

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Information & Communications Technology (ICT) Policy 2010-2015 of the Government of Andhra Pradesh – Administration of Incentives as per ICT Policy 2010-2015 to the eligible ICT industry/companies – Operational Guidelines - Orders –Issued.

INFORMATION TECHNOLOGY & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No.13

Dated: 31.07.2010
Read the following:

G.O.Ms.No.9 IT&C Department, dated:07-07-2010 on ICT Policy 2010-2015.

* * * *

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 read above, putting in place the Information & Communications Technology (ICT) Policy 2010-2015, w.e.f. 07-07-2010, for a period of 5 years.

2. Further to enable ICT companies 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, Government has also pronounced certain incentives and facilitation measures in the said ICT Policy.

3. Taking into consideration the feed back of ICT industry on the said ICT Policy 2010-2015, and in continuation of the orders read above, Government hereby issues the following operational guidelines and application proforma for transparent administration of various incentives mentioned in the ICT Policy 2010-2015 to the eligible ICT industry/companies as is applicable.

S.No.	Particulars	Operational Guidelines
1	Applying for Incentives	(i) A Common Application Form (as at Annexure-I) for claiming all the applicable incentives that are available as per ICT Policy 2010-2015 by the ICT companies, as per their eligibility, has been designed keeping in view the statutory/audit/legal requirements of the Government. (ii) The Application Proforma is available at www.apit.gov.in ; www.aponline.gov.in ; www.ap.gov.in ; which can be downloaded and filled in with relevant columns. The filled in application can be submitted on line/ emailed to:- prlsecy_its@ap.gov.in . Print out of the same will have to be taken, signed and submitted with appropriate & relevant physical documentation for verification purpose. (iii) Pl check the eligibility for claiming any specific incentive before filing the Application.

		<p>(iv) The applicant is welcome to make personal enquiries/clarifications on the eligibility criteria/filing & filing of Application, process of the request, to avoid delays. Facilities for email enquiries are also available and replied at the shortest possible time.</p> <p>(v) The request for any specific incentive is processed basing on the recommendations of the Consultative Committee on IT Industry (CCITI). The Composition and terms & conditions of CCITI is at Annexure-II which meets periodically and is competent body to solely accept or reject any claim or request for any eligible & applicable incentive to the ICT companies/industry.</p> <p>(vi) Best efforts shall be made for processing the requests for eligible and applicable incentives at the least possible time, subject to availability of budget/resources. The sanctioned amount of the financial incentive, if need be, are released on installment basis.</p> <p>(vii) The ICT companies are required to follow and adhere to certain terms & conditions, as is prescribed in such sanction/release Order of the Government, with respect to the said/respective claim of incentive.</p>
2	Provision of Land	Guidelines are at Annexure - III
3	Industrial Power Category Conversion/Rebate in Power Tariff	Guide lines are at Annexure-IV
4.	100% or 50% reimbursement of Stamp duty	Guide lines are at Annexure-V
5.	Performance Guarantee	In respect of released amounts of claims pertaining to eligible & applicable incentives, i.e.,(i) 100% or 50% reimbursement of Stamp duty; (ii) reimbursement of lease rentals (iii) reimbursement quality certification expenditure (iv) reimbursement of patent filing costs, (v) Recruitment Assistance, (v) Tier II/Tier III Anchor Company Incentive (vii) Investment subsidy and (viii) Reimbursement of interest paid on loans obtained from financial institutions, in respect of SC/ST and Women Entrepreneurs, a Performance Guarantee, equivalent to the full extent of amount released, in the form of Bank Guarantee, is required to be furnished, as per Proforma at Annexure-VI .
6.	IT is an Essential Service	Govt Orders declaring IT activity as an Essential Service under AP Essential Services Maintenance Act have already been issued vide GO Ms.No.5, IT&C Dept, Dated: 20.04.2010 and are in force.
7.	IT Industrial Security Task Force	Govt Orders constituting IT Industrial Security Task Force for monitoring the law & order situation as is appropriate have already been issued vide G.O.MS.No:111, GA (L&O.I) Dept, dt:10.03.2010 and are in force
8	Single Window Agency	Govt Orders constituting Single Window Agency for obtaining the approvals/clearances of statutory agencies for ICT industry have already been issued vide GO.Ms.No:2, IT&C Dept, Dated: 18.03.2010 and are in force.
9	Working Conditions in IT Sector	Govt Orders indicating the working conditions in IT sector, have already been issued vide G.O.Ms.No:53, LET&F (Lab-2) Dept, dated: 20.06.2007 and are in force.
10	Notified IT national/International Exhibitions	Govt Orders notifying the IT national/International Events/Exhibitions/Conferences that could be participated by ICT companies for claiming the 50% reimbursement of stall rentals have already been issued vide GO Ms. No:12, IT&C Dept, dated: 23.07.2010 and

		are in force.
11	Business Advisory Committee	Govt Orders constituting Business Advisory Committee for assisting the Government for promotion of the State of Andhra Pradesh as an ideal investment destination are being issued separately
12	Notified IT Park Status	Govt Orders on the terms & conditions that have to be adhered in respect of Notified IT Parks are being issued separately

4. Processing and release of incentives are subject to verification of authenticity of information furnished on turnover, investment, employment and continuity in operations of business, from the statutory agencies, such as, STPI, SEZ Commissioner, etc.

5. An IT company is eligible and can apply for claim of any incentive under one category only.

6. In case it is found at any point of time that any particular incentive is claimed by any IT company through mis-representation of facts/furnishing of false information and in case it is found that the respective company is not eligible for the incentive so sanctioned or claimed, Government can seek the refund of the same from the company and initiate, any other penal action as is deemed fit.

