ITE&C Department – Andhra Pradesh Information Technology (IT) & Global Capability Centers(GCC) Policy (4.0) 2024 -2029 -Reg

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INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS [ITE&C] (PROMOTION WING) DEPARTMENT

G.O.Ms.No.9   **Date:12.12.2024**

                                                      Read the following:

1. G.O. Ms.No. 6, IT, E&C (Promotions) Department, dated: 16.07.2021
2. G.O. Ms.No. 2, IT, E&C (Promotions) Department, dated: 15.03.2024
3. e.File.No.ITC01-IT0PROM(ITPR)/21/2024-PROMOTIONS IT Policy from ITE&C (Promotion Wing) Department, Government of Andhra Pradesh.

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ORDER

The "Information Technology (IT)" field continues to evolve globally, and the IT firms in private sector meticulously plan, optimally integrate, and ensure alignment of IT operations with business goals spanning the social, the financial, the scientific, and the not-for-profit sectors. Similarly, the "Global Capability Centers" (GCC), the off-shore entities established by parent companies to deliver IT services, R&D, and legal services to the parent organization and form the backbone of the IT services in India. The Government of Andhra Pradesh (GoAP) has recognized the nontrivial linkages between the IT and the GCC sectors, and has decided to nurture the IT and the GCC sectors in its quest to build a knowledge economy in the state of Andhra Pradesh and accordingly, proposed the "Andhra Pradesh Information Technology (IT) & Global Capability Centers (GCC) Policy (4.0) 2024 – 2029".

2.   This policy aims to strengthen the infrastructure gaps in the physical, financial, and the digital spaces and incentivize massive employment creation. This policy shall focus on creation of large-scale capacities in co-working spaces and neighborhood workspaces to provide flexibility in work spaces and foster work-life balance to the employees in the IT and the GCC sector, which may result in improved productivity. These spaces are set to radically transform the way youth within the state of Andhra Pradesh can work for domestic firms and global conglomerates. In the short-, and the medium-term, this policy shall aim to

develop large IT spaces, and leverage remote/hybrid work culture to create large scale employment in the IT & GCC sector in the State. The long-term objective of this forward-looking policy would be to incentivize and enable the establishment of some of the prominent "Fortune 500 computer software and information companies" within the state of Andhra Pradesh.

3.   Accordingly, the IT,E&C Department conducted extensive consultation meetings with IT Industries associations, IT park developers, IT and GCC firms, and co-working space developers and various line departments at the state level. Accordingly, the draft of the new Andhra Pradesh Information Technology (IT) & Global Capability Centers (GCC) Policy (4.0) 2024 – 2029 was submitted to the Government.

4.   The remarks of the Finance Department on the proposed policy were received in e-File No: ITC01-IT0PROM(ITPR)/21/2024-PROMOTIONS (C.No.2584744). The finance department accorded concurrence and approval for the AP Information Technology (IT) and Global Capability Centers Policy (4.0) 2024-29. Further, the finance department advised that the Andhra Pradesh Industrial Investment Corporation Limited (APIIC) to service the incentives by mobilizing funds through Land Value Capture model, etc.

5.   The Government, after careful examination of the proposal, hereby accords the approval for the *"Andhra Pradesh Information Technology (IT) & Global Capability Centers (GCC) Policy (4.0) 2024 – 2029"*, and is enclosed to this order as Annexure.

6.   The Andhra Pradesh IT & Global Capability Centers (GCC) Policy 4.0 2024 shall be valid for a period of five (5) years from the date of the policy notification, or till a new Policy is announced. New investors and existing investors, who wish to expand, may apply under this policy. The policy may be amended and modified during implementation however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy. The Government of Andhra Pradesh may extend the period of this policy as and when required. The Policy shall be applicable to the entire State and shall give direction to boost economic development in the State.

7.   The Incentives mentioned in the policy will be extended to eligible Industries as per the operational guidelines to be notified separately. The IT,E&C Department shall take necessary action for implementing operating guidelines for this Policy.

