

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

ITE&C Department– IT Promotion - Administration of Incentives to the eligible IT/ITES units/companies in Andhra Pradesh as per Consolidated Andhra Pradesh Information Technology Policy 2018-20–Operational Guidelines for implementation – Orders -Issued.

---

**INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS**

**(Promotions Wing) DEPARTMENT**

G.O.MS.No. 5

**Dated.22.01.2019**

**Read the following:**

1. G.O.Ms.No:13, ITE&C Dept., dated: 11.08.2014
2. G.O. Ms. No: 23, ITE&C Dept., dated: 05.12.2014
3. G.O. Ms. No: 21, ITE&C Dept., dated: 22.09.2016
4. G.O. Ms. No: 20, ITE&C Dept., dated: 16.11.2017
5. G.O. Ms. No: 13, ITE&C Dept., dated: 20.07.2018

\*\*\*\*

**ORDER**

In order to achieve the objective of promotion of Information & Communications Technology (ICT) 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 G.Os 1<sup>st</sup> to 5<sup>th</sup> read above.

2. Further to enable IT/ITES Industry to set up, sustain, function and grow their operations in an investment-friendly, proactive, conducive and hassle free environment in the State, while identifying specific focus areas, the Government has also pronounced certain incentives and facilitation measures in the said Consolidated Andhra Pradesh Information Technology Policy 2018-2020.

3. To ease the process of administering incentives and alleviating misgivings among IT/ITES investors, Government has issued orders to create a Consolidated IT policy vide G.O 5<sup>th</sup> read above incorporating the incentives of the previous AP IT Policy 2014-20 with some additional incentives for developers.

4. Taking consultations & feedback from IT/ITES companies and in continuation of the orders issued vide 5<sup>th</sup> read above, Government hereby issues the following operational guidelines for transparent administration of various incentives to the eligible IT/ITES industry/companies as applicable.

**5. Operating Guidelines for Administration of Incentives**

**5.1 Background**

- a. Andhra Pradesh Information Technology Policy 2014-20 in the state was notified vide G.O.Ms.No. 13 dated 11.08.2014, herein after called “First Policy”.
- b. Andhra Pradesh Information Technology Policy 2014-20 in the state was notified vide G.O.Ms.No. 21 dated 22.09.2016, herein after called “Second Policy”.
- c. Consolidated Andhra Pradesh Information Technology Policy 2018-20 in the state was notified vide G.O.Ms.No. 13 dated 20.07.2018, herein after called “Consolidated Policy”.
- d. As per the said notification, to provide clarity to the IT/ITES industry and for effective functioning of the Consultative Committee for IT Industry (CCITI), the following guidelines are being laid down.

## 5.2 Definitions

- a. **Applicant:** Applicant for the purpose of the policy is a legal entity registered in India as per Companies Act (1956 & 2013) that is:
  - i. Proposing to invest in a project under one of the verticals of Information Technology and submitting Application (Proposal) for land.
  - ii. Proposing to invest in developing IT Parks/ Telecom Parks/ IT Campus/ Telecom Campus
  - iii. An existing IT/ITES unit in Andhra Pradesh applying for incentives under the Consolidated Andhra Pradesh Information Technology Policy 2018-2020.
- b. **Approved Project:** Approved Project means a project approved by Information Technology, Electronics and Communication (ITE&C) Department, Government of Andhra Pradesh under the policy based on an application.
- c. **Built-up office area:** Built-up office area refers to the office area with an IT / Telecom park / campus that can be sold / rented to an IT / ITeS / Telecom unit and includes common area such as staircases, balconies etc.
- d. **Chartered Accountant:** The members of the Institute of Chartered Accountants of India and having a 'Certificate of Practice' issued by the said institute.
- e. **Consortium:** For this policy, a consortium is an association of a maximum of seven individuals, developers, companies, or organizations with the objective of setting up of IT & Telecom infrastructure by pooling their resources.
- f. **Cost Accountant:** The members of the Institute of Cost Accountants of India and having a 'Certificate of Practice' issued by the said institute.
- g. **Date of commencement of commercial operations (DOC)** is the date on which commercial operations are started, subject to furnishing of the first sale bill / invoice.
- h. **Detailed Project Report:** Detailed Project Report (DPR) for the purpose of the policy means a report submitted by the applicant seeking approval for an IT/ITES/Telecom project. The report should be in a prescribed format as mentioned in Annexure – 1 containing requisite information, along with supporting documents.
- i. **Financial Year:** Financial year begins on the 1<sup>st</sup> April of a year, and ends on 31<sup>st</sup> March of the following year.
- j. **Fiscal Incentive per Employment:** Incentive claimed by IT/ITES units for employment generation with the support of list of employment positions who are on rolls of the IT/ITES unit (applicant) for more than 12 months at the time of submission of such claims.
- k. **IT & Telecom Campus:** A campus generally refers to a physically contiguous association of locations such as several adjacent office buildings for IT / Telecom operations. 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. A campus may also be referred to as IT/Telecom Tower(s).
- l. **IT & Telecom Infrastructure Developer** means the real estate infrastructure developer or a builder constructing IT & Telecom Park for sale/lease or lease-cum-sale to IT/ ITeS/ Telecom Industry for the use of IT & Telecom activities.
- m. **IT & Telecom Park:** 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 etc., thereby giving each the benefit of economies of scale.

