

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Department – IT Promotion –AP Designated Technology Park (DTP) Policy 2017-2020 - Administration of Rent Guarantee to DTP Developers and Rental Subsidy to IT/ITeS Units Located in DTP Status Buildings - Operational Guidelines –Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS
(Promotions)DEPARTMENT

G.O.MS.No. 13

Dated: 21-09-2017
Read the following:

1. AP IT Policy 2014-2020, issued vide G.O Ms.No:13, ITE&C Dept, dated: 11.08.2014
2. AP IT Policy 2014-2020, issued vide G.O Ms.No:21, ITE&C Dept, dated: 22.09.2016
3. AP IT Policy 2014-2020 – DTP Operating Guidelines Issued Vide G.O Ms.No:1, ITE&C Dept, dated: 05.02, 2016
4. AP DTP Policy 2017- 2020, issued vide G.O Ms.No:10, ITE&C Dept, dated:25.07.2017

ORDER

In order to achieve the objective of promotion of Information & Communications Technology Sector as a prime growth engine for employment generation and overall socio-economic development of the State of Andhra Pradesh, Government after due consideration, issued orders vide reference 1st and 2nd read above, putting in place the Andhra Pradesh Information Technology AP IT Policy 2014-2020. Further, to augment the effort of promoting IT/ITeS industry in the state, a DTP policy was issued vide 3rd read above. To bring better understanding among all the stake holders for implementation of DTP policy, the following operations guidelines are issued.

Operating /Implementation Guidelines and Procedure for claiming rent-guarantee and rental subsidy under IT Policy (G.O Ms. No 10 dated: 25.07.2017):

2. Definitions and Abbreviations:

<u>Item/Abbreviation</u>	<u>Description</u>
ITE&C	Information Technology, Electronics and Communications department of Government of Andhra Pradesh, also referred to as the Department
CCITI	Consultative Committee for Information Technology Industry with stake holders from ITE&C Department, Industry bodies like CII, ITAAP, STPI, VSEZ, Chamber of commerce etc.
DTP	Designated Technology Park
APEITA	Andhra Pradesh Electronics and Information Technology Agency
SFT	Square Feet
YoY	Year on Year
WPI	Wholesale Price Index
APCRDA	Andhra Pradesh Capital Region Development Authority.
CAM	Common Area Maintenance
MoA	Memorandum of Association for companies registered with Ministry

<u>Item/Abbreviation</u>	<u>Description</u>
	of Corporate Affairs
AoA	Articles of Association for companies registered with Ministry of Company Affairs
IT Space	The total building space with super built-up area excluding covered parking
Cold Shell	A commercial building with an unfinished interior and lacking heating, ventilating, and air conditioning (HVAC), and usually without lighting, plumbing, ceilings, elevators, or interior walls.
Warm Shell	An empty building which is partially fitted out, such that it will most likely be lined with plasterboard walls & ceiling (either grid & tile or plasterboard), have basic services connected, space with no seating, network cabling, office cabins. Facilities such as fire safety and alarm equipment, facilities to setup HVAC inside the office space
IT Infrastructure / Plug and play	Ready to move-in warm shell office space in which data networking and telephone system equipment and services are installed and ready to use immediately
DTP Developer	A company who creates Designated Technology Park creating IT Office Space with an intention to lease out to IT/ITES companies.
Common Area & Facilities	Lifts, Cafeteria, Wash Rooms, Stair Case, Corridors, Fire Exit, Open Terrace, Garden area etc
Parking Area	Covered Space meant for parking of 4 wheelers and 2 wheelers
Rent Guarantee	Rent Guarantee is paid to the DTP Developer , whose projects have been examined and approved by the Department
Rental Subsidy	Rental Subsidy is paid to an IT company that occupies IT space in a DTP status building,
Rent Guarantee Start Date	Rent Guarantee Start Date is the start date from which the rental guarantee is paid to the DTP Developer. The date is mentioned in the communication sent by the Department on submission of Occupancy Certificate
Rent Guarantee End Date	Rent Guarantee End Date is the end date upto which the rental guarantee is paid to the DTP Developer. The date is mentioned in the communication sent by the Department on submission of Occupancy Certificate
Rental Subsidy Start Date	Rental Subsidy start date is the date from which the IT company takes possession of the IT space from the DTP Developer
Rental Subsidy End Date	Rental Subsidy End Date is same as the Rent Guarantee End date given to the DTP building in which the IT company runs their operations
Occupancy Certificate	Occupancy Certificate is given by the relevant government authorities (Municipal Corporation, APCRDA, Municipalities etc.), Local bodies in the state depending on the location of the DTP Building

3. Initiatives taken up by the ITE&C department and implemented through AP Electronics and Information Technology Agency (APEITA) to rent out some identified and

approved buildings and leasing out to IT units at 50% subsidized rental has been received well by the industry representatives. It is proven that a well Constituted policy will bring predictable results. Therefore, the new DTP Policy is created in place of DTP Scheme that ended on 4th February 2017.

