

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

IT, E & C Department – Promotion Wing – Andhra Pradesh Land Incentive For Tech Hubs (LIFT) Policy (4.0) 2024-29 – Orders – Issued.

**INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS
(PROMOTION WING) DEPARTMENT**

G.O.Ms.No. 32

Date:16.08.2025

Read the following

1. G.O. Ms. No. 9, IT, E&C (Promotions) Department, dated: 12.12.2024
2. e-File No.-ITC01-IT0PROM(ITPR)/30/2025-PROMOTIONS from IT,E&C (Promotion Wing) Department, Government of Andhra Pradesh.

ORDER:

In the reference 1, the Government of Andhra Pradesh notified the “Andhra Pradesh Information Technology (IT) & Global Capability Centers (GCC) Policy (4.0) 2024 -2029” to create large scale employment in the IT & GCC sectors and build a knowledge economy in the state of Andhra Pradesh. The policy has triggered investors' interests as could be gleaned from the intensity of engagement, and participation in the investor roadshows conducted by the Government of Andhra Pradesh (GoAP) in diverse geographies that include Pune, Bengaluru, and Singapore.

2. To leverage the investors' interests, the state aims to offer cost-effective alternatives to Tier-1 cities and attract increased investments from IT firms and GCCs. The GoAP plans to leverage its existing strengths through a strategic land pricing policy that converts cost advantages into investment drivers. The state also seeks to differentiate itself from competing states. To stay competitive with other states offering aggressive land allotments and other incentives, Andhra Pradesh must match or exceed those offerings.
3. The Policy aims to catalyze the establishment of large-scale infrastructure and employment-generating entities by providing land at nominal rates to credible IT firms, GCCs, and IT campus developers. These reputed global IT firms and GCCs are expected to create high-quality jobs in the state of Andhra Pradesh.

(P.T.O)

4. Accordingly, the IT E&C Department conducted extensive consultation meetings with IT firms, GCCs, IT industry associations, IT campus developers, and state- level departments to solicit stakeholder feedback. After multiple rounds of review and revisions with relevant departments and officials, the "Andhra Pradesh Land Incentive For Tech hubs (LIFT) Policy (4.0) 2024–29" was prepared and submitted to the Government.
5. The finance department accorded concurrence and approval (in its U.O No:FIN01- FMU0PC(GAD1)/45/2025-FMU-GAD-I), Computer No.2910323), the law department, and the revenue department accorded approval for the Andhra Pradesh Land Incentive for Tech Hubs (LIFT) Policy (4.0) 2024–29.
6. The Government hereby accords the approval of the "Andhra Pradesh Land Incentive For Tech hubs (LIFT) Policy (4.0) 2024–29". The policy document is enclosed to this order as Annexure.
7. This Policy shall be valid for a period of five years from the date of the policy notification, or till a new Policy is announced, whichever is later. 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 required.
8. 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.

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

**BHASKAR KATAMNENI
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 Vice Chairman and Managing Director, APIIC
The Director, Industries & Commerce, Andhra Pradesh
The Commissioner, Information and Public Relations, Andhra Pradesh
The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh
The Chairman & MD, AP TRANSCO
The Managing Director, APCPDCL/EPCPDCL /SPCPDCL
The Commissioner, Labour, Andhra Pradesh
The Vice Chairman, VUDA/TUDA/VGTMUDA
All the District Collectors & Magistrates, Andhra Pradesh

All the Municipal Commissioners, Andhra Pradesh
The CEO, APEDB
The Managing Director, APTS, Vijayawada
The Development Commissioner, VSEZ, Visakhapatnam
The Director, STPI, Andhra Pradesh

Copy to:

The Secretary, Ministry of Electronics & Information Technology (MeitY), Government of India
The Chief Minister's Office, Government of Andhra Pradesh
The PS to Chief Secretary to Government of Andhra Pradesh
The PS to Prl. Finance Secretary, Government of Andhra Pradesh
The OSD to Minister for HRD, IT, E&C, RTG, Government of Andhra Pradesh
The PS to Minister for Finance, Government of Andhra Pradesh
The PS to Minister for Revenue, Government of Andhra Pradesh
The PS to Minister for MA&UD, Government of Andhra Pradesh
The PS to Minister for Energy, Government of Andhra Pradesh
The PS to Minister for Labour, Government of Andhra Pradesh
The PS to Secretary Planning Department, Government of Andhra Pradesh

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE

(Annexure to G.O.Ms.No.32 , ITE&C (Prom Wing) Dept., dated: 16.08.2025)