8.   This order is issued with the remarks and concurrence of the Finance (FMU-GAD.I-U.O.No.FIN01-FMU0RBAB(GAD1)/20/2024-FMU-GAD-I   (C.No.2640875)) Department as mentioned above.

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

N YUVARAJ
SECRETARY TO GOVERNMENT

To:
All the Departments of Secretariat
The Secretary to Govt., Industries & Commerce Department, Government of Andhra Pradesh
The Commissioner and I.G., Stamps and Registration
The Director, Industries and Commerce, Andhra Pradesh
The Vice Chairman and Managing Director, APIIC,
The Commissioner, Information and Public Relations, Andhra Pradesh
The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh
The Chairman and MD, AP TRANSCO
The Managing Director, APCPDCL/EPCPDCL /SPCPDCL
The Commissioner, Labour, Andhra Pradesh
The Vice Chairman, VUDA/TUDA/VGTMUDA
All the District Collectors and Magistrates, Andhra Pradesh
All the Municipal Commissioners, Andhra Pradesh
The Managing Director, APTS, Vijayawada
The Development Commissioner, VSEZ, Visakhapatnam
The Director, STPI, Andhra Pradesh
The Group CEO, APEITA

Copy to:
The Secretary, Ministry of Electronics and Information Technology (MeitY), Government of India
The Chief Minister's Office, Government of Andhra Pradesh
PS to Chief Secretary to Government of Andhra Pradesh

PS to Prl. Finance Secretary, Government of Andhra Pradesh

OSD to Minister for HRD, ITE&C, RTGs, Government of Andhra Pradesh

PS to Minister for Finance, Government of Andhra Pradesh

PS to Minister for Revenue, Government of Andhra Pradesh

PS to Minister for MA and UD, Government of Andhra Pradesh

PS to Minister for Energy, Government of Andhra Pradesh

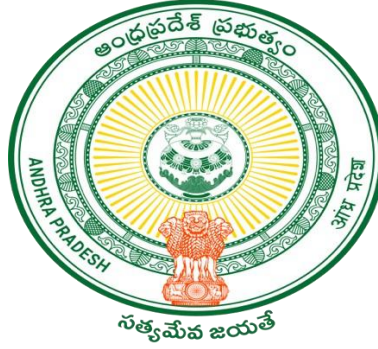PS to Minister for Labour, Government of Andhra Pradesh

PS to Secretary Planning Department, Government of Andhra Pradesh

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE

(Annexure to G.O.Ms.No.9, ITE&C(Prom Wing) Dept., dated: 12.12.2024)

ANDHRA PRADESH IT & GCC POLICY (4.0)

2024 – 2029

1. **Preamble**

a. Andhra Pradesh, located in southern India, is celebrated for its centuries-old heritage, which includes a strong emphasis on education, literature, innovation, creativity, trade, and art. For the last two decades, this state has been particularly well-known for producing engineering graduates who have ascended to leadership positions, spearheading world-renowned products and leading global IT firms. Furthermore, the graduates from Andhra Pradesh make a substantial contribution to the human resources pool within the IT industry, representing a significant percentage of its workforce.

b. Since the bifurcation of the state from erstwhile Andhra Pradesh, in 2014, the residual state of Andhra Pradesh has invested significant efforts in developing its capacities across sectors. It is one of the first states to have initiated the Single Window Clearance System, brought focus on leading technologies and built one of the first electronics clusters, creating a path to leadership in the digital age.

c. However, in the wake of the COVID-19 pandemic, the Indian knowledge economy, including IT/ITeS, GCCs, R&D sector have seen rapid adoption of latest technologies including AI, cyber security, transition to cloud etc. Additionally, IT/ITeS sector has seen a boom in remote work and other flexible forms of engagement. Approximately 20% of job postings in India now promote remote/hybrid working arrangements, up from around 0.9% in 2020, propelled by the growth of AI-driven jobs across sectors. This shift has had unique economic impact, with a young skilled labor force demanding more flexible work culture, continuous upskilling, and better quality of life. Global IT and GCC

firms are also forced to reassess business models, given global headwinds impacting the bottom line.

