

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

ITE&C Department– IT Promotion - Andhra Pradesh Information Technology Policy 2014-2020 - Consolidated Andhra Pradesh Information Technology (IT) Policy 2018 – 2020 – Revision – Orders - Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS

(Promotions Wing) DEPARTMENT

G.O.MS.No. 13

Dated: 20-07-2018

Read the following:

1. Blue Print for IT, Electronics & e-Governance 2014
2. Go.MS.No.11, ITC Dept., Dt 21.03.2005
3. Go.MS.No.13, ITEC (promotions) Dept., Dt 11.08.2014
4. Go.MS.No.21, ITEC (promotions) Dept., Dt 17.10.2015
5. Go.MS.No.1, ITEC (promotions) Dept., Dt 5.02.2016
6. Go.MS.No.21, ITEC (promotions) Dept., Dt 22.09.2016
7. Go.MS.No.24, ITEC (promotions) Dept., Dt 05.11.2016

ORDER

The Government of Andhra Pradesh (GoAP) developed a blueprint “Re-Imagining Andhra Pradesh - Role of e-Governance, Electronics and IT” for the development of the Electronics and ICT industry in the State vide 1st read above. The Government laid out a vision to “develop AP as an Innovation Society of global repute, with a focus on enhancing the Quality of Life of its citizens, through high-quality Education and Healthcare, increased productivity in agriculture and allied activities, creation of employment by promoting Electronics and IT and above all, by providing good governance”. Most of the policies of IT Industry promotions were on the basis of Govt. order read 2nd above during the years of combined state.

2. Government of Andhra Pradesh has issued Andhra Pradesh Information Technology Policy 20052014-2020 Vide 3rd read above, which was amended later vide 4th read above. Since, then addendums were issued for emerging technologies vide 5th to 7th read above. This is to consolidate the AP IT Policy 2014-2020 and all subsequent amendments for a comprehensive policy based on the four pillars of Human Capital, Infrastructure, Incentives and above all, a system of Good Governance.

3. **Definitions**

- a. **IT Industry** constitutes of IT & Telecom Parks, Telecom, IoT Industries (Defined in Annexure–I) and software industries. IT software industry includes IT Software, IT Services and IT Enabled Services. This does not include companies engaged in manufacturing of IT hardware.
- b. **IT & Telecom Park** implies a dedicated area usually comprising of IT & Telecom office spaces as well as social infrastructure, designed to encourage localization of technology companies such as Information Communication Technology (ICT), software development, Innovation etc., thereby giving each the benefit of economies of scale.

P.T.O

- c. **IT & Telecom Campus:** A campus generally refers to a physically contiguous association of locations such as several adjacent office buildings. Typically, such campuses house multiple IT & Telecom business units of an organization which require one or more local area networks and bridging, routing, and aggregation equipment based on situational needs.
- d. **Mega Project** means an IT ecosystem which generates an employment of 5,000 or more over six years.
- e. **Mega IT & Telecom Park** means an IT & Telecom park developed over 100 acres or more with capacity to generate a minimum of 500 direct employments per acre of developed land over a period of six years. The minimum built up area has to be 50,000 sft. per acre.
- f. **IT & Telecom Infrastructure Developer** means the real estate infrastructure developer or a builder constructing IT & Telecom office space for sale/lease or lease-cum-sale to IT/ ITeS/ Telecom Industry for the use of IT & Telecom activities
- g. **Telecommunications** includes Basic Telecom Service Providers (fixed), Cellular (Mobile) companies, telecom infrastructure companies, ISPs and any other value added services licensed by Ministry of Communications & IT, Government of India. This does not include companies engaged in manufacturing of Telecom hardware.
- h. **Micro, Small, Medium Enterprises (MSME) IT units** are those units that have an annual turnover of upto INR. 25 Crores.
- i. **Date of commencement of commercial operations** is the date on which commercial operations are started, subject to furnishing of the first sale bill / invoice.