ANDHRA PRADESH Land Incentive For Tech Hubs (LIFT) Policy (4.0) 2024 – 2029

Contents

1. PREAMBLE.	3
2. NEED FOR THE POLICY.	3
3. ELIGIBILITY CRITERIA & COMMITMENTS FOR IT/ITES/GCCs.	4
4. ELIGIBILITY CRITERIA & COMMITMENTS FOR GCC-DEVELOPERS & IT PARK DEVELOPERS.	5
5. ELIGIBILITY CRITERIA & COMMITMENTS FOR DATA CENTER FIRMS.	6
6. INCENTIVES.	7
7. IMPLEMENTATION FRAMEWORK.	8
8. ANNEXURE 1: DEFINITIONS.	8

1. PREAMBLE

1.1. The State of Andhra Pradesh is committed to transforming its economy through strategic investments in digital infrastructure, knowledge industries, and high-skill employment. The IT and ITeS sectors play a pivotal role in this transformation. As of FY 2024, India's technology sector achieved USD 254 billion in revenue, and is projected to reach USD 350 billion by 2030. Concurrently, India's position as the global destination for GCCs is strengthening, with over 1,700 centers employing nearly 1.9 million professionals and contributing over USD 64.6 billion in export revenue.

1.2. Visakhapatnam (Visakhapatnam) has emerged as the nucleus of Andhra Pradesh's IT and GCC ecosystem. Its superior quality of life, proximity to academic and research institutions and supportive governance make it an ideal candidate for global and domestic investments in the digital economy. The city is already home to major IT parks, Special Economic Zones, and co- working clusters.

1.3. The IT & GCC Policy 4.0 (2024–2029) provides a long-term blueprint to position Visakhapatnam as a leading digital and innovation hub. Building on this foundation, this Land Allotment Policy aims to catalyze the establishment of large-scale infrastructure and employment-generating entities by providing land at nominal rates to credible IT, ITeS, GCC, and IT campus developers. However, there is also a need to develop other parts of the state on similar lines. Hence the policy shall be made applicable across the state for achieving decentralized development, and Development of all tier 2 and tier 3 cities in the state.

2. NEED FOR THE POLICY

2.1. Bridging the Post-Bifurcation Development Gap: Post-bifurcation, Andhra Pradesh lost major economic hubs, including Hyderabad. In the aftermath, developing alternative high-growth economic zones like Visakhapatnam has become essential to restoring balance and attracting large-scale investments across knowledge sectors.

2.2. Underutilized Competitive Advantage: Visakhapatnam offers a rare combination of advantages—low cost of living, robust educational

infrastructure, excellent connectivity (air, rail, and sea), and abundant power and water supply. However, in the absence of premium anchor tenants or aggressive fiscal measures, these advantages remain underutilized. An aggressive land pricing policy will unlock latent economic potential by turning cost advantage into a decisive investment driver.

2.3. Creating a Nationally Competitive Alternative to Tier-1 Cities: While Tier-1 cities are congested and expensive, Visakhapatnam offers the opportunity to build a clean-slate, digitally native IT ecosystem. However, for companies to transition or expand here, they must be provided with cost offsets that reduce perceived risk—most notably through subsidized land. Similar efforts are needed in other parts of the state.

2.4. Catalyzing Agglomeration Economies: The presence of marquee IT and GCC players tends to attract talent, ancillary industries, service providers, and infrastructure development. This self-reinforcing cycle begins only when early movers are incentivized adequately. Land at nominal rates can act as the necessary catalyst to trigger this cycle in Visakhapatnam as well as in other parts of the state. Competing with Aggressive Policies from Peer States: Various Indian states have already introduced aggressive IT cluster and land policies and aggressively competing for investments. For AP to stand out in site-selection decisions made by multinationals or large Indian IT players, it must match or exceed the relative incentives—especially when Visakhapatnam is still in its developmental phase as well as in other parts of the state.

2.5. Fiscal Neutrality Through Land Value Capture: By offering land at nominal upfront prices but linking it to enforceable performance guarantees (like job creation and time bound operationalization), the state ensures long-term fiscal neutrality and public benefit without compromising on accountability.

3. ELIGIBILITY CRITERIA & COMMITMENTS FOR IT/ITES/GCCS

3.1. Minimum Eligibility Criteria: For an IT/ITES/GCCs to be eligible for the incentive under this policy, they have to satisfy **any one** of the following conditions:

- a. Have to be part of the following rankings published by **Fortune or Forbes** magazine in the previous 3 years of filing application for land:

- Fortune 500
 - Fortune 500 Europe
 - Fortune Global 500
 - Fortune 1,000
 - Forbes Global 2,000
- b. Have a market capitalization of at least **1 USD Billion** at any time during the last three calendar years
- c. Have annual revenue of at least **1 USD Billion** (individual or group companies) in the last three financial years.

3.2. IT/ ITeS Firms applying under this policy must commit to creating a **minimum of 3,000 employment within 3 years** from the effective date as defined in the sale agreement, with a minimum of **500 employment per acre**.