d. Andhra Pradesh is ideally positioned to cater to this emerging trend given its lower cost of living compared to neighboring states, a highly talented and hardworking graduate pool, unbridled access to resources, high government support, and low cost of doing business. Andhra Pradesh is poised to provide the ideal bedrock for IT and GCC entities to build highly powered hybrid/remote facilities catered to their precise sizes and requirements.

2. Overview of sector

2.1. IT Industry in India

i. The Indian information technology (IT) sector has emerged as a global powerhouse, significantly contributing to the nation's economy and technological progress. In FY2023, the IT sector accounted for 7.5% of India's GDP. According to NASSCOM, the technology industry revenue, including hardware, has reached USD 254 billion in FY2024, marking a 3.8% year-on-year growth and an addition of over USD 9 billion compared to FY2023[1]. IT exports are expected to hit USD 200 billion with a 3.3% growth, while the domestic technology sector is anticipated to exceed USD 54 billion, growing by 5.9% over the previous fiscal year.

ii. Despite global economic challenges, the Indian IT industry is on track to achieve USD 350 billion in revenues by 2030. The sector currently employs over 5 million people, with expectations to double this workforce by the end of the decade. In FY2023, computer services accounted for over two-thirds of total software services exports, with BPO services remaining a significant

component of ITES exports.

Key Growth Drivers

a)	Several factors are driving the growth of the IT sector in India. According to Gartner, spending on data center systems is projected to increase from 4% in 2023 to 10% in 2024, largely due to investments in generative AI (GenAI). Spending on electronic devices is also expected to rise as Indian consumers upgrade their mobile phones and other electronic devices, leading to higher data consumption.

b)	Indian firms are leveraging software assets to drive the next stage of growth, accessing new markets, adopting emerging technologies, and optimizing costs. The strategic focus on digital transformation, cloud computing, big data analytics, and cybersecurity solutions is propelling the industry forward.

Future Prospects

a)	The Indian IT sector is poised for robust growth, with IT spending projected to total USD 124.6 billion by end of 2024, an increase of 10.7% from 2023[2]. Investments in AI and automation are expected to enhance operational efficiency and address the ongoing shortage of IT talent. The sector's resilience amidst macroeconomic uncertainties underscores its critical role in the global technology landscape.

b)	As India continues to be a preferred destination for tech investments, the IT industry is set to play a pivotal role in shaping the future of global technology and innovation.

## 2.2.	Global Capability Centers in India (GCC)

a. India has seen massive growth in the creation of Global Capability Centers, with numbers increasing about 1,700 by end of 2024, generating USD 64.6 Billion in export revenue and employing about 1.9 million people. GCCs have revolutionized the modern workspace, moving from conventional work-models to dynamic grounds of innovation.

b. GCCs flourish in regions with diverse sectoral presence, strong government support for innovation and a talented workforce. ANSR forecasts the market size to reach USD 120 billion by 2030, with 2,500 GCCs employing 5 million professionals. In 2024, nearly half of the new GCCs were in the Software and Internet sectors, followed by BFSI, Chemicals and Materials, and Retail.

c. Over 85% of new GCCs cover R&D, IT, and BPM functions. Existing GCCs are also expanding rapidly. Key sectors expanding in India include Industrial, Semiconductors, and Software and Internet industries. India's GCC ecosystem is a dynamic environment for companies undergoing transformation.

d. The focus on digital technology, combined with India's cost advantage in talent and office rentals, drives growth. Continuous upskilling and private sector collaborations with educational institutions enhance India's value creation journey. GCCs provide support services like IT, finance, HR, and analytics to parent organizations. Initially for offshoring back-office processes, today's GCCs handle complex tasks across the value chain, becoming centers of operational excellence, product development, and innovation. Small to mid-sized global firms are now setting up capacity hubs with 50-100 member teams.