- n. **IT Industry:** IT Industry constitutes of IT & Telecom Parks, Telecom Industries, Internet of Things (IoT) Industries 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.
- o. **Mega IT & Telecom Park** means an IT & Telecom park developed over 100 acres or more with capacity to generate a minimum of 500 direct employment per acre of developed land over a period of six years. The minimum built up area has to be 50,000 sft per acre. The minimum direct employment generation capacity requirement for such a park has to be 50,000.
- p. **Mega Project** means an IT ecosystem which generates an employment of 5,000 or more over six years.
- q. **Basic Infrastructure** refers to the necessary infrastructural facilities required to be within an IT / Telecom Park, such as boundary walls, internal roads, street lighting, storm water drains, designated multi-level parking, government support office, effluent treatment plant, water treatment plant, sewage lines & treatment etc. An illustrative list of such activities has been provided in Annexure – 3A.
- r. **Mixed Purpose Land Usage** refers to the various infrastructure facilities catering to government regulatory services, support services and welfare services. Such activities may be related to employee housing / recreation but not directly related to the IT & Telecom activities, which can be provided within an IT / Telecom Park / Campus. An illustrative list of such activities has been provided in Annexure – 3B.
- s. **MSME IT/ITES units** are those units that have an annual turnover of up to INR. 25 Cr.
- t. **Project:** Project under the policy would be a new business enterprise or expansion of an existing enterprise which an applicant intends to implement as per an application submitted under the policy. The business enterprise could be carried out at one or more locations.
- u. **SC/ST enterprises** are those IT/IES companies, wherein 100% of the shares are held by SC/ST entrepreneurs, in the said IT/ITES unit.
- v. **Special Economic Zones (SEZ) location:** SEZ location means an area which is designated as SEZ under the provisions of the Special Economic Zones Act, 2005 (28 of 2005) and rules made thereunder.
- w. **Non-SEZ location:** Non-SEZ location means an area which is not located within designated SEZ area.
- x. **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, Government of India. This does not include companies engaged in manufacturing of Telecom hardware.
- y. **Women enterprises** are those IT/ITES companies, wherein 100% of the shares are held by women entrepreneurs, in the said IT/ITES unit.

### 5.3 Process for Applications/ Claim for Incentives

- I. All companies setting up operations in the State shall submit a DPR to Andhra Pradesh Electronics and IT Agency (APEITA).
- II. All claims for incentives need to be submitted to APEITA for processing. APEITA shall forward the same to ITE&C Department for further processing. The Department shall verify the incentive application against supporting documents furnished by the applicant and if so satisfied, shall submit it to CCITI for final approval.

The incentives can be claimed as per the following timelines:

- a. For employment generation incentives, in case of General projects without land, MSME, women, SC/ST, rural IT/ITES/Telecom units which are operating from DTP buildings/ own buildings/ private premises, the last date to receive incentive applications is 1<sup>st</sup> April 2021.
- b. For employment generation incentives, in case of General and/ or Mega Projects where Govt. land has been allotted, the last date to receive incentive applications will depend on the timelines approved in CCITI.
- c. For claiming rebate on land cost, the IT/ITES/Telecom units have to complete the project within the stipulated timelines. The last date to apply for this incentive would be date of completion of the project or timelines approved by CCITI, whichever is earlier.
- d. In case of IT and Telecom Parks, where land was provided by Government, the project timelines are applicable as mentioned in the Consolidated Policy.
- e. For training companies, the last date to submit incentive applications shall be 31<sup>st</sup> March 2020.
- f. For claiming reimbursement of land conversion charges, the last date to file the incentive application shall be one year from the date of allotment of land.
- g. The claims for land conversion charges need to be submitted in the application form prescribed in Annexure – 5.
- h. In case land is allotted by Andhra Pradesh Industrial Infrastructure Corporation (APIIC)/ any other authorized agency or corporation, the company shall not be eligible to claim reimbursement of land conversion charges.