7. The interpretation and decisions of the Government is final with regard to applications made by the ICT Industry for any of the incentives available as per ICT Policy 2010-2015. Government shall not entertain any correspondence against its decision nor can the matter be subjected for any challenge in any court of law at any point of time.

8. All the incentives mentioned in the ICT Policy 2010-2015, except the incentive of allowing industrial power category conversion on subsequent/additional/multiple meters/service connections, Power subsidy, exhibition subsidy, patent filing, and quality certification, would be applicable to IT industry, who commence the commercial operations in Andhra Pradesh, prospective to the date of issue of the orders on release of ICT Policy 2010-2015, vide 1st read above.

9. The operational guidelines issued for administration of Incentives available under ICT Policy 2010-2015 to the eligible ICT industry/companies as mentioned above shall be in force and co-terminus with the validity period of the ICT Policy 2010-2015.

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

**K.RATNA PRABHA
PRINCIPAL SECRETARY TO GOVERNMENT**

To
All the Departments of Secretariat
The Metropolitan Commissioner, HMDA, Hyderabad
The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, APIIC, Hyderabad
The Commissioner, Industries, Hyderabad
The Executive Director, APIIC, Hyderabad
The Commissioner, Information and Public Relations, Hyderabad

The Member Secretary, A.P. Pollution Control Board, Hyderabad
The Chairman & MD, AP TRANSCO, Hyderabad
The Managing Director, APCPDCL/EPCPDCL/WPCPDCL/SPCPDCL/NPCPDCL
The Commissioner, Labour, Hyderabad
The Vice Chairman, VUDA/TUDA/VGTMUDA
The Development Commissioner, AP IT SEZs, Hyderabad
The Development Commissioner, VSEZ
The Director, STPI, Hyderabad
The President, ITsAP, Hyderabad
The President, ELIAP, Hyderabad
The Regional Director, NASSCOM, Hyderabad
The President, VITA, Visakhapatnam

Copy to:

The Secretary to GOI, Ministry of Communication & Information Technology, New Delhi
The Chief Minister's Office/Chief PRO to C.M.
The Chief Commissioner, Customs & Central Excise, Hyderabad
The Collector, R.R.District, Hyderabad
The PS to Minister for Information Technology, Hyderabad
The PS to Minister for Finance, Hyderabad
The PS to Minister for Major Industries, Hyderabad
The PS to Minister for Revenue, Hyderabad
The PS to Minister for MA&UD, Hyderabad
The PS to Minister for Energy, Hyderabad
The PS to Minister for Labour, Hyderabad

//FORWARDED : : BY ORDER//

SECTION OFFICER

Annexure-I

(to GO Ms.No:13, Dept. of IT&C, dated.31.07.2010,)

Read with :

(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy,2010-2015)

Common Application Form for grant of Incentives to ICT Industries listed in the ICT Policy 2010-2015*

*** Note:**

1. Mere fulfillment of eligibility for any request/claim/incentive mentioned hereunder, does not confer any right on the said claim, or entitle the applicant for su-motto sanction/release of the same nor is it obligatory for sanction of such claim/request/release of incentive on the part of the Sanctioning Authority. The sanction/release of any incentive is based on justification, merits of each case and subject of availability of budget/resources with the Government. No correspondence, whatsoever, in this regard, will be entertained.
2. Pl fill all the columns and enclose the relevant documentation to avoid rejection.
3. Pl apply only for eligible & entitled benefit/incentive to avoid rejection.
4. The veracity on information/figures furnished in the application by the ICT industry, on investment/employment/turnover is subject to scrutiny and verification by the competent statutory authority, i.e., Director, STPI/Development Commissioner, AP-ITSEZ, etc.
5. If any information/figures furnished in the application are found to be false at any point of time either during the process of the application or during the applicability of the respective incentive/benefit, or if the applicant obtained such incentive/benefit by mis-representation of facts, the said incentive/benefit so sanctioned/released is subject to withdrawal and will attract penal clauses as is deemed appropriate/levied by the Government.

To
The Principal Secretary to Government
Information Technology and Communications Department
Government of Andhra Pradesh
D Block, 3rd Floor, AP Secretariat
Hyderabad-500022

I. Details of IT Company:

1. Name of the ICT Company:
2. Name of the Managing Director:
3. Name(s) of the Director(s):
 - a.
 - b.
 - c.
 - d.

II. Address of Applicant:

Address:
Contact Person:
Email:
Mobile:
Telephone:

III. **Nature and activities:**

a. Constitution of the Organisation (Pl. tick mark one or more as is applicable:
Proprietary Partnership Pvt., Ltd., Ltd., Co.

b.1. Line of Activity/Core competency/nature/type of the Organisation (Pl. (mark):

1. IT/ITES/Communications/IT Infrastructure Developer/IT Park/IT SEZ
2. Start up
3. SMEs
4. IT Product/R&D Companies
5. SC/ST Entrepreneurs
6. Women Entrepreneurs
7. Animation, Gaming & Digital Entertainment
8. Engineering services
9. Tier II locations
10. Tier III locations
11. Creation of IT Incubation Facilities at Engineering Colleges
12. Electronic Hardware (non-hazardous)

b.2.- In case your organization is engaged in multiple activities, please indicate your core competency & line of activity from which maximum revenues are generated:

b.3.- In case your core competency is in IT Product/R&D activity, please give details on patents obtained/registered/applied for on the date of application:

c. Existing Status: (Whether operational/Domestic/Export oriented/100% EOU/STPI/SEZ)

d. Date of incorporation of the Company/Firm

*** Enclose Memorandum and Articles of Association**

e. Investment Made:

i) Plant & Machinery: Rs.