4. The Policy is expected to cover the interests of both IT Infrastructure developers and IT companies. Rent guarantee is provided to DTP space developers and rental subsidy is provided to IT units that are operating in DTP status building. Rent guarantee period increases with the increase in the amount of space built, with the minimum period being 18 months and the maximum being 36 months, to encourage developers to build larger world class facilities.

5. The following guidelines are provided for clarity on the DTP policy and modus operandi of its implementation.

S.No	Category	Description
5.1	How much is the rent paid for IT space	<p>5.1.1 APEITA will recommend rent fixation to CCITI and CCITI will examine and approve/ reject the recommendations. CCITI will also put an upper cap on the rent based on location and city/ town for the first year with escalation of rent year-on-year (YoY) for the length of the rent guarantee period.</p> <p>5.1.2 Rent Guarantee is applicable to Plug-n-Play and Warm Shell differently for each. Rent Guarantee is not applicable to Cold Shell.</p>
5.2	How much is the rent guarantee paid to the DTP developer.	<p>5.2.1 Rent Guarantee amount is 50% of rent authorised by CCITI paid for the unoccupied IT space to the extent of a maximum of 70% of total IT space.</p> <p>5.2.2 Rent Gaurantee for 70% of unoccupied IT space can be claimed by the DTP developers from the time of the Occupancy Certificate received till the end date of rent guarantee or occupancy of the 70% of the IT space, whichever is earlier.</p> <p>5.2.3 DTP Developers have to submit Rent Guarantee claims once every three months to the department along with occupant details as required.</p> <p>5.2.4 CAM charges are not considered for “Rent Guarantee”</p>
5.3	How much is the rental subsidy paid to the IT Company	<p>5.3.1 Rental Subsidy is 50% of rent authorised by CCITI for the DTP status building in which the IT company run their operations.</p> <p>5.3.2 Rental Subsidy can be claimed by the IT Company located in DTP buildings once in 3 months, as described in the “Rental Subsidy Administration process” below.</p> <p>5.3.3 CAM charges are not considered for “Rental Subsidy”</p>

S.No	Category	Description
5.4	Length of Rent Guarantee to DTP space developers	5.4.1 For IT Space of 1 lakh SFT to 1,99,999 SFT – 18 months or 70% Occupancy of IT space, whichever happens earlier. 5.4.2 For IT Space of 2 lakh SFT to 2,99,999 SFT – 24 months or 70% Occupancy of IT space, whichever happens earlier. 5.4.3 For IT Space of 3 lakh SFT to 3,99,999 SFT – 30 months or 70% Occupancy of IT space, whichever happens earlier. 5.4.4 For IT Space of 4 lakhs SFT above – 36 months or 70% Occupancy of IT space, whichever happens earlier.
5.5	When does the Rent Guarantee period commences and ends	5.5.1 Rent Guarantee period commences after the developer presents Occupancy Certificate to the Department, with all clearances from relevant departments, as well as the compliance with the technical standards given by the department. 5.5.2 The department may send a technical team to physically check the specifications of DTP building match the original plan. 5.5.3 Rent Guarantee Start Date and End dates would be given in the communication sent to the DTP Developer after they submit the Occupancy Certificate
5.6	How to Apply for DTP Status for Building	5.6.1 Intended DTP Developer have to submit an on-line application for DTP status of the proposed IT infrastructure along with the following mandatory documents: <ol style="list-style-type: none"> 1. Detailed Project Report 2. Project Plan with Clear Timelines 3. Approved Building plan 4. Fire & Safety Approval 5. Electrical Fitness Approval 6. Audited Balance Sheets for the past 3 years or the networth certificate from a Chartered Accountant. 7. MOA, AOA or Audited Statement mentioning the current share holding pattern and current directors of the company/firm and certificate of incorporation.
5.7	How is DTP Application Processed	5.7.1 Once the DTP application is submitted by the developer, the same is examined by APEITA as per the policy, as APEITA is the nodal agency to process DTP applications. Developers may contact APEITA for all related matters. 5.7.2 If required, the developers may be invited to discuss the project plan for any clarifications. 5.7.3 The DTP application that matches the specifications