2.3. Remote Work and the Gig Economy

a. Traditional workspaces have gone through an overhaul due to the COVID-19 pandemic; studies observe that hybrid or remote work has emerged as the working mode of choice amongst many professionals. This trend is also observable within the services sector in India: According to World Bank reports, it is estimated that 60-90 million Indians will be working remotely by 2025, coming up to approximately 15% of the projected Indian workforce[3].

b. This preference has reflected across commercial entities as well; surveys show that there has been an observed short-term reduction in the demand of commercial real estate, with an increase in consideration for co-working spaces, hybrid workspaces, and tools to facilitate remote collaboration[4].

c. India is also experiencing a boom in its participation in the gig economy; 5.63% of business professionals today are currently engaged in gig work, accounting for over 7.7 million workers. This number is projected to grow to 23.5 million by 2029-30, of which close to 70% would be in medium- and high-skilled jobs[5]. However, challenges of job security, lack of benefits and sparse regulatory frameworks are commonly cited concerns.

2.4.   Andhra Pradesh's Role in India's IT/ITeS Sector

a. Graduates from Andhra Pradesh have gone on to work and lead Engineering and IT firms across the world and continue to do so even today. While the Indian IT/ITeS sector is poised to add almost 5 lakh new jobs by 2024 end, reports suggest that approximately 80% of employers across the country feel a talent shortage while hiring, particularly in the IT/ITeS sector. Hence, the state wishes to

build on its large pool of engineering and technology graduates to take advantage of the opportunity. The state is home to 3 central universities, 25 central autonomous institutions, 25 state universities, 4 deemed universities and 5 private universities, including Indian Institute of Technology, Indian Institute of Information Technology and Indian Institute of Management. Approximately 75% of students choose Science streams after 10th grade (compared to the national average of 42%). The state therefore has a strong foundation in STEM education and is well suited to build a workforce well-equipped for high-skilled professions.

b. Visakhapatnam, or Vizag, has quickly become a prominent IT hub in India. Its strategic coastal location, excellent connectivity, robust infrastructure, and tourism and entertainment ecosystem make it an attractive destination for IT companies. The city boasts a reliable power supply, high-speed internet, and modern office spaces in addition to offering a low cost of living environment. Vizag is home to a large pool of talented professionals, thanks to its renowned educational institutions. These institutions produce graduates highly sought after by IT and GCC companies.

c. The Andhra Pradesh government has introduced various initiatives and incentives to attract IT companies to Vizag. The establishment of IT parks and special economic zones (SEZs), along with incentives, provides a conducive environment for businesses. Major IT firms have set up operations in Vizag, creating numerous job opportunities and contributing to the local economy. The growth of the IT sector has positively impacted Vizag's economy, driving demand for office spaces and commercial properties, and boosting the construction sector.

d. With continued government support and a skilled workforce, Vizag is well-positioned to attract more IT companies and strengthen its status as a leading IT hub in India. Additionally, Visakhapatnam stood at third place in ease of living index in 2022 as adjudged by Government of India. The city has a history of multi-cultural workforce across various sectors, which is suitable for attracting diverse workforce to the city. Moreover, the city is also conducive to providing a balanced life given that the city is centrally located to various tourism and entertainment centers, with the Rushikonda beach obtaining a blue flag beach certification from Government of India and Visakhapatnam city achieving 4th rank in Swacch Survekshan 2023 rankings.[6]

3. **Approach to Building a Knowledge Economy.**

3.1.   Approach to building a knowledge economy.

a)   Given the advantages that the state offers, Andhra Pradesh stands at the cusp of a transformative era, poised to leverage the immense potential of the knowledge economy. As part of our Swarna Andhra Vision 2047, the state is committed to the ambitious goal of "One Family, One Entrepreneur" by 2030. The government wishes to inculcate a culture of thinking global and acting global in the youth of the state.