.ii) Land & Buildings: Rs.

iii) Total: Rs.

f. Date of commencement of commercial operations:

(Date on which the first invoice is raised by you on your client/customer)

g. Performance: last three years (In lakhs of Rupees):

Year

Export turnover

Domestic turnover

Total turnover*

***Provide Annual Reports**

h. Total number of Employees employed at present:

***Attach authentication from competent statutory authority, on existing employment (as indicated at Annexure-III)**

IV. Incentive applied for (Pl. (mark):

1. 25%/50 Rebate on Power Tariff
2. Conversion to Industrial Power Tariff
3. 100%/50% Stamp duty Refund
4. Recruitment Assistance
5. 50% Exhibition Rental Refund
6. Tier II/III Location Anchor Company Incentive
7. Reimbursement of Patent filing cost
8. Reimbursement of Quality Certification expenditure
9. Declaration of IT Park Status.
10. Specific Incentives for SC/ST/Women Entrepreneurs
11. Provision of land

1. & 2. Conversion to Industrial Tariff/Power Rebate (25% or 50%):

- a. Service connection(s) No(s):
- b. Name as mentioned on the Bill
- c. Date of obtaining connection
- d. Load:

*** Enclose copy of the Bill**

3. 100% or 50% Reimbursement in Registration Fee, Stamp Duty and Transfer of Property Duty:

- a. Name and Location of the IT Park/IT company:
- b. Extent of already taken/built up space:(sq. ft.)
- c. Extent of Land in (acres):.....
- d. Nature of transaction (i) sale or lease: (ii) Claim for 100%/50% reimbursement.
(iii) In case it is 2nd transaction: details of 1st transaction with date, location & amount of reimbursement availed:
- e. Date of registration:
- f. Total value of the transaction:
- g. Amount of Regn Fee/Stamp duty and transfer of property duty paid:

*** Enclose copies of the sale/lease deed and the payment challans**

4. Recruitment Assistance:

- a. Date of commencement of operations:
- b. Number of employees (Recruited)
- c. Amount claimed

****Enclose certificate from your audit firm confirming the Name of the employee, date of employment and designation.***

5. 50% Reimbursement of Exhibition Stall Rentals:

- a. Name of the Exhibition & location participated:
- b. Cost of Stall Rental for 9 sq Mts
- d. Dates of Participation
- d. Outcome/Business generated
- e. Amount claimed:

***Enclose copies of the invoice and receipts from Exhibition organisers.**

6. Tier-II/III city anchor company incentive:

- a. Name of Tier-II/III Location and address:
- b. Date of commencement of operations
- c. No. of Employees
- d. Amount claimed:

****Enclose certificate from your audit firm confirming the Name of the employee, date of employment and designation.***

7. Reimbursement of Patent filing cost:

- a. Name of the Patent:
- b. Name of the Product for which Patent Obtained
- c. Date & No of Patent obtained (as per competent authority records)
- d. Name & Address of the Patent Approval Authority
- e. Amount of expenditure incurred on obtaining the Patent (with proofs):
- f. Amount claimed:

*** Enclose(i) Copy of the Patent Certificate from Competent Authority, (ii) Statement of expenditure incurred duly certified by your audit firm**

8. Reimbursement of Quality Certification cost

- a. Name/Level of Quality achieved:
- b. Name & date of the Quality Certificate:
- c. Name of the Certifying Authority, with address:
- d. Amount of expenditure incurred on obtaining the Quality Certification(with proofs/receipts/bills):
- e. Amount claimed:

*** Enclose (i) Copy of the Quality Certificate from Competent Authority, (ii) Statement of expenditure incurred duly certified by your audit firm**

9. Declaration of IT Park Status

- a. Extent of Land(Acres)
- b. Location(Survey No/ Address
- c. Names/Number of Owners
- d. Proposed/ Built up area/Plinth Area in sq. ft.
- e. Project size(Investment) (in Rs.)
- f. Expected Date of Completion:

***Enclose copies of the Sale Deed/Title of Ownership, , Layout Plan, Building Elevation, MoU/GPA with Developer**

10. Specific Incentives for SC/ST/Women Entrepreneurs:

- (a)Name of the Applicant:
 - (b) Category of Applicant: SC/ST/Women Entrepreneur *
- *Attach proof/evidence/document of the competent statutory authority on the relevant category / community**

(c)Total present investment/Assets (movable/Immovable) in the Company by the Applicant : (Rs. Crores):-

(d)Share of investment in the IT company

*** Attach proof/evidence/document to the effect that the applicant has morethan 51% stakeholding in the investment/activity/company**

(e)Incentive Applied: (Please tick): Recruitment assistance/100% Exhibition stall rental cost Reimbursement/100% reimbursement of Stamp duty and transfer duty paid on financial deeds and mortgages/Rebate on land cost/Investment subsidy on fixed capital Investment /Interest subsidy/ Subsidy on expenses incurred for quality certification/Patent filing cost/Exhibition Participation

(f) Amount claimed:

*** Attach proof/evidence/document in support of the claim/specific incentive applied**

11.Provision of land :

- a. Why is land required?
- b. How does it enhance your business?
- c. Proposed Activities (pl specify)
- d. Proposed Number of Employees on the land, if allotted:
- e. Proposed Investment
- f. Place/Location of Land required (HMDA/Tire-II/Tier-III)
- g. Extent of land required (area)(in acres):
- h. Proposed Built up area (in sq. ft.):
- i. Proposed Start Date:
- j. Proposed Completion Date:
- k. Source of funding:

Any other relevant information/comments/remarks (in justification of your application/request)

.....

DECLARATION

We hereby declare that the particulars as given in the application are correct to the best of our knowledge and belief and agree to the terms & conditions of Sanction of our request/incentive claimed /applied through this application.