3.3. GCCs: GCC entities must create a **minimum of 2,000 employment within 3 years** from the effective date as defined in the sale agreement, with a minimum of **500 employment per acre**. For foreign companies, it is mandatory to establish a legally registered Indian entity at the time of land allotment.

4. ELIGIBILITY CRITERIA & COMMITMENTS FOR GCC- DEVELOPERS & IT PARK DEVELOPERS

4.1. GCC-Developer: A GCC-Developer applicant applying for land should:

- a. Develop at least **1,00,000 Square feet** built up area **per 1 acre** of land
- b. At the time of proposal submission to the government, have an agreement with at least **one anchor tenant**, which is an eligible GCC defined in section 3.1 of this document, and will **occupy at least 20%** of built-up space being built by the developer.
- c. Post receiving approvals from the government, enter into an agreement along with APIIC, with each of the signatory parties having dedicated responsibilities and timelines.
- d. Generate **minimum of 500 employment per acre**, either through one or multiple eligible IT/ ITeS/ GCC's.
- e. At least **50% of the built-up IT office space** should be sold/leased to eligible IT/ITeS/GCCs.
- f. In all cases, the GCC-Developer must obtain all required statutory

licenses and commence construction within 6 months of the effective date in the sale agreement. Prior to allotment, the developer must identify and verify the support required to begin construction and submit a request accordingly before signing of the sale agreement so as to ensure timely intervention by the state government and APIIC.

g. For the purpose of this policy, **GCC-developer is free to have customized investment and operational model with GCCs they wish to partner with.**

4.2. IT Park-Developer: An IT Park-Developer applicant applying for land should

- a. Have already developed **at least 10,00,000 Square feet** of commercial office space.
- b. Develop at least **1,00,000 Square feet** built up space **per 1 acre** of land, and **at least 10,00,000 Square feet** total built up space.
- c. Post receiving approvals from the government, enter into an agreement along with APIIC, with each of the signatory parties having dedicated responsibilities and timelines.
- d. The developer will also be responsible to ensure create a **minimum of 500 employment per acre, from IT/ITeS/GCC firms**
- e. In all cases, the IT Park-Developer must obtain all required statutory licenses and commence construction within 6 months of the effective date in the sale agreement. Prior to allotment, the applicant must identify and verify the support required to begin construction and submit a request accordingly before signing of the sale agreement so as to ensure timely intervention by the state government.

5. INCENTIVES

5.1. Eligible applicants shall be allotted land at nominal price as an incentive. This is subject to compliance with all conditions laid out in this policy, including employment generation, construction timelines, and legal registration.

5.2. All other incentives shall be provided under the Andhra Pradesh IT & GCC Policy 4.0. No additional incentives shall be provided under this policy.

5.3. The sale deed for the land shall be executed only after the applicant fulfills the committed employment threshold. Until such time, the land will be held under sale agreement by APIIC.

5.4. All other regulations as per APIIC land allotment rules will apply.

6. IMPLEMENTATION FRAMEWORK

6.1. Andhra Pradesh Economic Development Board (APEDB) will be the nodal agency for implementing this policy.

6.2. All applications must be submitted in the format prescribed on the online portal.

6.3. In line with G.O.Ms.No. 4, notified by the IT,E&C Department, Government of Andhra Pradesh, APEDB will be the nodal agency to implement this policy.

6.4. All proposals will be placed in front of Consultative Committee for Information Technology & Electronics Investments (CCITEI), duly noting comments from internal stakeholders. CCITEI shall evaluate all proposals received based on eligibility criteria defined in this policy along with investment and employment commitments and place the same to State Investment Promotion Committee (SIPC) for evaluation. On case-to-case basis, SIPC will recommend the proposal to State Investment Promotion Board (SIPB), along with its comments, for review and approval. The SIPB shall meet regularly for taking final decision on the approval of the proposal.

6.5. In case of non-compliance in the above such cases, the applicant should pay the land cost at the prevailing rate decided by APIIC.

6.6. All entities must be registered under applicable Indian laws and must demonstrate financial and operational capacity through audited financials. Foreign applicants must incorporate an Indian subsidiary or legal entity before land allotment.

6.7. All other terms and conditions, including the compliance monitoring, site handover, documentation and additional penalty mechanisms, shall be governed by the APIIC Land Allotment Rules and the operational framework published by APIIC from time to time.

7. ANNEXURE 1: DEFINITIONS

7.1. Information Technology

Information Technology (IT) is defined as the technology involving the development, maintenance, and use of computer systems, hardware, software, and networks for the processing and distribution of data.