b)   **Developing Visakhapatnam into a Global IT destination:**

The government is taking significant steps to transform Visakhapatnam into a thriving IT and GCC hub. The government aims to attract top IT firms to establishing state-of-the-art IT campuses and innovation hubs, equipped with advanced facilities and reliable high-speed internet. To

attract both domestic and international IT firms, the government aims to offer subsidies, and simplify regulatory processes. Further, the government aims to collaborate with local educational institutions to align their curricula with industry needs, ensuring a steady supply of job-ready graduates. Continuous upskilling and reskilling programs are being implemented to keep the local workforce competitive. Additionally, the government is fostering partnerships between academia and industry to drive innovation and research, leading to the development of cutting-edge technologies. To make Vizag an attractive destination for IT professionals, the government is also enhancing the quality of life by improving housing, healthcare, and recreational facilities. Additionally, the government is promoting a culture of innovation and entrepreneurship through incubators, accelerators, and funding opportunities to spur local startups and attract talent. Moreover, the government is investing in robust digital infrastructure, including cyber security measures, to ensure a secure and efficient IT environment.

c. Encouraging Hybrid and Remote work culture

In addition to developing large clusters in the IT hub of Visakhapatnam, the government foresees youth from all corners of the state, leverage the new age trend of work from anywhere, and grasp global opportunities. This policy aims to foster entrepreneurial culture at the grassroots level, ensuring that every graduate in Andhra Pradesh can contribute to and benefit from serving global market right from their home or neighborhood. Hence, the evolving trend of the work from anywhere requires a reorientation in talent attraction and development and infrastructure creation. This is not limited only to IT/ITeS sector but also various desk jobs that are seeing constant transformation via utilization of emerging tech and AI. Hence, the state wishes to promote the flexibility offered by

hybrid and remote work models and attract skilled workforce, who hail from Andhra Pradesh, back to the state through development of Co-working space and Neighborhood work spaces, further expanding our talent pool.

d. Skill development

Upskilling is essential in today's rapidly evolving job market to ensure that individuals remain competitive and relevant. As technology advances and industries transform, the skills required for many jobs are changing. Upskilling helps workers adapt to these changes by acquiring new competencies and knowledge, which can lead to better job opportunities and career growth. It also benefits employers by creating a more capable and versatile workforce, which can drive innovation and efficiency. Moreover, upskilling contributes to economic resilience by reducing unemployment and underemployment, ensuring that the workforce can meet the demands of emerging industries and technologies. Overall, continuous learning and skill enhancement are key to thriving in a dynamic and knowledge-driven economy. Hence, this government aims to support lifelong learning and professional development, ensuring that our professionals are always at the forefront of technological advancements.

e. Fostering innovation through "Ratan Tata InnovationHub"

Further, the knowledge economy in Andhra Pradesh is characterized by its emphasis on intellectual capital and innovation. The state aims to leverage its educational institutions and diverse industrial base to foster a culture of innovation and product perfection. This focus on knowledge and innovation is a key driver of our economic strategy, ensuring

sustainable and inclusive growth. Additionally, the government is setting up "Ratan Tata Innovation Hub" (RTIH) to help channel the innovative ideas of the youth in the state to feasible businesses. The startup sector will be driven in a hub and spoke model, with RTIH acting as hub and private sector run spokes driving regional startup development.

f. **Startups facilitating governance.**

The government wishes to leverage various data sources, including its government data, to engage with startups, large firms, and research institutes to help build a proof of concept (POCs) to solve specific problem statements using emerging tech including AI, deep tech, drones, IoTs etc. The startups can develop cost-effective, tech-driven solutions for resolving governance challenges. This initiative focuses on leveraging emerging technologies to enhance public service delivery, ensuring efficient, transparent, and citizen-centric administration. To recognize their contributions, startups providing impactful solutions will receive certifications of appreciation and official endorsements. These credentials will boost their visibility, enabling them to showcase their achievements nationally and internationally, fostering further growth and innovation. By integrating cutting-edge solutions into governance, the government seeks to enhance the Ease of Living Index. This initiative underscores the commitment to creating a technology-driven ecosystem that enriches citizens' lives while advancing sustainable development.