S.No	Category	Description
		<p>and meeting the market demands of IT/ITES industry will be presented before CCITI for examination and approval.</p> <p>5.7.4 On Approval by CCITI, the status of approval is informed to the Developer by APEITA through an authorization letter issued by the Department.</p>
5.8	How is DTP Status Informed	<p>5.8.1 ITE&C department will issue the authorization letter to the developer, with Major Milestones of the projects mentioned therein depending on the status of the building/Land etc. The letter covers the terms and conditions of the project, rent, facilities to be given to the IT units etc.</p> <p>5.8.2 DTP Developer has to enter into a MoU with the Department upon receipt of authorization letter.</p>
5.9	Monitoring of DTP status Building Project	<p>5.9.1 About the Project status, the developer has to inform the department by self-certify the status for each milestone.</p> <p>5.9.2 ITE&C department may monitor the status projects, picked up randomly by the computer system.</p>
5.10	Agreement between the Department and DTP Developer	5.10.1 On submitting the "Occupancy Certificate" the DTP developer has to enter into an agreement with the department, which covers the major responsibilities on each side during the time of rent guarantee.
5.11	Cancellation of DTP status	<p>5.11.1 During the project implementation stage or after that, if the builder has to self certify each time they submit rent guarantee claim that they are complying with all their responsibilities.</p> <p>5.11.2 ITE&C department may monitor the status projects, picked up randomly by the computer system.</p> <p>5.11.3 During the monitoring, if any information submitted by the DTP developer is found to be inaccurate, the DTP status will be terminated and rent guarantee benefits will be stopped to the developer.</p>
5.12	Maintenance of DTP Facility and CAM Charges	<p>5.12.1 Maintenance of the DTP status building is the responsibility of the DTP developer and CAM charges are to be charged to the occupying tenants directly.</p> <p>5.12.2 Service Level Agreements (SLA) for CAM will be broadly defined at the time of DTP status application.</p> <p>5.12.3 DTP developers should provide information on monthly basis, about the new IT companies that leased their space etc in prescribed format along copy of new lease agreements.</p>
5.13	Eligibility of IT Companies that can apply for office space	<p>5.13.1 Only IT/ITeS companies can apply for IT space in a DTP status building.</p> <p>5.13.2 APEITA is the nodal agency to process all</p>

S.No	Category	Description
	in DTP Buildings to receive Rental Subsidy	<p>applications requesting IT space. IT/ITeS companies may contact APEITA for all related matters.</p> <p>5.13.3 Application will be examined and approved/ rejected by CCITI</p> <p>5.13.4 Minimum number of new employment generation commitment for which IT Space can be requested is ten (10)</p> <p>5.13.5 Any IT/ITeS company starting their operations for the first time can apply for IT space in DTP status buildings and avail the benefit of Rental Subsidy.</p> <p>5.13.6 IT/ITeS companies that are already operating in the state of Andhra Pradesh can also apply for IT space in DTP status buildings, for the new employment they plan to generate. If they move to the DTP status building with no commitment of generating new employment, they will not be eligible to receive Rental Subsidy.</p> <p>5.13.7 IT/ITeS companies that are located in a DTP building and have availed Rental Subsidy are not eligible to move to another DTP building with Rental Subsidy benefit. If additional employment is committed by the IT/ITeS company, CCITI may consider their application and allow the company to claim Rental Subsidy proportionately for the new employment generated.</p> <p>5.13.8 The allotment of space to IT companies should be done on first-come-first-serve basis and there is no provision for reservation of space for companies.</p> <p>5.13.9 For Eligibility criteria, IT/ITeS companies should referred to Annexure: 1 attached to this Govt. Order.</p>
5.14	How can IT/ITeS companies apply for IT Space in DTP Status building	<p>5.14.1 IT/ITeS Company will file an online application for office space in a DTP status building.</p> <p>5.14.2 IT companies have to submit requisite supportive documents along with the application Viz.</p> <ol style="list-style-type: none"> i. Business Plan / Project Report highlighting the reasons for new IT space. ii. Certificate of incorporation iii. MoA, AoA of the company iv. Financial Reports of the company if any or Networth Certificate by a Chartered Accountant v. Details of employees, if it is an existing company within or outside the state of Andhra Pradesh. vi. Any other supporting documents that can highlight the positive attributes of the company for consideration of space allotment <p>5.14.3 APEITA is the nodal agency to process the IT space application.</p>