Place:

Date:

Signature:

Name of the Authorized signatory:

Designation:

Annexure – II

(to GO Ms.No:13, Dept. of IT&C, dated. 31.07.2010,)

Read with :

(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy 2010-2015)

Consultative Committee on IT Industry(CCITI)

1. For administering the incentives to the ICT Industry in a smooth manner, a high level co-ordination between the various Departments of the Government and the Industry is required. For effectively resolving the problems, overcoming the impediments and ensuring growth of the ICT Industry in the State, a Consultative Committee on IT Industry (CCITI) with the following composition is constituted:

Principal Secretary, IT&C Department	Chairman
Special Secretary, IT Promotions, IT&C Dept	Member
CMD, AP TRANSCO	Member
CMD, APCPDCL	Member
Commissioner & IG Registration	Member
VC & MD, APIIC	Member
Metropolitan Commissioner, HMDA	Member
Commissioner, GHMC	Member
Representative of Commissioner of Labour	Member
Representative of MA&UD Dept	Member
Representative of Commissioner of Industries	Member
Joint Collector, R.R.District	Member
Director, STPI Hyd, GoI,	Member
Development Commissioner, AP IT SEZs, GOI	Member
President, ITsAP (formerly Hysea)	Member
Secretary, ITsAP(formerly Hysea)	Member
Regional Director, NASSCOM	Member
Co-opted Member (any representative from ICT Industry/Government/Expert/Professional)	Member
as and when required	
JD (Promotions), IT&C Department	Convener

2) All applications shall be prima facie scrutinized by the Sub-Committee of the CCITI, on the eligibility, veracity of technical/financial and other information, etc., furnished by the applicant, which shall place its recommendations thereon, before the CCITI for its consideration. The composition of the sub-committee of CCITI is as under:

- Special Secretary(IT Prom),IT&C, Chairman,
- Representative of APIIC, Member
- Director, STPI
- Development Commissioner, AP IT SEZs,
- President, ITsAP (formerly Hysea)
- Regional Director, NASSCOM - Member
- Co-opted Member (any representative from ICT Industry/Government/Expert/Professional, as and when required
- Jt Dir (IT Promotion) – Convener.

The Sub-committee may meet before every meeting of the CCITI, for furnishing its recommendations.

3). The CCITI shall act as a single window for granting all the incentives announced through the ICT Policy.

4) The CCITI shall meet periodically.

5) The terms of reference of CCITI are indicated below:

(a) To grant various incentives available in the ICT Policy 2010-2015, to ICT industry on examination of applications made by them including approving allotment of lands to the ICT Industry.

(b) To resolve the problems in implementation of the ICT Policy for speedy realization of the goals set forth.

(c) To prescribe the procedures and to issue guidelines and clarifications in implementation of the ICT Policy 2010-2015.

6. The CCITI can recommend/approve/reject/defer any application for incentives at its sole discretion.

7. The term of the members of CCITI and subcommittee of CCITI shall be coterminous with the ICT Policy 2010-2015.

Annexure-III

(to GO Ms.No: 13, Dept. of IT&C, dated.31.07.2010,)

Read with :

(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy,2010-2015)

PROVISION OF LAND

I.(1) (i) All allotments of Government land to the IT Industry are made subject to availability, fulfillment of certain eligibility criteria by the applicant IT/ITES company, and on payment of land cost & development cost, as determined from time to time by the allotment agencies, i.e., AP Industrial & Infrastructure Corporation (APIIC)/Hyderabad Metropolitan Development Authority (HMDA) and the concerned local Statutory Authorities.

(ii) The eligibility criteria for allotment of land to IT industry is -

Hyderabad Metropolitan Development Area:

(i) As on the date of application (a) the IT company shall have been in operation at least for the last five financial years (b) shall have an existing employee strength of minimum 1000 in IT or 1500 in ITES/BPO activities on its rolls & sustained for the last two years, and (c) shall have a minimum annual turn over of Rs.50 crores, from IT/ITES activities from their existing operations continuously for the last two financial years.

(ii) IT Product/R&D companies - the eligibility for consideration for allotment of land is that the company shall have the existing employee strength of minimum 500 on its rolls & sustained for the last two years, with a minimum annual turnover of Rs.25 crores or investment of Rs. 25 crores and shall have been in operation at least for the last five financial years. The Product Company applying for land would have obtained approval for a minimum 1 patent/copy right and registered/filed for approval of 3 patents/copyrights with the Competent Statutory Authority

Tier II locations: (Identified as Visakhapatnam, Vijayawada, Tirupati, Kakinada and Warangal)

Visakhapatnam:

As on the date of application (a) the IT company shall have been in operation at least for the last two financial years, (b) shall have an existing employee strength of minimum 250 in IT/ITES activities, on its rolls. A product/R&D company shall have an existing employee strength of minimum 100.

Vijayawada, Tirupati, Kakinada and Warangal:

As on the date of application (a) the IT company shall have been in operation at least for the last two financial years, (b) shall have an existing employee strength of minimum 100 employees in IT/ITES activities, on its rolls.

(iii) The land recommended for allotment shall be based on creating a fresh direct IT employment of 500 and construction of 50,000 sft. of office space for every one acre allotted within 3 years from the date of taking over possession of land, failing which the said allotted land is liable for cancellation and can be taken back to the extent to which proportionate employment is

not generated For product companies the fresh additional employment to be created shall be 200 per acre on the land allotted.

(iv) Tier-III locations (as Identified in any District other than HMDA area and Tier-II locations): As on the date of application the IT company shall have been (a) in operation for at least two financial years and (b) an existing employee strength of minimum 75 employees in IT/ITES activities, on its rolls.