## **5.4 Policy Initiatives**

### **5.4.1 Allotment of Land**

- a. A company is required to submit a DPR, to APEITA. APEITA shall forward the same to the ITE&C Department for further processing.
- b. A proposal received for a new/expansion IT/ITES Project/Campus or for an IT/Telecom Park will be forwarded by ITE&C Department to APIIC/ any other authorized agency or corporation for their evaluation. The recommendation of APIIC/ any other authorized agency or corporation shall be presented by ITE&C Department to CCITI for its decision.
- c. Application for land allotment can be made to the APIIC/ any other authorized agency or corporation once the project has been approved by the CCITI.
- d. Subsidized land, whether by the way of concession or otherwise, by Government of Andhra Pradesh or of its agencies is not eligible for rebate of land subsidy claim.
- e. For land sold to IT/Telecom Park/ Campus Developers, land cost rebate shall not be extended to the constituent units of that particular IT/ Telecom Park/Campus.
- f. Extent of land allotment to IT/ITES Units will be based on employment to be created over 6 years, where for every acre of land allocated, 500 direct employment has to be generated, and proportionately thereof.
- g. In case of IT & Telecom Park developers, it shall 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.
- h. For every acre of land allocated to IT/ITES companies or IT & Telecom Park developers, a minimum built up area of 50,000 sq.ft., or proportionately thereof, should be ensured.

- i. Land allocation to any IT & Telecom companies developing their own campus will be based on the condition that the company will have a current headcount of 25,000 globally or a turnover of INR 250 Cr in previous year. The company will be required to submit a copy of their most recent annual report for information on headcount or turnover. In the absence of an annual report, the company will be required to submit any other certified document for headcount or turnover.
- j. 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
- k. Final land allotment has to be as per the prescribed timelines within the Policy.
- l. The following conditions shall be applicable for Construction Completion:
  - i. For Parks and Campuses – The adherence to project execution timelines mentioned in the DPR and accorded acceptance by CCITI shall be used to monitor the progress and completion of construction of the project, as detailed in 5.4.1.u.
  - ii. For IT/ITES units with land – The adherence to project execution timelines mentioned in the DPR and accorded acceptance by CCITI shall be used to monitor the progress and completion of construction of the project, as detailed in 5.4.1.u.

**m. PPP Bidding Process of land allocation**

**i. Partnership Model:**

- a) The development of the park shall be executed using a PPP model, wherein APIIC/ any other authorized agency or corporation shall select a partner, who can be a developer or a consortium of developers and the industry players, referred to as a Private Sector Project Proponent (PSPP), through a bidding process of technically qualified bidders
- b) Maintenance of the developed park shall be executed by the PSPP/ SPV as decided in the agreement.

**ii. Eligibility criteria for submission of bids:**

- a) 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. Conditions for developers of IT & Telecom Parks:**

- a) Open space shall be left as per terms and conditions of the local urban development authority.
- b) The developer will not be allowed to sell any open / plotted area. The entire plotted area shall be used to develop built-up IT office space and approved mixed purpose facilities only.

**iv. Bidding process**

The following are the options for choosing a PSPP by APIIC/ any other authorized agency or corporation for the purpose of allotment of land to develop IT & Telecom Parks through PPP model:

**a) Highest Land Value Model:**

- I. As per this model, the process of bidding will be conducted by APIIC or it may authorize any corporation or any authority or any other agency for conducting a

fair and transparent bidding process for selection of the developer to whom the Project land may be allotted.

- II. The developers who intend to participate in such a bidding process should submit a proposal in the prescribed format (annexures 6 & 7) along with the bid. The developer is required to mention the bid price for the land.
- III. Financial bid for those bidders who are qualifying the pre-qualifications criteria shall be opened for evaluation.
- IV. Amongst the qualified bidders, the bidder who offers the highest value of land shall be awarded the project.
- V. APIIC/ any other authorized agency or corporation shall enter into an 'Sale Agreement' with the selected developer after:
  - A. Payment of 90% of land cost by the developer
  - B. Finalization of DPR i.e. submission of DPR (including detailed layout plan/ building plan, construction schedule and final cost estimates) by the selected bidder & approval of ITE&C Dept. on the same
- VI. The balance 10% of the land cost shall be paid at the end of completion of construction, subject to a maximum of 72 months, whichever is earlier.
- VII. The ownership of the land can be transferred phase wise as mentioned in the approved DPR after the commitments for the respective phase have been fulfilled. The transfer of ownership of the remaining land parcel shall take place on completion of the project as per the approved DPR and layout plan agreed to in the contract, and on payment of all dues to APIIC/ the authorized agency or corporation.