4. **Policy initiatives for the growth of IT/ ITeS**

- a. **PPP for IT & Telecom Infrastructure:** The facilities, in the form of IT buildings, IT & Telecom Parks and IT Zones, shall be developed adopting a transparent PPP policy. The following principles will form part of such a policy:
 - i. For each project, APIIC shall select a partner, who can be a developer or a consortium of developers and the industry players, through a bidding process of technically qualified bidders.
 - ii. The responsibility of marketing the facilities created shall be with the selected partner. The existing Government policies shall provide support as needed.
 - iii. Appropriate relaxations will be provided from the zoning regulations and land usage conversions, subject to environmental safeguards.
 - iv. Relaxation to AP Building Rules would be considered, subject to the payment of City Level Infrastructure Impact Fee and clearances from Fire Services, Airport Authority or any other appropriate authority and conformance to the National Building Code and statutory regulations.
 - v. The principles of green buildings, green IT, e-Waste management, Walk-to-Work and Cycle-to-Work shall be followed while designing the facilities.

b. Other Critical Infrastructure:

- i. **Air Connectivity:** The process of expansion and modernization of the airports at Visakhapatnam and Tirupati are ongoing. The Government shall take speedy and effective steps to develop the other airports in the state to cater to needs of the industry.
- ii. **Assured Power:** Government of Andhra Pradesh is committed to supplying 24X7 reliable, quality power to industry. The state government will provide power redundancies by supplying power through dedicated/multiple sub stations at the proposed site which will result in power reliability of 99.999%.

5. Non Fiscal Incentives

- a. IT Industries/Companies/IT & Telecom Parks would be exempt from the purview of the AP Pollution Control Act, except in respect of power generation sets.
- b. IT/ITES Units/ IT & Telecom Parks/ IT Companies would be exempt from inspections under the following Acts and the Rules framed there under, barring inspections arising out of specific complaints. The IT units are permitted to file self-certifications, in the prescribed formats.
 - i. The Factories Act 1948
 - ii. The Maternity Benefit Act 1961
 - iii. The AP Shops & Establishments Act 1988
 - iv. The Contract Labour (Regulations & Abolition) Act 1970
 - v. The Payment of Wages Act, 1936
 - vi. The Minimum Wages Act 1948
 - vii. The Employment Exchanges (Compulsory Notification of Vacancies) Act 1959
- c. General permission shall be available for 3-shift operations with women working in the night for IT/ITES Units/ IT & Telecom Parks/ IT Companies, subject to the IT units taking the prescribed precautions in respect of safety and security of employees.
- d. IT Industry/ IT & Telecom Parks are declared as essential services under AP Essential Services Maintenance Act.
- e. CCITI: An empowered 'Consultative Committee for the IT Industry' with the representatives of industry and the other stakeholders will administer the incentives in a speedy, time-bound and transparent manner.

6. Fiscal Incentives

- a. **Land Allotment:** Allotment of Government land or land held by APIIC for industrial development, to the IT & Telecom units/ IT & Telecom Parks shall be governed by the following principles:
 - i. Allocation of land to any IT & Telecom companies to develop their own campus will be based on the condition that the company will have a current headcount of 25,000 people globally or a turnover of INR 250 Cr in previous year.
 - ii. Allocation of land to any developer will be based on the condition that the developer has prior experience of developing IT & Telecom parks with cumulative built up space of minimum 10,00,000 sft