Companies availing the allotment of land incentive are not eligible for 100%/50% Stamp duty reimbursement

(2) Mega Projects:

A special and up front negotiated package of incentives, will be offered for mega projects set up by ICT Multinational Corporations (MNCs) and IT majors. **Mega Projects are defined as such ICT projects**, with present employment of more than 1000 in the case of IT and 1500 in the case of ITES and an annual turnover of more than Rs.100 crores for the last 3 years.

(3) The exact location, extent of land, land/development cost per acre of allotment shall be as determined by the Government.

(4)The minimum gross salary/ wage for an employment to be considered to have been created would be Rs. 5000/- per month. The period for which such employment would have to be sustained to be eligible to be reckoned for this incentive shall be two years;

(5)(a) The incentive of allotment of land linked to employment generation will be limited to the extent of the number of persons of Andhra Pradesh origin employed by the company. A Company will be free to employ persons as per their own policies. However, the concessions available under this incentive will be restricted to the number of persons of AP origin employed by the company. For the purposes of this provision, a person of AP origin is defined as specified below:

- A resident of the State of AP.
- Domiciled in the State of AP.
- Born in the State of AP.
- Studied in School/College/University in the State of AP.
- A person either of whose parents was born or attended School/College/University in State of AP or was domiciled in AP.

(b) A resident of the State of AP is defined as a person satisfying any of the following criteria:

Whose name finds place in electoral roll anywhere in Andhra Pradesh.

Whose name finds place in the citizens data maintained by the Revenue Department and is assigned with a multipurpose identity card no. (also termed SSID No:)

Who holds a ration card/telephone connection/gas connection in his/her name or in the name of any member of his/her family.

Who is able to furnish any other proof of residents like drawl of monthly salary through bank account.

(c) A minimum time period of 2 years of residence in Andhra Pradesh is stipulated for this purpose.

(6) For computing the number of eligible employees two schemes are prescribed as below:

Scheme-A: Taking a count of the number of eligible employees at any date chosen by

the company within the maximum admissible period in terms of the MoU signed between the Government and the IT Company.

Scheme-B: Counting the number of eligible employees on any convenient date chosen/suggested by the company and counting the additional number of eligible employees at the end of each year thereafter within the maximum admissible period, in terms of the MoU signed between the Government and the IT Company.

b) In fulfillment of employment obligation on the land allotted as per the terms of allotment, the IT companies, may furnish periodically as mentioned above the statement of names, and number of eligible employees, certified by their Statutory Auditors, after satisfying themselves of compliance with the eligibility criteria and furnishing a declaration to the effect.

II. Procedure:

1)The IT/ITES companies should submit duly filled up application forms, to the IT&C Department for placing before the CCITI for approval, alongwith the justification proposal on the requirement of extent of land for construction of the IT Campus, Memorandum & Articles of Association, Annual Reports and appropriate documentation/ certification from competent authority on existing employment/turnover, as mentioned hereunder:.

(a) Existing employment:

The applicant company requesting for allotment of land shall submit the authentication on their existing employment from the concerned competent Statutory Authority as mentioned here under:

- (i) Certificate from Provident Fund Commissioner, that the existing employment figure tallies with their records pertaining the PF payments made OR
- (ii) Certificate from the Competent Authority that the profession tax for the respective financial year has been paid for the no.of employees indicated in the application OR
- (iii)Certificate from the Banker of the respective company in respect of the employees on the rolls of the said company to corroborate the figure of existing employment indicated in the application OR
- (iv)Certificate from concerned Income Tax Officer that the appropriate form (Form-24 or Form-16) filed with the Income Tax Dept by the company indicating the no.of employees for whom TDS has been deducted by the company for the respective financial year.

(b) Turnover:

Approved and Audited Annual Accounts filed with the Registrar of companies, in support of the latest turnover figures mentioned in the application.

2). The Department of IT&C would enter into a Memorandum of Understanding (MoU) (**as at Annexure-VII**) with the IT Company on receiving approval from CCITI. The MoU Copy will be sent to allotment Agencies, APIIC/HMDA/VUDAs, etc., for causing allotment of land, subject to availability, allotment terms & conditions, and on payment of land cost as is decided upon.

3) Mere fulfillment of eligibility does not confer entitlement for allotment of land. Further, allotment of land is subject to availability and is at the sole discretion of the Government. No correspondence is entertained in this regard.

Annexure – IV

(to GO Ms.No:13, Dept. of IT&C, dated.31.07.2010,)

Read with :

(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy 2010-2015)

Industrial Category Power Tariff and 25% or 50% Rebate in Power Tariff

1) Industrial Category Power Tariff:

Industrial Power Tariff is admissible to all the units/companies of ICT Industry as per eligibility and as indicated/ defined under ICT Policy 2010-2015 mentioned above

2) 25% or 50% Rebate in Power Tariff

25% or 50% Rebate in Power Tariff is provided to the eligible IT companies, SC/ST/Women entrepreneurs/Tier-II/Tier-III locations, etc., basing on applicable terms & conditions as indicated/ defined under ICT Policy 2010-2015 mentioned above

3) The CCITI will consider the applications of those eligible IT Industry and Communications Industry after one financial year from the date of commencement of commercial operations of the applicant company/unit.

4) All power connections should be in the name of the IT Company applying for concessions.

5)The concession of 25% or 50% rebate in Power Tariff would be available for a period of 3 years from the date of release of power or going into actual commercial production whichever is earlier.

6)IT Companies located in multiple premises or having multiple meters would be eligible for the **Industrial Category Power Tariff** concession provided the power connections are in the name of the IT Company.

7) 25% or 50% rebate in Power Tariff is subject to the ceiling on amount and time limited as specified in the ICT Policy 2010-2015 and is computed on the consumption at/through all such premises/meters put together.