**b) Highest Rental Value Model:**

- I. As per this model, the parcel of land meant for the IT & Telecom Park shall be leased to a developer and the annual lease amount will be the amount quoted by the successful bidder in their financial proposal
- II. Tenure of land lease would be 33 years, or any other tenure as decided by ITE&C Dept.
- III. The land lease shall be payable in advance on quarterly basis, which shall escalate at a rate of 5% per annum or at any other rate specified by ITE&C Dept.
- IV. The land lease would begin from the date when possession of land is handed over to the successful bidder/ developer. The developer should take timely possession of land on receiving the invitation. If the successful bidder fails to take possession of land within a period of 60 days from receipt of allotment letter, the process may be terminated and EMD/ performance guarantee forfeited.
- V. The land shall be handed to the developer on "as-is", "where-is" basis and any changes in the site extent or conditions will not be considered.
- VI. The developer shall be responsible for construction of the park, and for its operations and maintenance, for the entire duration of the lease period.
- VII. The developer may mortgage its lease hold rights only after sending written communication of the same to the Government. However, under no circumstances can a developer mortgage the land leased to it.
- VIII. The leased land cannot be alienated/ transferred/ sub-leased/ sold/ mortgaged, in part or full, to any third party.
- IX. Where the developer has complied with all the terms and conditions of the development and lease agreement, they shall be eligible for an automatic extension of lease period, for another 33 years or any other duration specified by ITE&C Dept.

- X. If the developer fails to comply with the terms and conditions or defaults/ delays lease payment, the responsibility of the entire IT/Telecom Park shall be handed back to the authorized agency/ corporation.
- XI. The developers who intend to participate in such a bidding process should submit a proposal in the prescribed format (annexures 6 & 7) along with the bid. The developer is required to mention the bid value of annual lease rental.
- XII. Financial bid for those bidders who are qualifying the pre-qualifications criteria shall be opened for evaluation.
- XIII. The developer which offers the highest annual rental bid shall be awarded the project.

**c) Land Development Agreement Model:**

- I. As per this model, the ownership of the park shall be with the developer post completion of construction of the park.
- II. The revenue obtained from sale proceeds / lease of built-up IT office area and the area under mixed usage shall be divided between the developer and APIIC / any other authorized agency or corporation as per the development share/ contract, placed and processed through an escrow account.
- III. The base (upset) price for sale / lease of built-up IT office area and the area under mixed usage shall not be less than the market value of the area sold/ leased.
- IV. The developers who intend to participate in such a bidding process should submit a proposal in the prescribed format (annexures 6 & 7) along with the bid. The contract shall be awarded to the bidder who bids maximum amount of development share to APIIC / any other authorized agency or corporation.
- V. Bid for those bidders who are qualifying the pre-qualifications criteria shall be opened for evaluation.
- VI. The contract shall be awarded to the bidder who bids maximum amount of development share to APIIC/ any other authorized agency or corporation.

**v. Project status monitoring**

- a) A special committee comprising of a minimum of two (2) members each from ITE&C Dept. and APIIC/ any other authorized agency or corporation shall be formed to monitor the status of project completion.
- b) Failure to comply with the timelines of execution of the project by the PSPP may attract penalties as per the rules and guidelines of APIIC/ any other authorized agency or corporation.
- n. Applicant needs to submit an online Common Application Form (CAF) on the Single Desk Portal (SDP) of GoAP for obtaining relaxations related to zoning, land usage conversions and relaxation to AP building rules.
- o. The applicant shall receive notifications at each step of the approval process pertaining to the relaxations mentioned in para 4.a.iii of the Consolidated AP IT Policy 2018 – 2020, issued vide G.O.Ms. No. 13 dated 20-07-2018.
- p. Following timelines have to be adhered to in case of Government allotted land to avail subsidy
  - i. start operations within 90days\*
  - ii. start construction within 180days
  - iii. employment fulfillment in 3 years -30%
  - iv. employment fulfillment in 5 years -70%
  - v. employment fulfillment in 6 years -100%

\*The applicant is required to start operations within 90 days of allotment of land, from a rented space / alternative office area.

- q. All eligible IT enterprises/ IT & Telecom Park developers shall submit their claims in the prescribed application form in Annexure - 4 for reimbursement of land cost after completion of one financial year from start of date of commercial operations.
- r. All eligible IT/ITES units and IT & Telecom Park developers will be reimbursed land cost as per quantum of subsidy mentioned in policy from the DOC till policy is in force. The cost of land for computation of incentives will be, lower of, actual cost paid or market value as per stamps and registration department.
- s. Rebate on cost of land shall be governed as per para no. 5.5 of this guideline.
- t. The reimbursement of land cost shall be applicable to all IT/ITES units and IT & Telecom Park developers which were allotted land as per recommendation from CCITI, subject to fulfillment of the conditions stipulated at para no.5.4 of this guideline.
- u. The timelines for completion of construction of IT & Telecom Parks shall commence from 21 days of submission of application or from date of necessary approvals from government agencies, whichever is earlier.
- v. In case of IT companies or IT / Telecom Park / Campus developers failing to meet 100% project completion/ employment fulfillment timelines mentioned in the policy, the government or its authorized agencies can take back the allocated land on pro-rata basis. For the purpose of the policy, pro-rata basis would mean the following:
  - **For IT Companies (including IT& Telecom Campuses), IT & Telecom Park Developers**, wherein the construction / employment fulfilment timelines as mentioned in the policy have not been adhered to, land shall be taken back in proportion to the unfulfilled employment commitment, irrespective of whether it has been constructed upon or not.