S.No	Category	Description
5.15	How IT Space applications are processed	<p>5.15.1 APEITA will examine the application based on the business proposal and availability of DTP space.</p> <p>5.15.2 APEITA will submit eligible applications to CCITI for further examination and approval.</p> <p>5.15.3 Approved IT/ITeS companies will be notified by way of Provisional Allotment letter of IT Space.</p> <p>5.15.4 IT/ITeS Company has to enter into an Agreement with APEITA for complying with the new employment generation commitments to receive Rental Subsidy.</p>
5.16	IT Company rental subsidy applications process	<p>5.16.1 IT Companies have to submit an online application to avail Rental Subsidy on a quarterly basis.</p> <p>i. January to March subsidy can be claimed in April</p> <p>ii. April to June subsidy can be claimed in July</p> <p>iii. July to September subsidy can be claimed in October</p> <p>iv. October to December subsidy can be claimed in January of the subsequent year.</p> <p>5.16.2 While applying for Rental subsidy, they should give details of Employment, Revenue, Exports etc.</p> <p>5.16.3 APEITA will examine the online applications received from IT Companies for complying with the policy and accuracy.</p> <p>5.16.4 The qualified Rental Subsidy Applications will be submitted by APEITA for further examination and approval by CCITI.</p> <p>5.16.5 CCITI will examine and approve the Rental subsidy of IT units</p> <p>5.16.6 Status of the Rental Subsidy approval / rejection will be notified to the IT companies.</p> <p>5.16.7 Rental Subsidy applicants rejected for want of information may resubmit the corrected or additional documents for processing.</p> <p>5.16.8 Such resubmitted applications will go through the same process explained above.</p>

6. Government of Andhra Pradesh is expecting the DTP policy to bring in world class IT infrastructure. As part of implementation mechanism of DTP Policy and in order to seamlessly administer the applicable/ eligible incentives to the IT/ITeS/Software Application Development companies and DTPs, the Government hereby stipulates the following minimum mandatory requirements for buildings to qualify for DESIGNATED TECHNOLOGY PARK (DTP) Status. However, the Department has the right to modify, improvise the specifications at any time.

7. It is submitted that DTP developers have to note the following minimum technical specifications are met with while planning their projects.

Facility	Specifications
Legal Clarity of the property	<ul style="list-style-type: none"> • Clear & unencumbered Title of the original owner of the superstructure (such as Encumbrance Certificate and other supporting documents). • Undertaking to obtain Building Occupancy Certificate within three months of completion of construction
Ceiling Height	<ul style="list-style-type: none"> • A Minimum of 9 feet below the false ceiling • A minimum of 2 feet from ceiling to false ceiling for running AC ducts, Fire Extinguisher facilities etc.
Occupation Requirement	<ul style="list-style-type: none"> • Minimum 70% of space should be usable as IT space with clear indication in the drawing
Air Conditioning	<ul style="list-style-type: none"> • Central Air-Conditioning Provision • Provision for AC Ducts, AHU Rooms • In case of Package Air conditioners they should be ceiling mounted
Electrical Power	<ul style="list-style-type: none"> • On site Power Back-up of a minimum 100% (n+1) must be provided (Diesel Generators, etc.) to support office equipment, lighting and 50% for air- conditioning • Additional power Back-up for Emergency Lighting & Critical Facilities to be provided. • Power Factor of the UPS load should be in the range of 0.99 to 1.00 for better efficiency
Backup power	<ul style="list-style-type: none"> • Facility should have UPS backed up power support for at least 20 mins of common areas of the building before the backup generator is switched on
Telecommunication and Data Communication network interface	<ul style="list-style-type: none"> • Provisions for False Flooring for sever room and Structured Cabling in the Building. Facility should have for Wi-Fi connectivity • Availability of Adequate Telephone lines • Optic Fiber Connectivity for internet connection • Additional Optical Fiber for Dedicated Leased line connectivity
Internal wiring connection for data and power connections	<ul style="list-style-type: none"> • Provided with concealed ducting for Power, Telecom and Data Cables in each hall of the Building.
Fire Protection Mechanism	<ul style="list-style-type: none"> • Integrated Fire Alarm System and Fire Sprinkler System • Required number fire extinguishers as per the National Fire Prevention Code. • Separate fire exit for quick evacuation
Security	<ul style="list-style-type: none"> • Biometric or RFID based access control system with separate in – out readers
Parking	<ul style="list-style-type: none"> • Should provide adequate covered parking (Minimum of 30% of usable IT space).