8) The Infrastructure companies building IT Parks need to obtain notified IT Park Status from Government at IT&C Dept, subject to stipulated terms & conditions, to pass on the benefit of Industry Power Category Conversion to IT companies who have taken office space in their respective IT Park.

9)(i)Notified IT Infrastructure Companies/IT Parks/IT SEZs are responsible for filing the applications for extending the incentive of (a) Industrial Category Power Tariff conversion and (b) 25% or 50% rebate in Power Tariff only to give effect/benefit to their lessees, i.e., IT industry and communications industry, located in their multi-tenanted IT Parks or built to suit IT facilities, by submitting a statement of such companies consumption and rebate applicable as per the limits prescribed. They are responsible for the accuracy and correctness besides being responsible for obtaining the necessary applications from their clients and submitting to IT&C Department.

(ii) These notified IT Parks will have their power connections converted to Industrial Category Power Tariff.

(iii) Pl note that the benefit of Industrial Power category tariff , and rebate in power tariff is not meant for the captive benefit of Notified IT Infrastructure Companies/IT Parks/IT SEZs and shall only be passed on to their tenants engaged in IT/ITES activity. Any violation in this regard is viewed seriously and the respective Notified IT Infrastructure Companies/IT Parks/IT SEZs, is liable for not only withdrawal of such benefit and attract penal provisions as is deemed fit by the Government.

10). Procedure:

The IT Industry companies should submit duly filled up application forms to the IT&C Department alongwith the copy of the Power bills on the name of the company, Memorandum & Articles of Association, Annual Reports and any such other document required.

11) A certificate would be issued by the Department of IT&C to the effect that the respective IT applicant is eligible for the 25% or 50% rebate in power tariff or Industrial Category Power Tariff or both, as is applicable, upon the approval of CCITI.

12) The IT companies granted Power Certificates, as per their eligibility, shall claim the benefit from their respective Discom, i.e., APCPDCL/SPDCL/NPDCL/EPDCL,etc., as per their normal power billing cycle.

13) Basing on the Power Certificate issued by Govt at IT&C Dept, the respective Discoms, i.e., APCPDCL/SPDCL/NPDCL/EPDCL, will automatically effect the Industrial Power tariff Category Conversion from the date of issue of the said Power Certificate to the IT company.

14) With respect Subsidy on Power Tariff, basing on the Power Certificate issued by Govt at IT&C Dept, the respective Discoms, i.e., APCPDCL/SPDCL/NPDCL/EPDCL, will effect the same to the eligible IT company as per applicable limits, and claim reimbursement of such claims from IT&C Dept, periodically.

Annexure –V
(to GO Ms.No:13, Dept. of IT&C, dated.31.07.2010,)

Read with :
(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy 2010-2015)

100% or 50% Reimbursement of Registration Fee, Stamp Duty & Transfer of Property Duty

IT Industry and Communication Technology Industry, would be eligible to claim for 100% or 50% Reimbursement in Registration Fee, Stamp Duty & Transfer of Property Duty, on 1st and 2nd transaction respectively, as is applicable to their category and as per the following terms and conditions:

1. Eligibility:

(a)For IT Industry and Communication Technology Industry concession would be available on the outright purchase/lease or lease-cum-sale of land/built up office space for establishing IT facility for its own use provided it does not avail the facility of land allotment.

(b)The above reimbursement would be applicable on the combined levy of registration fee; stamp duty and transfer of property duty.

(c) IT Infrastructure Companies building IT Parks for the use of the IT Industry should provide state-of-art building with facilities like uninterrupted/backup power, reliable telecom links, etc. This reimbursement benefit would be available only to an IT company when they take office space on lease/sale, in an IT Park and not to the IT infrastructure company, who has developed the said IT Park. .

(d)This concession would be available only to those who have executed the sale/lease-deed after the announcement of the ICT Policy and subject to the approval of the CCITI.

(e) The Infrastructure companies building IT Parks need to obtain notified IT Park Status from Government at IT&C Dept, subject to stipulated terms & conditions, to enable IT companies taken office space in their respective IT Park, to claim this concession..

2. Procedure:

The ICT companies should submit duly filled up application forms to the IT&C Department for placing before the CCITI for approval alongwith the copy of the sale/lease deed, Memorandum & Articles of Association, Annual Reports, receipts/challan paid on the amount of Registration Fee, Stamp Duty & Transfer of Property Duty to the Sub-Registrar, Registration Dept, and any such other document required.

3. Performance Guarantee:

The ICT Companies availing the above concession should provide a Bank Guarantee, as per proforma, (copy enclosed) for an equal amount of their claim for a period of 3 years from the date of release of the said amount by Govt.

ANNEXURE-VI

(to GO Ms.No: 13, Dept. of IT&C, dated.31.07.2010,)

Read with :

(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy 2010-2015)

PERFORMANCE GUARANTEE
(BANK GUARANTEE)

This performance Bank Guarantee made thisday ofmonthyear
by M/s....., having its registered office at
.....

- A) Where as M/s a company incorporated under the Companies Act 1956 and having its corporate office at requested for the incentive of
- B) Whereas on consideration of the said request, the Government of Andhra Pradesh based on ICT Policy 2010-2015, issued vide G.O.Ms.No.9, IT&C Department, dt:07.07.2010, read with G.O.Ms.No....., dt:..... on the operational guidelines thereon, has sanctioned an amount of Rs..... and released an amount of Rs..... as installment in this regard.
- C) Further as per the G.O.Ms.No.9, IT&C department, dt:07.07.2010, read with G.O.Ms.No....., dt:..... on the operational guidelines. Department of IT&C, Government of Andhra Pradesh and M/s..... have agreed that in the event M/s..... fail to fulfill the conditions, in full or in part, then in such an event, Rs..... (Rupees.....) is to be refunded to the Department of IT&C, Government of Andhra Pradesh.
- D) In order to secure the performance of M/s.....to pay the claim amount basing on the terms and conditions contained in the G.O.Ms.No.9, IT&C Department, dt:07.07.2010, read with G.O.Ms.No....., dt:..... on the operational guidelines thereon, by Government of Andhra Pradesh, as required, M/s.....has requested the Bank to provide a Guarantee and the Bank hereby guarantee the payment of the claim amount subject to the following terms and conditions.