#### **5.4.2 Assured Power**

- a. 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%.
- b. Applicant needs to submit an online Common Application Form (CAF) on the Single Desk Portal (SDP) of GoAP for obtaining permissions for power connections through dedicated/multiple sub stations at the proposed site.
- c. The applicant shall receive notifications at each step of the approval process pertaining to the permissions mentioned in para 5.4.2. of the Consolidated AP IT Policy 2018 – 2020, issued vide G.O.Ms. No. 13 dated 20-07-2018.
- d. The charges applicable for providing the above mentioned facilities shall be borne by the applicant.

#### **5.5 Employment Incentive and Rebate on Cost of Land**

- a. All IT/ITES units shall submit their claims in the prescribed Common Application Form CAF for employment incentive after completion of one year of operations.
- b. All eligible companies will be reimbursed employment incentive as per quantum of subsidy mentioned in policy as per G.O.Ms.No. 13, dated:20.07.2018.
- c. Fiscal incentives for the employment generation after 20.07.2018 can be claimed with the supporting list of employees who are on rolls of the IT/ITES unit (applicant) for more than 12 months at the time of submission of such claims.



- d. The incentives can only be claimed on the additional and permanent employment generated where all statutory obligations such as provident fund, etc. are met and does not include:
  - i. Replacement of old positions
  - ii. Employment increase because of acquisition of other companies that availed employment incentive.
  - iii. Employment through related parties (as per Indian Accounting Standard (Ind AS) 24 issued by ICAI)
  - iv. Contractual/outsourced employment
  - v. Internships
- e. IT/ITES units that have availed employment incentive shall meet the following conditions to avail the subsequent incentives:
  - i. By an increase in the number of employment by more than 10% over the previously claimed employment or 10 additional employment, whichever is higher
- f. The employment incentive to all eligible IT/ITES units will be approved by CCITI, subject to fulfillment of the conditions stipulated at para no. 5.5 of this guideline.
- g. Rebate on cost of land linked to employment generation, for IT/ Telecom campuses, shall be subject to the following timelines:
  - i. Completion of 12 months of employment position – release of 20% of eligible rebate
  - ii. Completion of 24 months of employment position – release of 40% of eligible rebate
  - iii. Completion of 36 months of employment position – release of 40% of eligible rebate
- h. Rebate on cost of land is applicable only for permanent employment generated
- i. The eligible units need to submit claims for rebate on cost of land in the prescribed Common Application Form (CAF).

## **5.6 Training Companies**

Any autonomous institution promoted by Government/Public Sector Undertakings or private sector with a substantive background of IT/ITeS industry or skilled manpower development, that proposes to set up a training institution for skilling in new age IT technologies shall file an application with the department, duly enclosing the detailed project report, background note and financial disclosure of the promoter/training company.

Department will discuss the proposals received in detail in CCITI meeting and will approve for subsidies subject to complying with the laid down criteria:

- a. All training companies, as per the policy, are eligible for investment subsidy of 50% or INR. 1 Cr., whichever is lower. Investment subsidy for this policy would mean investment made on the items, as detailed in Annexure-2 of this guideline.
- b. The eligible units shall be reimbursed the eligible incentive over four quarters as four equal instalments, subject to submission of reports of training activities undertaken.
- c. The eligible institute/industry/enterprise shall submit their claims in the prescribed Common Application Form (CAF) along with the required documents mentioned in the application.
- d. Project cost will cover Fixed Capital Investment in equipment and machinery (including installation cost), electrification, furniture and other miscellaneous investment required for setting up training facilities, excluding land and building cost.
- e. Training centers which avail investment subsidy shall remain in continuous operations for a minimum period of 3years.

- f. Training companies that started commercial operations after issuing Consolidated Policy are eligible for claiming investment subsidy.
- g. Reports on training activities would be taken from the company for 3 years from DOC. In case of failure, sanctioned incentives will be recovered from the company.
- h. Company has to submit the half yearly reports on training activities and employment (if any) in prescribed format given by the department.
- i. Investment subsidy will be limited to INR 1 Cr. Across A.P.
- j. Only training companies can claim incentives under this category. Companies with IT/ITES business activity are not eligible to claim this investment subsidy. Conversely, training companies are not eligible for applying employment incentive.
- k. Investment subsidy for one company in one location/ premises can be claimed only once.
- l. Training Companies claiming investment subsidy shall submit the following documents:
  - i. Certificate of Incorporation
  - ii. MOA, AOA or Audited Statement Mentioning the current share holding pattern and current directors of the company
  - iii. Supporting Invoices and payments/ receipts made for the items mentioned in Annexure -2, duly certified by a Chartered Accountant.
  - iv. Business plan