- iii. For other projects, not involving the creation of IT & Telecom Parks/campuses, IT units with IT employee strength of 250 and minimum annual turnover of INR 25 crore will be eligible to be considered for allotment of land.
- iv. The land allotment would be based on the business proposal and the investment capacity of the company/investor.
- v. A rebate on the cost of the land will be provided @ INR 60,000 per employee to the Mega IT & Telecom Campus and INR 40,000 per employee for other IT & Telecom Campus, subject to maximum of 80% of the land cost as determined by the allotment agency.
- vi. For IT & Telecom Park developers a rebate on the cost of land will be provided at 50% of the land cost as prescribed by APIIC. However, it is the responsibility of the developer to ensure that for each acre of developed land 500 employment is generated within six years of allotment of land.
- vii. Land allottees shall ensure employment of at least 500 IT professionals for every acre of land.
- viii. In case of land belonging to the Government, CCITI shall make recommendations on the extent of land to be allotted to applicants.
- ix. Mixed purpose land usage will be allowed up to 30% of the land allotted for employee housing/recreation.
- x. For the development of IT & Telecom Parks and own campuses by IT & Telecom Companies there will be no restriction on FSI norms subject to payment of premium at prescribed rates.
- xi. The conditions of allotment, extent of land to be allotted, employment to be created, office space to be built, investments to be made and timelines shall be incorporated in the MOU/ agreement to be signed with the applicant-company.
- xii. Sub-leasing of the space created for IT employment, under a scheme of incentives would be permitted in the IT & Telecom Parks / IT & Telecom Towers to synergize collaborations and enhance IT employment, subject to the condition that such sub-leasing shall be only in favour of any other IT & Telecom company.
- xiii. The government or its authorized agencies can take back allotted land on pro-rata basis, in case of non-compliance to timelines as per conditions or any other unfulfilled condition.

b. Monitory Incentives

- i. In case of General Projects with land, fiscal incentive will be INR 50,000 per employee OR 6 months' CTC (cost to company), whichever is lower.
- ii. In case of General Projects without land, fiscal incentive will be INR 1,00,000 per employee OR 6 months' CTC (cost to company), whichever is lower.

- iii. In case of Mega Projects with Land, fiscal incentive will be INR 50,000 per employee OR 6 months CTC (cost to company), whichever is lower.
- iv. In case of MSME/BC/SC/ST/Women/Rural IT Projects, fiscal incentives will be INR 1,50,000 per employee or 6 months' CTC (cost to company), whichever is lower.
- v. Training companies are eligible for investment subsidy of 50% of establishment cost or INR 1 Crore, whichever is lower.
- vi. IT Companies which are allotted land shall follow the below timelines, after necessary approvals from the government agency:
 - Start operations within 90 days
 - Start construction within 180 days
 - Employment fulfillment in 3 years – 30%
 - Employment fulfillment in 5 years – 70%
 - Employment fulfillment in 6 years – 100%
- vii. Government will support IT Exporters Associations, ITsAP, NASSCOM, ELIAP, STPI, IEG, or any such organization (as decided by CCITI) for conducting surveys and/or research on trends in technology, market intelligence or on other work useful to the IT Industry.
- viii. Government shall promote and encourage participation in various national and international events by the industry and by leading a Government-industry business delegation to the identified exhibitions and conferences. Government would also undertake various promotional events and roadshows at various locations from time to time.

c. Land Conversion Charges

IT & Telecom Park developers and IT & Telecom companies building their own campuses will receive 100% reimbursement of land conversion charges in converting agricultural land to industrial land subject to a maximum cap of INR 1 crore.

d. Project timelines for IT & Telecom Parks:

IT & Telecom Park developers which are allotted land shall follow the following timelines, after necessary approvals from the government agency:

- i. Start construction within 90 days
- ii. The following timelines would be applicable for claim of rebate:

| S. No. | % of construction completed | Timelines | Eligible rebate on total cost of land | Cumulative rebate on total cost of land |
|--------|-----------------------------|-----------|---------------------------------------|---|
| 1 | 25% | 18 Months | 10% | 10% |
| 2 | 50% | 24 Months | 20% | 30% |
| 3 | 100% | 36 Months | 20% | 50% |

e. General Provision relating to incentives

The incentives listed in Para 6 & 7 above are available to the new companies and to the expansions of existing companies, unless the same has been claimed earlier.