Facility	Specifications
Adequate Toilet facilities	<ul style="list-style-type: none"> • Adequate number of Washrooms should be provided for both male, female and differently abled employees separately. • 24 Hr water supply in the wash rooms should be ensured.
Seating	<ul style="list-style-type: none"> • Should be modular and meeting standard ergonomic requirement for long period sitting • Should be well illuminated • Each seating should have sufficient power outlets and networking outlets with concealed cabling • Should have outlet for connecting a telephone
Insurance	<ul style="list-style-type: none"> • Building should be insured for all types of losses

8. In case of third party operating the DTP, an irrevocable registered Lease Deed for a period of a minimum of 3 continuous years from the owner of the super structure is mandatory and required to be furnished at the time of application for notifying the DTP.

9. IT/ITeS/Software Application Development companies/units shall enter into a registered Lease Deed with the infrastructure providers /developers /builders /owners / lessors/Operators of DTP for at least 1.5 years.

10. DTP developers may visit <http://dtp.ap.gov.in> to apply for DTP status for their respective projects. IT/ITes companies may visit <http://itecinvest.ap.gov.in>

11. These guidelines are in force until 31st March 2020 and co-terminates with IT policy 2014-2020. These Operating Guidelines are applicable with immediate effect.

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

K.VIJAYANAND
PRINCIPAL SECRETARY TO GOVERNMENT

To
The CEO, APEITA
All the Departments of Secretariat
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, APIIC, Hyderabad
The Commissioner, Industries, Andhra Pradesh
The Commissioner, Information and Public Relations, Andhra Pradesh
The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh
The Chairman & MD, AP TRANSCO
The Managing Director, APEPCPDCL /SPCPDCL
The Commissioner, Labour, Andhra Pradesh
The Vice Chairman, VUDA/TUDA/APCRDA
All the District Collectors & Magistrates, AP
All the Municipal Commissioners, AP,

The Development Commissioner, VSEZ, Visakhapatnam
The Director, STPI, Andhra Pradesh
The President, ITsAP, Andhra Pradesh
The Regional Director, NASSCOM, Andhra Pradesh,
The President ITAAP

Copy to:

The Secretary to GOI, Ministry of Electronics & Information Technology (MeitY)
The OSD to Minister for Information Technology, Andhra Pradesh
The PS to Principal Secretary to CM Andhra Pradesh
The PS to IT Advisor
The PS to Prl. Secretary, ITE&C Department
The CEO, APNRT
The CEO, APEDB
The CEO, AP Innvoation Society

//FORWARDED BY ORDER//

SECTION OFFICER

Annexure: 1

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

Requirements or Criteria for the IT/ITeS/Software Application Development companies/units to avail the benefits/incentives under Designated Technology Park (DTP) Scheme

Requirement	Details
Type of Business	<ul style="list-style-type: none"> IT & ITES (software application development and BPO/KPO)
Employee-Space ratio	<ul style="list-style-type: none"> For IT, one employee for every 100 Sq.ft area (including common area) For ITES, one employee for every 60 Sq.ft of area(including
Incorporation	<ul style="list-style-type: none"> Should have a registered office or billing point located in any of the 13 districts of Andhra Pradesh
Number of Employees	<ul style="list-style-type: none"> Minimum 10 new employments to be generated Employees should work out of the facility rented. Onsite deployment will not be counted for fulfillment of commitment by IT companies
Type of Employees	<ul style="list-style-type: none"> Should be new recruits (or transferred from other states). List of Employees with their job titles shall be certified by the Chartered Accountant.
Business Viability	<ul style="list-style-type: none"> Should present plan for minimum of 3 years
Agreement for the space	<ul style="list-style-type: none"> Should enter into registered lease for at least 1.5 years with the infrastructure providers /developers /builders /owners / lessors/Operators of DTP
Infrastructure	<ul style="list-style-type: none"> Desktops and laptops to be provided by the respective companies which lease space Any special network connectivity will be borne by the respective companies (Leased lines, premium internet lines etc.) Severs/ Router/gateways to be provided by the respective companies Network maintenance for each is the responsibility of the respective companies Companies should provide identity cards for the employees which is compatible with the security and access system of the building to ensure safety
Employee related aspects	<ul style="list-style-type: none"> All employees should have registered with EPF in Andhra Pradesh Where ever applicable employees should be registered with ESI of AP state and/or Health Insurance In the case of ITES and employees working shifts, safety of the employee is the responsibility of the employer and proper provisions for transport and security need to be provided by the respective