#### **5.7 Applicability of IT policy**

- a. IT/ITES units commenced operations on or after 20.07.2018 are mandated to avail incentives as per the Consolidated Policy.
- b. IT/ITES units operating and claiming or eligible for incentives as per First Policy will have one time option to avail either of First Policy or Consolidated Policy mentioned above for claiming incentives.
- c. IT/ITES units operating and claiming or eligible for incentives as per Second Policy will have one time option to avail either of Second Policy or Consolidated Policy mentioned above for claiming incentives.
- d. IT/ITES units which were ineligible for incentives as per First Policy, shall become eligible to claim incentives only as per Consolidated Policy, based on the new employment generated after 20.07.2018.
- e. For scenarios as mentioned in para 5.7.b, 5.7.c and 5.7.d, IT/ITES units to avail incentives under Consolidated Policy will have to present their case to CCITI. CCITI after examination may permit for migration to Consolidated Policy.

#### **5.8 Interpretations**

When any matter arises for the purpose of interpretation on which CCITI could not take a decision or in case where any suggestions are made outside the scope of CCITI in regard to implementation of the policy, such matters shall be referred to the Information Technology, Electronics & Communication Department, Government of Andhra Pradesh for a decision.

#### **5.9 Penalties**

Without prejudice to anything included in para 5.7, it is hereby ordained that any willful misrepresentation of facts, action/inaction on behalf of a developer/company to the Department or any other executing authority leading to irregular sanction/disbursement of

incentives under the above policies will invite civil and criminal action as per existing laws besides recovery of the amount irregularly disbursed, if any, and debarring of the unit from claiming incentives in the future.

6. Process, release and monitoring of incentives are, if need be, subject to verification of authenticity of information furnished on turnover, investment, employment from the statutory agencies, such as, APEITA, STPI, SEZ Commissioner, NASSCOM or any other appropriate/concerned statutory agency etc.
7. The interpretations and decisions of the Government are final with regard to applications made by the IT/ITES units/ campuses or IT/ Telecom park developers for any of the incentives available as per Consolidated Andhra Pradesh Information Technology Policy 2018- 2020. Government shall not entertain any correspondence against its decision.
- 8. Recoveries of Incentives Sanctioned under the Policy**

Incentives/concessions granted to IT/ITES units/ campuses or developers of IT/ Telecom Parks, hereby referred to as “recipient”, shall be liable to be recovered under the following circumstances:

  - a. If the recipient fails to furnish the prescribed statements and/ or information when it is called upon to furnish
  - b. If the recipient effects change of management without prior approval from the Department/CCITI
  - c. If the whole or part of the company is sold without the prior approval of the financial institutions/CCITI
  - d. If the recipient enters into a contract of any nature whatsoever by transferring the management, without the prior approval of the financial institutions/CCITI
  - e. In the event of recoveries for reasons arising mentioned above, the incentives shall be recovered treating them as arrears of Land Revenue under A.P. Revenue Recovery Act, 1864 and ITPOs will be designated as recovery officers by suitable Government Orders
9. The incentives applicable as per the Consolidated Policy (G.O.M.S. No: 13 dated 20.07.2018) are available to new companies and for expansion of existing companies, unless the same has been claimed earlier.
10. In case a company, which has claimed incentives under Consolidated Policy (G.O.M.S. No: 13 dated 20.07.2018), is relocating its operations to a different newly allocated parcel of land, the company shall be eligible to claim incentives only for the additional employment generated from that particular office space/ allocated land.
11. The operational guidelines issued for administration of Incentives available under Consolidated Andhra Pradesh Information Technology Policy 2018-2020 to the eligible IT/ITES units and shall be in force and during the validity period of the Consolidated Andhra Pradesh Information Technology Policy 2018-2020.

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

**K VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

To  
All the Departments of Secretariat  
All the District Collectors & Magistrates, AP  
The CEO, APEITA  
The CEO, APNRT  
The Commissioner and I.G., Stamps and Registration, Andhra Pradesh  
The Vice Chairman and Managing Director, APIIC, Vijayawada  
The Commissioner, Industries, Andhra Pradesh

The Commissioner, Information and Public Relations, Andhra Pradesh  
The Commissioner, Labour, Andhra Pradesh  
The Vice Chairman, VUDA/TUDA/VGTMUDA  
All the Municipal Commissioners, AP  
The Development Commissioner, VSEZ, Visakhapatnam  
The Director, STPI, Andhra Pradesh  
The President, ITAAP, Andhra Pradesh  
The Regional Director, NASSCOM, Andhra Pradesh  
All the G.M, DIC

Copy to:

The OSD to Hon'ble 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 PS to Spl. Secretary, ITE&C Department  
The CEO, APEDB  
The CEO, AP Innovation Society