7.2. IT enabled Services (ITeS):

Information Technology that enables the business by improving the quality of service is IT enabled services. IT enabled services covers the entire spectrum of operations which exploit information technology for improving efficiency of an organization. This will include:

- a) Call centre;
- b) Medical transcription;
- c) Back Office Operation/Business Process Outsourcing (BPO)/Knowledge Process Outsourcing (KPO);
- d) Cloud service provider;
- e) Data processing;
- f) Engineering and design;
- g) Remote maintenance;
- h) Legal and other databases;
- i) Website development and maintenance services;
- j) Geographic information system services;
- k) Revenue accounting and other ancillary operations;
- l) Insurance claim processing;
- m) Web/Digital content development/computer graphics/animation/ERP/Software and application development;
- n) Financial and accounting processing;
- o) Human resource & payroll processing services;
- p) IT enabled banking, non-banking services including insurance, pension, asset management and market related services; and
- q) Depository and security registration and dematerialization services; and other knowledge-based industries

7.3. IT/ITeS Firms: Any legal entity including but not limited to Private Limited Company or a Public Limited Company (as per the Companies Act 2013), a Registered Partnership Firm (under the Partnership Act, 1932) or Limited Liability Partnership (under the Limited Liability Partnership Act, 2008), who is engaged in providing any services or developing products related to IT/ITeS.

7.4. “Global Capability Centers (GCCs)” refer to offshore centers of global corporations established to deliver centralized services in IT, R&D, analytics, finance, HR, and legal functions.

7.5. Global Capability Center Developer (GCC-Developer): A firm that adopts a structured approach in which a business (GCC) engages this service provider/ developer to establish, manage, and eventually transfer an offshore delivery center to the GCC.

7.6. IT Park: IT Park refers to Large, self-contained complexes that house single or multiple IT companies/GCCs, with supporting commercial activities including but not limited to restaurants, entertainment cum shopping complex, Gymnasium, sporting centers, living space etc.

7.7. IT park developer: IT Park Developer means the real estate infrastructure developer or a builder constructing IT space for sale/ lease or lease-cum-sale for the IT industry.

7.8. Eligible Fixed Capital Investment: Fixed Capital Investment means investment on land, building, office, plant, machinery & equipment unless otherwise specified separately. Fixed capital Investment does not include working capital costs or any other operational costs.

7.9. Data Center: Data centers are centralized facilities used to collect, store, process, and distribute large amounts of data. Captive Data Centers shall not be considered under this policy.

7.10. Data Center Firm: A data center firm refers to an organization, company, or facility that operates and manages data centers.

7.11. “Nominal Price” is defined as **INR 0.99**.

7.12. Employment: Employment is defined as job roles which are directly employed by the IT/ITeS/GCC firm and have EPF account for this job in the state of Andhra Pradesh is created. Such employment shall include on-roll workforce of the enterprise operating in the state only. Inspecting officer will ascertain the final employment created, as an average number of employees working, post DCO, over an 18-month period prior to the claim submission date, as per employee register maintained in line with Labor laws. The employment figure thus arrived and certified by inspecting officer shall be treated as employment.

7.13. AP IT & GCC Policy 4.0: Andhra Pradesh Information Technology & Global Capability Centers (GCC) Policy 4.0 2024-2029, notified by IT, E&C Department, Government of Andhra Pradesh, vide G.O.Ms.No.9 dated December 12th, 2024.

7.14. This policy shall be valid for 5 years, from the notification of this policy or until replaced by a subsequent Government Order.

7.15. Area of Operation: The policy shall be applicable throughout the state of Andhra Pradesh.

7.16. Date of Commencement of Commercial Operations (DCO): DCO is the date on which commercial operation started, as verified through first sales bill/ commercial invoice.

7.17. SIPC: The State Investment Promotion Committee (SIPC) is an apex inter-secretarial body constituted in the state for the purpose of consider and recommend tailor-made benefits to Mega projects cutting across all industries and sectors.

7.18. SIPB: State Investment Promotion Board

7.19. Financial Year: 1st April to 31st March of the next year.

7.20. First Half Year: 1st April to 30th September

7.21. Second Half Year: 1st October to 31st March

7.22. Approved Project Cost: Approved Project Cost means, the cost of the project on different components as approved by the term loan lending institution or in case of joint financing, by the lead term loan lending institution. The Appraised Project Cost by the Scheduled Commercial Banks/Financial Institutions/Industrial Finance Corporation of India recognized by Reserve Bank of India for the purpose of sanction of term loan would be treated as the Approved Project Cost. In respect of new self-financed projects, the Approved Project Cost needs to be certified by Chartered Accountant, and in case of existing self-finance projects the Approved Project Cost certified by Chartered Accountant, should be validated with the latest audited financial statements of the enterprise by the inspecting officer.

**BHASKAR KATAMNENI
SECRETARY TO GOVERNMENT**