3.2. Need for a new policy.

a. To cement its position as an IT leader in the country, Andhra Pradesh presents a policy that gives a vision along with support to be provided by the private sector, promoting infrastructural

development and innovation as well as addressing the emerging needs of employees and corporations. This IT & GCC Policy 4.0 aims to improve conditions for developers and IT entities to establish and operate flexible IT/ITeS services in the state, while also developing the necessary facilities to empower individuals to pursue long-term, flexible careers in Andhra Pradesh.

b. Today, with the IT and GCC Policy 4.0, Andhra Pradesh aims to revolutionize the state's IT sector, driving innovation, entrepreneurship, and employment. This policy is a testament to our vision of creating a sustainable, inclusive, and forward-thinking digital economy. By leveraging the strengths of our knowledge economy, embracing deeptech and AI, and nurturing our talented workforce, we are poised to lead the way in technological innovation and economic growth.

4. Policy Period & Applicability

a. This Policy shall be valid for a period of 5 years from the date of the policy notification, or till a new Policy is announced. New investors and existing investors who wish to expand may apply under this policy.

b. The policy may be amended and modified during implementation; however, all such amendments and modifications shall be applied prospectively and shall not curtail any benefit or concession already granted under the policy.

c. The Government of Andhra Pradesh may extend the period of this policy as and when required. The Policy shall be applicable to the entire State and shall give direction to boost economic development in the State.

d. For existing Investors: The guidelines for the Andhra Pradesh IT policy (2021-2024) will be notified, enabling eligible investors under

that policy period to apply for incentives on the online portal of the state as per the prescribed procedures.

5. Policy Framework

5.1.   Vision

The IT & GCC Policy aims to transform Andhra Pradesh into an attractive hub for enterprises and talent by prioritizing growth of firms engaged in advanced technologies, fostering co-working and neighborhood workspaces, and enhancing ease of living through data-driven citizen services and innovative governance.

5.2.   Objectives

The policy aims to focus on the following areas:

a. Build a global hub for talent with employment creation in saturation mode.

b. Enhance human capital output, with continuous learning and skilling, and aligned with flexible workforce model.

c. Prioritize advanced technologies with priority on deeptech.

d. Technology enabled ease of living and working.

5.3.   Policy Framework

The new IT & GCC policy shall take a 3-model approach to ensure that it addresses key requirements across stakeholders and value chains. Each model has unique incentives catered to different classifications of developers and users, and their unique requirements. In addition, the policy also has the provision of providing tailor-made incentives for large projects.

a. Model 1: Co-working space developers

o Coworking spaces within this policy would need to accommodate a minimum of 100 seats per facility (OR) have 10,000 sq. ft. of developed workspace to be eligible for respective incentives. Eligible developers would receive capital and rental/lease subsidies, among other incentives.

o Typical co-working spaces will be located in Tier I and Tier II locations and are large buildings that can accommodate IT workforces from multiple firms in a single location.

o These buildings could include existing government buildings, private buildings, free spaces in government or private colleges, free space in libraries, and inoperative school buildings. These spaces would typically provide working areas for a minimum of 100 people, and up to as many as 500 or more.

b. Model 2: Neighborhood workspace developers

o Typical neighboring workspaces will be located in Tier I, II or Tier III locations. Neighborhood workspaces within this policy need to accommodate a minimum of 10 seats per facility (OR) have 1,000 sq. ft. of developed workspace. Local facility owners may also be eligible to participate through agreements with respective developers. Eligible developers would receive capital and rental/lease subsidies, among other incentives.

o These workspaces are typically smaller buildings and could be located within smaller government buildings, apartment complexes, schools or houses that could be leased out. These spaces could house working spaces for as few as 10 people.

o To continuously improve the skills of the personnel utilizing these workspaces and, in turn, enhance the output of the human

resources using these facilities, these workspaces will also facilities to enhance the skills of the personnel. These services may be operator either directly by the government agency or in coordination with private agencies and industry partners.