**// FORWARDED :: BY ORDER //**

**SECTION OFFICER**

## ANNEXURE – 1

### Table of Contents

- 1. Executive Summary**
- 2. Company Background**
- 3. Project Plan:**
  - 3.1. Details of (direct) employment generation & projection for 1<sup>st</sup> 5 years
  - 3.2. Details of investment & projections for 1<sup>st</sup> 5 years
  - 3.3. Details of sub projects such as skilling/ecosystem development etc.
  - 3.4. Formation of any SPV (if any)
  - 3.5. Product eligibility (as per policy)
  - 3.6. Details of incentives received from Government of India (and agencies)
    - 3.6.1. *Location of operations – Within STPI/Outside STPI (or any such zone)*
  - 3.7. Project Execution Timelines
  - 3.8. Project Cost
    - 3.8.1. *Office space / Land Cost*
    - 3.8.2. *Plant & Machinery*
    - 3.8.3. *Research and Development*
- 4. Entrepreneur/Promoters Details:**
  - 4.1. Professional & Academic Background
  - 4.2. Accolades (if any)
  - 4.3. Caste certificate & Domicile certificate (if any)
- 5. Utility Consumption (mention special requirement if any)**
- 6. Analysis of finances, certified by a competent authority (Chartered Accountant):**
  - 6.1. Business Valuation, with NPV & IRR computation
  - 6.2. Audited Financial Statements of existing/parent company for last 3 years (including balance sheets, profit & loss and cash flow statements)
  - 6.3. Feasibility Study (Cost, Benefit & Risk Assessment)
- 7. Details of investments, certified by a competent authority (Chartered Accountant):**
  - 7.1. Sources of debt and/or equity
  - 7.2. Net worth of promoters and/or existing/parent company

**K.VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

## ANNEXURE – 2

### Investment Subsidy for Training Companies

Companies shall furnish the support documents (invoices/receipts) for the following items while applying for investment subsidy;

S.No0	Item Description
1	Servers withOS
2	Software/Software tools and Hardware per license cost for training activities
3	Networking Equipments (Switches, Routers, Firewalls, Voice/Video Conferencing Gateways for e-learning, Audio & Video Equipment
4	Workstations (Desktop, Laptop, Tablets, Headsets)
5	License cost for data storage in Cloud for training activities
6	Power backup (UPS)
7	Printer, Copier, Scanner & Projector
8	Fire & Security Items (CC TV Cameras / Monitoring Systems)
9	Workstation Furniture (Tables, Chairs, Sofa Sets etc) & Interior designs by Interior Decorators/self
10	Electrical wiring & fittings
11	Bio-Metric Devices
12	Central Air-conditioning equipment, air-conditioning System
13	Captive Diesel Generating Set and transformer of capacity commensurate with the actual requirement of the unit, solar power/ Non-conventional Energy Generation Set
14	Other misc. goods not exceeding 5 % of the total cost of above items

**Note:** Any item not covered above shall be discussed and sanctioned by CCITI.

**K.VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

## ANNEXURE – 3A

### **Illustrative List of Infrastructural Facilities Eligible as Basic Infrastructure in IT Parks/ Campuses**

Each of the IT Parks/ Campuses may include basic infrastructure such as:

- a. **Basic development** – Boundary wall, internal roads, street lighting, storm water drains, designated multi-level parking
- b. **Essential services** – Government support office, effluent treatment plant, water treatment plant, sewage lines/ treatment, water disposal/ recycling/ harvesting, electricity substation/ distribution, backup power plant, warehousing, AHU AC units, leased & direct lines for broadband, plug and play facilities, warm shell infrastructure

**Note:** Any item not covered above shall be discussed and sanctioned by CCITI.

**K.VIJAYANAND  
PRINCIPAL SECRETARY TO GOVERNMENT**

## ANNEXURE – 3B

### **Illustrative List of Eligible Infrastructure Under Mixed Purpose Land Usage in IT Parks/ Campuses**

Each of the IT Parks/ Campuses may include facilities under mixed usage such as:

- a. **Government regulatory services** – Designated officers, tax filing, factory/ labour compliance support, pollution control
- b. **Support services** – Centre of Excellence, training facility, auditorium and conference facility, video conference, IT infrastructure/ telecom, transportation services, security services, CCTV coverage, access control systems, transportation facilities
- c. **Welfare services** – Housing, hospitals, health centres, restaurants, food courts, hotels, crèches, shopping centres, educational facilities

**Note:** Any item not covered above shall be discussed and sanctioned by CCITI.

**K.VIJAYANAND  
PRINCIPAL SECRETARY TO GOVERNMENT**



**Annexure – 4**  
**Self-computation sheet for Reimbursement of Cost of Land For IT & Telecom Park Developers**

Sl.N o.	Fields Auto-Populated from Common Application Form	
1	<b>Name of the Enterprise</b>	
2	<b>Address of the Enterprise</b>	
3	<b>Constitution of the Enterprise (Single company / consortium)</b>	
4	<b>If consortium, number of members in the consortium</b>	
5	<b>Net-worth of the enterprise</b>	
6	<b>Line of Activity(Electronics manufacturing / real estate)</b>	
7	<b>Financed (Self or Bank Financed)</b>	