7. Promotion

- a. Government will support IT Industry and Telecom bodies, subject to recommendation by CCITI, surveys and/or research on trends in Technology, market Intelligence or other work useful to the ICT sector.
- b. Government shall promote and encourage participation in various national and International by the Industry. Government would also undertake various promotional events and Roadshows from time to time
- c. All turnkey projects with an outlay up to INR 5 crores to be undertaken by Government Departments would be reserved for IT MSME units operating in Andhra Pradesh.
- d. The Government has published on its portal (www.ap.gov.in) a Blueprint for development of IT, Electronics and e-Governance sectors in the State. Suo-moto proposals, based on AP Blueprint for applications relevant to governmental needs would be accepted from AP based MSME IT units and the proposals adjudged to be the best among those found to be relevant for achieving the objectives set out in the blueprint will be accepted and projects to the tune of INR 50 crore p.a would be awarded to the IT units so selected.
- e. IT Units established in Rural areas shall be eligible for the following incentives:
 - All district based turnkey projects with an outlay upto INR 50 Lakhs would be reserved for Rural IT companies.
 - Subsidized loans towards the infrastructure/operations cost through SFC/ rural banks would be arranged for such enterprises.
- f. Supporting Infrastructure: The Government of Andhra Pradesh will provide infrastructure for power, water, sewerage and roads up to the site boundary of designated/notified IT & Telecom Park clusters. APIIC will be the nodal agency for providing the required infrastructure.

8. Governance of IT Policy

All decisions related to Incentives, registration of IT Buildings, IT campus / IT Park developer units and any other important decision related to Information Technology Industry will be examined and approved by Consultative Committee for Information Technology Industry (CCITI), if proposals received are covered within the policy frame work. The following specific Government bodies to perform items mentioned for them.

- a. Andhra Pradesh Electronics & Information Technology Agency (APEITA) will act as a nodal agency for processing application requests and act as single point of contact for the IT Industry.
- b. Effective Single-Window System: A highly empowered 'Single Window Clearance Unit' will be created and operationalized for facilitating submission of applications and help in approvals & clearances for setting up New IT Units and for expansion of the existing IT units in the State. It would be supported by state-of-the-art centralized help desk on 24x7 basis duly leveraging the e-Biz portal set up by GoI. The objective of this window would be to (a) reduce time to set up business and (b) reduce cost of doing business.

- c. All statutory clearances to IT & Telecom Parks/IT Campuses constructed by IT Infrastructure Companies/builders/developers and IT/ITES Industry/Companies/Units for own use on lands allotted by the government in their Industrial Local Area Authority, would be given by the government or its authorized agencies.
- d. The following procedural reform would be undertaken with an aim to provide approvals to the industry/ investors within 4 weeks:
 - i. Integrated Application for all permissions
 - ii. Escort Officer to be assigned the responsibility for getting approvals
 - iii. Escalation at various levels and regular monitoring
- e) A provision shall be made in the relevant legislations or rules that in case the required approvals are not granted within 4 weeks of receipt of an application in full-shape, the approval shall be deemed to have been given.
- f) It is proposed to create an IT Infrastructure Fund similarly on the lines of Industrial Infrastructure Development Fund (IIDF) to meet the cost of servicing the interest on the loans raised for the development of the IT & Telecom Parks.

9. Policy Validity

The policy will be valid till 31st March 2020 from the date of notification.

(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 Commissioner and I.G., Stamps and Registration, Vijayawada
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, Andhra Pradesh Vijayawada
The Vice Chairman, VUDA Visakhapatnam/TUDA, Tirupati /VGTMUDA Vijayawada
The Commissioner CRDA Vijayawada.
All the District Collectors & Magistrates,
All the Municipal Commissioners, AP,
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 President, ELIAP Member
The President, VITA Member
The Regional Chairman, ESC Member

The CEO AP E&IT Agency,
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 Minister for I&PR, Information Technology, Andhra Pradesh.
The PS to Minister for Finance, Hyderabad.
The PS to Minister for Major Industries, Andhra Pradesh.
The PS to Minister for Revenue, Andhra Pradesh.
The PS to Minister for MA&UD, Andhra Pradesh.
The PS to Minister for Energy, Andhra Pradesh.
The PS to 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 OSD to Joint Secretary to CM 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 //

SECTION OFFICER