C. Model 3: IT Campus Developers

o Typical IT campuses will be located in Tier I and Tier II locations and are IT campus developers would need to have more than 5 Lakh sq. ft., with seating requirements determined as per individual proposals. This model would be applicable to developers, IT companies and GCCs. Eligible entities would receive access to utilities, capital subsidies and tailor-made financial incentives and provisions.

o IT firms must create employment for over 50 employees of the appropriate cadre for at least 18 months to be eligible for the respective benefits. This requirement applies to mid-size IT firms and larger.

6. Financial Incentives

6.1.   Incentives for infrastructure developers

	Co-working space Developers	Neighborhood Working space Developers	IT Campus developers
Minimum Eligibility criteria	Turnover of at least INR 100 Cr (OR) developed co-working space of minimum 20,000	Turnover of at least INR 100 Cr (OR) developed co-working space of minimum 5,000	Developed minimum office space of 5 Lakh Sft.

	seats	seats	
Mandate	Create minimum 100 seats (OR) 10,000 Sft. developed space	Create Minimum 10 seats (OR) Minimum 1,000 Sft. developed space	To Develop space > 5 Lakh Sft. for office space
Capital subsidy	a. 50% of capex cost b. Maximum: <u>Rs. 2,000/ Sft. x total developed Sft.</u> c. Subsidy disbursed after 50% seats are filled. Paid over 3 years.	a. 50% of capex cost b. Maximum: <u>Rs. 1,000/ Sft. x total developed Sft.</u> c. Subsidy disbursed after 80% seats are filled. Paid over 1 year	a. 50% capital subsidy, b. Maximum: Rs. 2,000/ Sft, c. Paid over 5 years d. Subsidy to be disbursed once at least 30% of land/seats committed are filled
Rental lease subsidy	Rs. 2,000 /seat, for 6 months, as per committed seats.	Rs. 1,000 /seat, for 6 months. Mandatory to meet standards of seats/Sft.	None
Other benefits	a. Industrial Tariff power	None	a. Industrial tariff power b. Power at doorstep, 100 feet road c. System to fast-track

			approvals, area master plans, infrastructure buildup. d. Mixed use (not exceeding 33%)
Early Bird	a. Government buildings – Rent exemption for 5 years. b. Rental assistance – • Rs. 2,000/seat for one year, if firms creates more than 1,000 seats over 12 months. • Handholding for all Compliances	a. Government buildings – Rent exemption for 5 years b. Rental assistance – Rs 1,000 per seat for 12 months, if firm creates 500 seats across the state within one year of policy.	a. Exemption of contract demand charges for 3 years from start of phase 1 b. Land at subsidized cost
Tailor made incentives	Firms creating more than 2,000 workstations across	Firms creating more than 2,000 workstations across	Firms creating more than 1 Million Sft for office space

	the state	the state	

6.2.   Incentives for IT & GCC firms

	Firms
Minimum eligibility criteria	Current Turnover > INR 30 Cr per year (OR) at least 50 current employees
Land	Land to be facilitated
Job creation subsidy for IT Firm	6 months CTC, Disbursed after 18 months of employment. a. Campus hires for AP Domicile or Graduates from AP Colleges – Cap. INR 1,50,000 b. Top 10 NIRF ranked graduates (OR) Experience hires (10 years) – Cap. of INR 3,00,000 c. Women/BC/SC/ST/Transgender – Additional, 100% of employment share of EPF for 6 months
Rental subsidy	Rs. 2,000 /seat, for 24 months, as per committed seats.
Power Incentive for IT firm	Power Incentive: Industrial tariff will be applicable and discount of INR 1/unit for 5 years
Employee Incentive	a. HRA (OR) Children Education allowance up to 1 Lakh/employee b. Given for 3 consecutive years c. Need to complete at least 18 months of employment in the state. d. To be paid directly to employee e. Employee can claim through employers' incentive portal
Tailor made	For firms creating more than 2,000 employment,

| incentives | tailor made incentive package shall be offered |
| Early Bird | Government buildings – Rent exemption for 5 years. |