Details of Managing Directors/ Partners					
Sl. No.	Name	Gender	Physically Handicapped	Community	Share (%)

Sl. No.	Component	Cost / Value (INR)
1	Land price prescribed by APIIC/ any other authorized agency or corporation	
2	Land cost paid to APIIC/ any other authorized agency or corporation	
3	Eligible Land Cost to be Considered for Subsidy(Lower of row 1 and row 2)	
4	Eligible Subsidy (50% of row 3)	

Documents Required:

1. Land purchase deed, favour of the developer
2. Land registration documents

**K.VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

**Annexure – 5**  
**Self-computation sheet for Reimbursement of land Conversion Charges (For land not allocated by APIIC/ any other authorized agency or corporation)**

S.No	Fields Auto-Populated from Common Application Form
1	Name of the Enterprise
2	Address of the Enterprise
3	Constitution of the Enterprise (Single company / consortium)
4	If consortium, number of members in the consortium
5	Net-worth of the enterprise
6	Line of Activity(IT / Telecom Park Developer orIT / Telecom Company Developing its Campus)
7	Financed (Self or Bank Financed)

Details of Managing Directors/ Partners					
Sl. No.	Name	Gender	Physically Handicapped	Community	Share (%)

Self-Computation Sheet Reimbursement of Land Conversion Charges		
Sl. No	Project component (as mentioned in DPR)	Cost incurred (INR) / Area
1.	Total Extent of Land (in acres)	
2.	Name of Sub-Registrar office where registered	
3.	Date of registration	
4.	Rate at which land has been acquired	
5.	Total land cost	
6.	Land conversion charges paid, as per demand note and payment receipt given by the Government Agency	
7.	Subsidy to be disbursed (lower row 6 and INR 1 Cr.)	

**System  
Calculated  
Value**

Documents Required:

1. Land purchase deed, favour of the developer
2. Land registration documents
3. Land conversion charges incurred
4. Stamp duty paid
5. Approval of the plinth area of building by a competent authority

**K.VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

**ANNEXURE – 6**

**Eligibility Evaluation Form for IT & Telecom Park Developers**

<b>Sl.No.</b>	<b>Fields Auto-Populated from Common Application Form</b>
1	<b>Name of the Enterprise</b>
2	<b>Address of the Enterprise</b>
3	<b>Constitution of the Enterprise (Single company / consortium)</b>
4	<b>If consortium, number of members in the consortium</b>
5	<b>Net-worth of the enterprise</b>
6	<b>Financed (Self or Bank Financed)</b>

<b>No</b>	<b>Name of IT Park Previously Developed</b>	<b>Address of IT Park Previously Developed</b>	<b>Total Built-Up Space in the Park (in sq. ft.)</b>
1	<Park 1>	<Address 1>	<Value 1>
2	<Park 2>	<Address 2>	<Value 2>
..	...	...	...
<b>Cumulative built-up space</b>			
<b>Eligibility (Cumulative built-up space &gt; 10,00,000 sq. ft)</b>			<b>Yes / No</b>

Documents Required:

1. Plan and details of the proposed IT / Telecom Park which shall be developed:
2. Project completion certificates of the parks developed
3. Documents supporting the built-up IT Office space area and the names of the companies operating from those parks
4. Net-worth certificate(s) / audited financial statements of previous three years
5. Certificate of Incorporation

**K.VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**

## ANNEXURE – 7

### **Format of Proposal to be submitted with Bid**

#### **1. Project Plan:**

- a. Executive Summary
- b. Details of investment and timelines
- c. Details of constitution of any SPV (if any)
- d. Project Execution Timelines
- e. Project Cost:
  - i. *Land Cost*
  - ii. *Plant & Machinery*
  - iii. *Other capital investment items*

#### **2. Development Plan**

- a. IT Space development plan
- b. Common facilities development plan
- c. Housing & recreation plan
- d. Other mixed usage area development plan

#### **3. IT Investment Projection**

- a. Details of expected anchor companies
- b. Breakup of number of expected companies from IT/ITeS etc.
- c. Employment projections

#### **4. Financing Plan:**

- a. Sources of debt and/or equity (with supporting documents)
- b. Net worth of promoters and/or existing/parent company
- c. Audited financial statements of previous three financial years

**Note:** APIIC/ any other authorized agency or corporation may ask for additional information, as per its procedures

**K.VIJAYANAND**  
**PRINCIPAL SECRETARY TO GOVERNMENT**