NOW THIS BANK GUARANTEE WITNESSETH FOLLOWS:

- 1) All capitalized terms used herein and in G.O.Ms.No.9, IT&C Department, dt:07.07.2010, read with G.O.Ms.No....., dt:..... on the operational guidelines, hereto if not specifically defined shall have the same meaning assigned to.
- 2) The Bank hereby irrevocably guarantee and undertake to pay to Department of IT&C, Government of Andhra Pradesh, on written demand, without demur, reservation, contest, recourse or protest, to the Department of IT&C, Government of Andhra Pradesh the claim amount in full.

- 3) Notwithstanding anything contained herein above, the Bank's maximum liability under this guarantee is strictly restricted to Rs..... (Rupees.....only).
- 4) This Guarantee will come into force with immediate effect and shall remain in force and valid for a period of three years.
- 5) This unconditional and irrevocable Bank Guarantee shall be available for invocation and payment at the bank counters in Hyderabad or Secunderabad. Any demand under the guarantee must be made in writing and must be dispatched at the Bank's address atwhilst the guarantee remains in force as above. On receipt of such demand, the guarantor shall pay to the Department of IT&C, Government of Andhra Pradesh the amount of the demand within 15 business days following the invocation of the guarantee by the Department of IT&C, in writing as aforesaid.

The courts located in the twin cities of Hyderabad and Secunderabad shall have jurisdiction over any dispute arising out of this guarantee.

Notwithstanding anything contained herein:

1. Our liability under this Bank Guarantee shall not exceed Rs..... (Rupees.....only).
2. This Bank Guarantee shall be valid upto 3 years and
3. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if IT&C Department serve upon us a written claim or demand on or before(Date of expiry of Guarantee).

In witness whereof the guarantee is executed by Sri..... on behalf of the Bank who as Principal Officer of the bank are authorised and competent to execute such like guarantees including the present one.

ANNEXURE-VII

(to GO Ms.No: 13, Dept. of IT&C, dated.31.07.2010,)

Read with :

(G.O.Ms.No: 9 , Dept. of IT&C, dated.07-07-.2010, ICT Policy 2010-2015)

STANDARD MEMORANDUM OF UNDERSTANDING*

(*Subject to changes based on mutual agreement)

This Memorandum of Understanding (“MOU”) is entered into on this, the day of, at Hyderabad;

BY AND BETWEEN

The Governor of Andhra Pradesh represented by the Secretary to the Government, Information Technology and Communications Department, Government of Andhra Pradesh (hereinafter referred to as “GoAP” which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors/representatives) of the First Part;

AND

M/s....., a company incorporated under the Companies Act, 1956 having its registered office at represented by Sri., (hereinafter referred to as M/s..... which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors and permitted assigns) of the Second Part.

RECITALS

WHEREAS, GoAP has announced Information & Communications Technology (ICT) Policy 2010-2015 through G.O.Ms.No.9, Information Technology & Communications Department, dated 7th July, 2010, pursuant to which M/s....., has agreed **to set up an IT facility for its own use** at in the State of Andhra Pradesh to undertake activities such as IT Software Development/IT Services/ITES/BPO (hereinafter referred to as “Activities”, and which Activities fall within the scope of the ICT Policy) and for this purpose wishes to purchase/acquire certain land (more fully described in **Schedule** attached hereto and hereinafter referred to as “Plots”) under the terms of the ICT Policy 2010-2015 and on the terms and conditions contained herein; and

WHEREAS, GoAP has agreed to facilitate the establishment of the facility by M/s..... and the parties hereto have agreed to set out the broad terms of their understanding as under.

NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS FOLLOWS:

1. Basic Understanding

In consideration of the **lease premium/price per acre as determined by Government**, GoAP has agreed to cause APIIC to allot on lease basis and M/s..... agrees to take on lease basis from Allotment Agency the Plot subject to the terms and conditions contained herein. The parties hereto further agree that M/s..... shall use the Plot for the purpose of undertaking of IT/ITES Activities. It is further clarified that the Plot can be used by the sub- contractors or vendors of M/s..... and/or its affiliates, provided such sub-contractors or vendors are undertaking the Activities as a special project for M/s.....- and/or its Affiliates. For the purpose of this MoU, the term “Affiliate” means and includes any body corporate in which M/s..... subscribes to not less than 26% of the share holding of such Affiliate.

