

## Government of Andhra Pradesh

### Abstract

Information Technology (IT) Policy of the Government of Andhra Pradesh- Implementation of the policy in the VEPZ, Visakhapatnam - Authorization to the Development Commissioner - Orders - Issued.

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Information Technology & Communications Department.

G.O. Ms No. 25

Dated 24.04.2001

Read the following:

1. G.O.Ms.No.506, Revenue (CT.II) Department, dated 27.6.96
2. G.O.Ms.No. 67, Energy (Power. II) Department dated 21-07-98.
3. G.O.Ms.No.161, EFS&T (Environment) Dept, dated 15-10-98.
4. G.O.Rt.No. 58, Finance and Planning (Plg. IT&C) Dept. dated 1-2-99.
5. T.T.O (Commercial), No.173, Transmission Corporation. of A.P. Ltd dt. 10-5-99
6. G.O. Ms No.114 Finance and Planning (Plg IT&C) Dept dt. 25.5.99
7. G.O. Ms No: 3 IT&C Dept dt. 25.5.2000
8. G.O. Ms No: 5 IT&C Dept 16.6.2000
9. G.O. Ms No: 506 Revenue (Regn.II) Dept dt. 28.07.2000
10. G.O. Ms No; 517 MA&UD (II) Dept dt. 20.10.2000
11. G.O. Ms.No. 23 IT&C Dept. Dt. 6-12-2000
12. Memo No: C.E (Coml.) PO2/IT-Rebate/ D. No: 995/2000 dt. 21.12.2000
13. G.O. Ms. No.3, Panchayat Raj & Ryal Development (PTS.II) Department dated 03.01.2001.
14. G.O. Ms No: 20 MA&UD (L1) Dept dt 19.01.2001
15. D.O.Letter No. 4(6)/90-VEPZ/5477 from the Development Commissioner VEPZ dt. 12.03.2001

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ORDER:

With a view to promote IT Investment in the State of Andhra Pradesh Government issued the IT incentive policy in the reference 6<sup>th</sup> read above. These incentives are applicable to I.T. & IT Telecommunication Industry. IT includes IT hardware and Software and IT software industry includes IT services and IT enabled services also. The incentives are also made applicable to Telecom Companies laying Optical Fibre Cables (OFCs) in the reference 11<sup>th</sup> read above. The incentives offered in this connection broadly are as follows:

- i) Exemption of Software Industry from the purview of AP Pollution Control Act, excepting the power generation sets
- ii) Exemption of IT industry from the purview of the statutory power cuts
- iii) Extension of Industrial power tariff to IT industrial unit located in the state including the urban areas
- iv) 25% concessional power tariff to the new IT industrial units for a period of three years from the date of taking the actual power connection or from the date of commencement of actual commercial operations whichever is earlier.
- v) Total exemption of payment of sales tax on the sales of the computer software under the APGST Act 1957

- vi) Exemption of the IT Software Industry from the zoning regulations for the purpose of the location read with the orders cited at 10 and 13 read above.
- vii) Rebate in the cost of land allotted to an IT industry at the rate of Rs 20,000/- per job created subject to certain conditions as laid down in the references 6 and 8 read above.
- viii) Rebate in the registration charges, stamp duty and transfer of property charges on a tapering scale for the sale/lease of built up space to the IT industry
- ix) Relaxation of FAR to an extent of 50% of the prevailing norms for the IT industry/IT infrastructure companies establishing the facilities on private lands, outside the limits of Municipal Corporations and the nine surrounding Municipalities of Hyderabad and Gaddi Annaram village.
- x) Investment Subsidy to an extent of 20% subject to a ceiling of Rs 20 lakhs on the fixed capital investment. Entrepreneurs belonging to SC&ST categories are allowed 25% investment subsidy on the fixed capital investment up to a maximum of Rs 50 lakhs. This facility however is not available to IT industries availing rebate on land cost as already provided for at item (vii) above and
- xi) Mega projects investing more than Rs 100 Crores will be eligible for special package of incentives on a case-to-case basis.

2. Government in this connection has in-principle provided for self-certification / exemptions for the IT software industry from the provisions of the following Acts / regulations, subject to issue of specific orders by the departments concerned:

- a) Factories Act
- b) Employment exchange, notifications of vacancies Act
- c) Payment of Wages Act
- d) Minimum wages Act
- e) Contract Labour Act
- f) Workmen Compensation Act
- g) AP Shops and Establishment Act and
- h) Employees state Insurance Act.
- i) General permission to run three-shift operation by IT software industry was also accorded subject to issue of specific orders by the department concerned.

3. Government has been able to implement the IT incentive policy with the main focus on allotment of land, allowing industrial power tariff, 25% concessional power tariff, rebate in registration charges, stamp duty and transfer of property charges etc., with the help of the committee constituted in the reference 7 read above. In respect of allowing self certification etc., specific orders are still to be issued by the departments concerned and the facility is therefore not extended to the IT software industry as stipulated in the IT incentive policy of the state.

4. Government has also been contemplating the promotion of the IT industry outside Hyderabad including the VEPZ Visakhapatnam. It has also been the policy of the Government to make use of the incentive policy in an effective manner outside Hyderabad. The Development Commissioner VEPZ in the reference 15 read above requested the Government to consider extending the fiscal incentives such as 20% Investment Subsidy and 25% concessional power tariff to the software units being established in the VEPZ in a decentralized manner duly allowing the Development Commissioner VEPZ to issue the necessary certificates for claiming the incentives.

5. Government after carefully considering the above, hereby allow the Development Commissioner VEPZ to issue necessary certification for the units situated within the VEPZ premises in respect of the incentives viz., Power, Rebate in Registration Charges, Stamp Duty, Transfer of Property Charges and the Investment Subsidy, subject to fulfilling the terms and conditions stipulated for each of the above incentives as indicated in the respective Government Orders.

6. A copy of this order is also available on [www.ap-it.com](http://www.ap-it.com) and [www.aps.gov.in/apgos](http://www.aps.gov.in/apgos).

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

J. Satyanarayana  
Secretary to Government

To

The Development Commissioner, VEPZ, Vishakhapatnam.  
All the Departments of Secretariat,  
Commissioner, Municipal Administration.  
Commissioner and IG, Stamps and Registration.  
Commissioner Industries,  
Chairman and Managing Director, APIIC,  
Managing Director, APIDC  
Commissioner, Information and Public Relations,  
Managing Director, APTS Ltd.  
Member Secretary, AP Pollution Control Board,  
Chairman & Managing Director, APTRANSCO,  
Joint Managing Director, APTRANSCO,  
Commissioner Commercial Taxes  
Director, Employment and Training  
Commissioner Labour  
Director of Factories and Boilers,  
Director, Employees State Insurance,

Copy to:

STPI, Hyderabad.  
P.S. to Chief Minister / Chief PRO to C.M.  
P.A., Prl. Secretary to C.M. / Spl. Secretary to C.M.  
P.A. to Secretary, IT&C.  
P.A. to Spl. Secretary, IT&C.  
P.A. to the Jt. Secretary, IT&C.  
The Joint Director, Promotion.  
The A.G., A.P.

//FORWARDED BY ORDER//  
**SECTION OFFICER**