6.3. Skill Up gradation Incentives

a. In line with the approach to create a knowledge economy, the government of Andhra Pradesh wishes to provide special set of incentives through this policy. While large IT & GCC firms, to suit their business needs, typically design and deliver continuous learning programs for their employees, the industry needs for talent are still unmet. Additionally, given the continuously changing world economic scenario, new opportunities that are emerging can provide opportunities to remote work/gig economy etc. on a large scale. Hence, a skilling program is being designed to suit such needs.

b. The initiative is aimed to support programs that are either currently funded by firms themselves or even self-funded by employees and students themselves. The program aims to cover self-motivated youth, interested students, entrepreneurs, gig workers, freelancers, mid-career managers, etc. The skill training may be obtained by the youth through in-house trainings at their place of employment. Additionally, the youth can also pursue self-subscribed certificate courses or courses imparted through government support. The supported courses will also cover wide range of skills across technical, functional (accounting, financing, excel, etc), management, soft skills, etc. and will be published/updated from time to time. The youth will also be able to take assessments to understand the skilling course they need based on the opportunity they wish to pursue.

c. The government is designing a "Future Skills credit scheme" to

achieve the above, post studying similar schemes prevalent in advanced countries, thus giving flexibility in learning while supporting upskilling for all its youth. Such incentive will boost continuous skill upgradation of the human resources of Andhra Pradesh and make them future-ready for evolving nature of work, including hybrid and remote work models.

7. **Policy Implementation**

7.1. State Investment Promotion Board (SIPB)

a. As per G.O. Ms. 73, dated 5th November 2024, the SIPB has been reconstituted.

b. For creating an enabling structure to expedite decision making pertaining to investments, SIPB has been constituted with the Chief Minister as the Chairman and the Chief Secretary to the Government as Member Convener.

c. The SIPB shall meet regularly for taking final decision on investments/promotion activities and for approval of Mega projects.

7.2. State Investment Promotion Committee (SIPC)

a. As per G.O. Ms. 72, dated 5th November, 2024, the SIPC has been reconstituted.

b. On case-to-case basis, SIPC shall advice SIPB on any changes, amendments, recommendations for tailor made incentives for eligible investment proposals. However, the final decision to approve any change will rest with SIPB.

c. On case-to-case basis, SIPC shall advice SIPB on any changes and amendments.

7.3.   Consultative Committee for Information Technology & Electronics Investments (CCITEI)

a. The CCITEI constituted under G.O.Ms.No. dated 01.04.2021 will suitably modified and will be used for implementation of various policies and specific issues to IT/ITeS/Electronics investments.

b. The CCITEI will consist of representatives from both Government as well as Industry and will enable faster decision making and rapid disbursement of incentives.

7.4.   Operating Guidelines

a) The operating guidelines for this policy will be issued separately detailing the definitions of various terminologies and procedures for availing incentives under this policy.

[1] India leads global tech sector with US$ 254 billion revenue in FY24: Deloitte | IBEF

[2] Gartner Forecasts India IT Spending to Grow 11% in 2024

[3] Remote Work Statistics And Trends In 2024 – Forbes Advisor INDIA
     in-consumer-reality-of-realty-noexp.pdf

[5] Policy_Brief_India's_Booming_Gig_and_Platform_Economy_2706202
    2.pdf

[6] Swachh Survekshan 2023: Visakhapatnam bags fourth rank for thesecond time in a row - The Hindu

N YUVARAJ
SECRETARY TO GOVERNMENT