zero cost provided such cables/connectivity is not leased out or extended as a service to any other establishment/institution/company etc.
- 7.4.2. 50% reimbursement of SGST, for new data centers / data recovery centers started after the date of issue of this policy, for purchase of raw materials and equipment from within the State for the centre for a period of 3 years.
- 7.4.3. 50% SGST will be reimbursed on services provided by data centre to registered units within the State.
- 7.5. Research and Development incentives:**
- 7.5.1. Cost of filing patents will be reimbursed to the companies having their India headquarters in Andhra Pradesh, subject to a limit of Rs. 5 lakh (0.5 million) per domestic patent awarded and Rs. 10 lakh (1 million) per international patent awarded till the tenure of this policy.
- 7.6. Utility Support:**
- 7.6.1. Integrated Innovation and Technology project will be provided assistance of 50% of Internet connectivity charges for the first 3 years from commencement of operations, capped up to maximum of Rs.1 Crore over that period.

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7.6.2. Government of Andhra Pradesh is committed to supplying 24X7 reliable, quality power to projects and as a policy initiative such projects will be exempt from statutory power cuts.

7.6.3. State will facilitate 24*7 water supplies to the campus.

7.7. Non-Fiscal Incentives:

7.7.1. Built-up area to be utilized for commercial, social and support facilities shall not exceed 30% of the total built-up area. Commercial, social and support facilities should exclude IT operations and approved core functions of the project proponent and include but not limited to creating employee housing, education and health facilities, recreational activities etc. as approved by CCITI.

7.7.2. The Government shall permit 24*7 operations, provided adequate measures are taken by the project proponent to provide safety and security to women employees in all the shifts.

7.7.3. The impetus would be given to establish industry-academia partnerships (with state universities, IIT, IIIT and IIM) to promote apprenticeship and training model for skilling local manpower.

8. Implementation Model of IIT policy:

8.1. APEITA will receive and examine the proposals from prospective companies under “Integrated Innovation and Technology Campus Project”.

8.2. Upon satisfactory evaluation, the proposals will be submitted to Information Technology, Electronics and Communication Department. The qualified proposals will then be examined and presented to the CCITI for approval.

8.3. CCITI will then examine and recommend the most suitable proposals to Government for final approval.

8.4. After approval from Government, APIIC will provide the necessary land and infrastructure support.

9. The policy will come into operation from date of issue of this order and shall remain in force up to 31-03-2020. Application Forms along with Operational guidelines, prescribed conditions, requisite documentation etc. will be issued separately by the Government.

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

**K.VIJAYANAND
PRINCIPAL SECRETARY TO GOVERNMENT**

To

All the Departments of Secretariat.

The Vice Chairman and Managing Director, APIIC, Vijayawada.

The Commissioner, MA&UD Dept Vijayawada.

The Director of Industries, Andhra Pradesh, Vijayawada.

The Commissioner, Information and Public Relations, Andhra Pradesh, Vijayawada.

The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh, Vijayawada.

The Chairman & MD, AP TRANSCO Vijayawada.

The Managing Director, APEPDCL Visakhapatnam /APSPDCL Tirupati.

The Commissioner, Labour Department, Andhra Pradesh Vijayawada.

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The Vice Chairman, VUDA Visakhapatnam/TUDA, Tirupati /VGTMUDA Vijayawada.
 The Commissioner CRDA Vijayawada.
 All the District Collectors & Magistrates.
 All the Municipal Commissioners, Andhra Pradesh.
 The Development Commissioner, VSEZ, Visakhapatnam.
 The Development Commissioner, AP IT SEZs Visakhapatnam.
 The Director, STPI, Andhra Pradesh.
 The President, ITAAP, Andhra Pradesh.
 The Regional Director, CII, Andhra Pradesh.
 The President, AP Chamber of Commerce.
 The Regional Chairman, ESC Member.
 The CEO AP E&IT Agency, Visakhapatnam.
 The CEO APIS, Vijayawada.
 The Regional Director, NASSCOM, Andhra Pradesh.

Copy to:

The Chief Minister's Office / Chief PRO to Hon'ble Chief Minister.
 The Secretary to GOI, Ministry of Electronics & Information Technology (MeitY), New Delhi.
 The Chief Commissioner, Customs & Central Excise, Hyderabad.
 The OSD to Hon'ble Minister for PR& RD and Information Technology, Andhra Pradesh.
 The PS to Hon'ble Minister for Finance, Andhra Pradesh.
 The PS to Hon'ble Minister for Major Industries, Andhra Pradesh.
 The PS to Hon'ble Minister for Revenue, Andhra Pradesh.
 The PS to Hon'ble Minister for MA&UD, Andhra Pradesh.
 The PS to Hon'ble Minister for Energy, Andhra Pradesh.
 The PS to Hon'ble Minister for Labour, Andhra Pradesh.
 The PS to IT Advisor, Government of Andhra Pradesh.
 The PS to Chief Secretary to Government of Andhra Pradesh.
 The PS to Spl. CS Planning, Andhra Pradesh.
 The PS to PFS, Andhra Pradesh.
 The PS to Special Chief Secretary to CM & Advisor IT Promotions to Govt of AP.

//FORWARDED :: BY ORDER//

JOINT SECRETARY (HRD)