2. Terms & Conditions

The completion of the transaction envisaged under this MoU is subject to the fulfillment of the following conditions precedent:

- (a) The Government of Andhra Pradesh, in due consideration of this Memorandum of Understanding shall cause Allotment Agency to allocate an area of **about** **acres** of land situated in at to M/s..... @ Lease premium/price per acre towards land cost/development charges (approximately) payable and as determined by Govt/ Allotment Agency as per the terms and conditions prescribed herein. The Development Cost amount mentioned is subject to variance depending on the actual ground conditions.
- (b) The undeveloped land/plot is considered for allotment in ‘as is where is’ condition.
- (c) Completion of satisfactory due diligence by M/s..... of the Plot, but not limited to, an environmental due diligence of the Plot, suitability of the Plot, for the purpose of undertaking the activities in the manner satisfactory to M/s....., availability of adequate utilities and ownership title of the Plot.
- (d) Obtaining by M/s..... of the requisite corporate and regulatory approvals, (including approvals from the parent company) including approvals to install and operate the various communication facilities on the Plot, Allotment Agency facilitating such assistance that M/s..... may reasonably require in order to obtain such approvals as may be necessary and required by M/s..... to undertake the Activities;
- (e) Employment of **500** is to be guaranteed for every acre of allotment.
- (f) M/s..... has to commence the construction within **6 (six)** months from the date of handing over possession of land, complete the project within **15 months** of taking over and commence operations within 3 months of completion. Otherwise the allotment will be cancelled without any notice.
- (g) M/s..... will construct an **IT campus for their own purpose** within the said land of about five acres of Plot with an estimated investment of approximately **Rs.....**

crores on the five acres Plot and build its IT campus with total built up area of **sq.ft.**

- (h) **M/s.....** have to make their own arrangements to provide all infrastructure like power, water, bandwidth, road connectivity etc., to their allotted plot.
- (i) **M/s.....** should lay their own approach road on their own cost within 3 months from the time of signing of the MoU – under the supervision of Allotment Agency.
- (j) Allotment Agency shall be the nodal agency for all permissions and shall supervise the optimum utilization of allotted lands.
- (k) The Allotment Agency lay out in which the Plot is allotted to **M/s.....** would be part of an approved IT Special Economic Zone (SEZ). The expenditure incurred for construction of common compound wall for customs bonding facility by Allotment Agency or payment made by Allotment Agency to any consultant for development of the layout as SEZ, over and above the development charges mentioned at (c) above, shall have to be shared by **M/s.....** proportionately with other allottee IT Companies in the Lay out.
- (l) **M/s.....** shall pay the management cost, maintenance costs, local area administration costs, in the form of property tax, water charges, power charges, etc., to Allotment Agency and any other statutory agencies from time to time as is applicable to other allottees and as per Municipal/ Local/ Civic Administration Rules/Acts/Statues in force.
- (m) The transfer of Title through Agreement/Deed will be considered only after compliance of all the terms of allotment and other conditions, if any, imposed from time to time and as per the SEZ Act
- (n) This allotment of land is subject to compliance of all the Rules, Regulations, Terms & Conditions of allotment of APIIC, ICT Policy 2010-2015 of GoAP and SEZ Rules, 2006 of Govt of India (GOI) imposed from time to time.
- (o) **M/s.....** shall not approach any court of law on the above clauses. Any disputes/differences of opinion will be amicably settled by the IT&C Department/ Allotment Agency.
- (p) Any other terms and conditions as deemed fit from time to time imposed by the GoAP on the allotment made are binding upon **M/s.....**

3. Consideration

- a) The parties hereby agree that **M/s.** employs eligible employees as stipulated in the ICT Policy 2010-2015, on the said Plot within three years from the date of taking over possession of the Plot.

b) Further the parties agree that if by the end of the **third** year, the total number of eligible employees is less than, then in such an event, **M/s.** shall refund the cost of land pro-rata, on the value of the Plot indicated at existing market rates, equivalent to the shortfall along with interest calculated on a daily product basis at 16% per annum with quarterly rests from the date of signing the MOU to the date of payment, without there being any other liability, financial or otherwise, resulting from shortfall in employing eligible employees by the end of the third year.

4. Completion Date:

Under this MoU, the Completion Date shall mean the date on which all the conditions, precedents stated in Clause 2 & 3 above are completed by **M/s.....** execution of definitive agreements by the parties, registration of the Lease Deed with the appropriate Sub-Registrar of Assurances and handing over the vacant and peaceful possession of the Plot to **M/s.....**

5. ICT Policy and SEZ Policy

The incentives, terms & conditions of the ICT Policy of GoAP, SEZ Policy under the SEZ Act shall be applicable to the proposed allotment of the Plot to **M/s.....**

6. Miscellaneous:

- (a) **Use of Premises:** Alienation of the Premises: **M/s.....** shall not assign; transfer, or in any manner alienate the Plot to any person other than to an IT/ITES companies as defined in the ICT Policy 2010-2015 and SEZ Act 2005, without the prior written approval of IT&C Dept, Govt. of AP, subject to the condition that, nothing contained herein shall be deemed to restrict the affiliates or sub-contractors or vendors of **M/s.....** from utilizing the plot for the purpose of undertaking the activities for the benefit of **M/s.....** or its affiliates.
- (b) **Term:** This MoU shall remain in force for a period of **three months** from the date of execution, unless such term is extended by the mutual consent of the parties hereto.
- (c) **Non-binding:** This Memorandum of Understanding constitutes an expression of interest, and should not be in any manner construed to be a legally binding commitment for either party. Both sides understand that prior to proceeding to execute a definitive agreement, **M/s.....** and Allotment Agency are required to obtain certain corporate and regulatory approvals, and in the event such approvals are not obtained before expiry of the term, this Memorandum of Understanding would terminate without any liability to either party.

On obtaining the requisite approvals, the parties shall communicate the same to each other. However, **M/s.....** shall obtain all necessary approvals/ clearances within (90) days from the date of entering into the MoU.

IN WITNESS WHEREOF, the aforementioned parties have affixed their signatures and seal on the date, month and year first above written.

Govt of Andhra Pradesh

M/s.....

Prl.Secretary, IT&C Dept

WITNESSES:

- | | |
|----|----|
| 1. | 1. |
| 2. | 2. |

Schedule to the Memorandum of Understanding dated:

DESCRIPTION OF THE PLOT

All of the freehold land located in at to M/s....., admeasuring **about** acres.

***Prl. Secretary to Government
IT&C Department***