



**GOVERNMENT OF ANDHRA PRADESH
INFORMATION TECHNOLOGY & COMMUNICATIONS DEPARTMENT**

**PRESS RELEASE
ON
ICT POLICY 2010-2015**

The State of Andhra Pradesh is pioneer in offering the best incentives and facilitations for the growth of the ICT sector, with business friendly policies and proactive approach of the Government.

The Government has announced first Information Technology (IT) Policy for promoting the IT Industry and IT Enabled Services in the State on 25-05-1999. The IT Policy was modified & revised as Information and Communication Technology (ICT) Policy subsequently w.e.f. 27-06-2002. The present ICT Policy 2005-2010 came into force w.e.f. 21-03-2005 and valid upto 5 years. Due to the Policy initiatives IT sector in the State of Andhra Pradesh has grown by leaps and bounds during the last decade. The employment created by IT sector in 1999 was 12,000 and this increased to 2,51,786, that is an increase of 20 times by 2009. The export turnover in 1999 was Rs.284 crores, which has reached to Rs.32,509 crores in 2009, recording an increase of 110 times. As of now, the share of IT exports from the State of Andhra Pradesh occupies 15% of national IT exports. IT sector contributes to more than 49% of total exports from all sectors in the State. AP State is ranked 4th in IT performance in the Country.

In order to bring out a pragmatic ICT Policy 2010-2015, the State Government has constituted Focus Groups with major stakeholders, i.e., heads of companies of various verticals of ICT Sector – IT, ITES, Animation, Gaming & Digital Entertainment, Communications, SMEs, IT-HR, IT-Infrastructure providers, Industry Associations, such as, ITsAP (Hysea), Vizag IT Association (VITA), National Association of Software and Service Companies (NASSCOM), CII, AMCHAM, TiE, and Indian School of Business (ISB), STPI, etc., and extensively deliberated on the design of the ICT Policy 2010-2015, with these focus groups. The evolution of ICT Policy 2010-2015 is largely founded on this interaction.

Objectives of ICT Policy 2010-2015:

ICT PROMOTION

The objective of the ICT Policy 2010-2015 is to make Andhra Pradesh one of the fore runners in IT sector in the Country through (i) provision of congenial, industrial friendly and proactive climate for IT companies to locate, grow and sustain their operations most competitively in a hassle-free environment in the State.(ii)creation of employment opportunities to the educated youth of all sections of the Society across all regions, (iii)achieving higher levels of export turnover resulting in enhanced productivity, and augmentation of Gross State Domestic Product (GSDP) (iv)To spread IT to nook & corner of the State and (v) leverage Information Technology as a tool for the socio-economic development of the State .

Based on the national projections on growth rate of ICT sector made by NASSCOM, Andhra Pradesh aspires conservatively to achieve the following by 2015.

Parameter	Target to reach by 2015
Growth of IT Exports	Rs.70,000 crores (US\$15 billion)
Projected Annual Growth Rate	17%
Generation of new direct IT employment	1.25 lakhs+ (125,000)
Generation of new indirect IT employment *	5 lakhs+ (500,000)

*NASSCOM estimates that every direct job in IT creates four indirect jobs in other sectors of the society.

Special Focus Areas:

Sectors/areas which are identified for active promotion in the present Policy 2010-2015 apart from the general IT & ITES Industry are:

1. Start up companies
2. SMEs
3. IT Product/R&D Companies
4. SC/ST Entrepreneurs
5. Women Entrepreneurs
6. Animation, Gaming & Digital Entertainment
7. Engineering services
8. Tier II locations
9. Tier III locations
10. Promotion of IT Incubation Facilities at Engineering Colleges
11. Corporate Social Responsibility
12. Promotion of Women's participation in ICT Sector
13. Electronic Hardware (non-hazardous)
14. eGovernance – Local language promotion, CSCs, State Wide Area New Work, State Data Centre

Strategies to achieve The Targets enunciated in the ICT Policy 2010-2015:

In order to promote Andhra Pradesh as an ideal investment destination, the following strategies are planned:

- Creation of State-of-the-Art and affordable ICT infrastructure that provides an enabling “Walk to Work” environment for IT/ITES units to thrive and grow. The Government will strive to create such an infrastructure and also leverage the Public-Private Partnerships Model as a vehicle for development.
- Provide industry-grade skill up-gradation and training to the students to suit to the requirement of industry and for obtaining gainful employment.
- Support Research & Development, Innovation and Entrepreneurship in the area of ICT.
- Strive to make Andhra Pradesh as a location of preference for all types of ICT Companies, showcase inherent strengths, such as cost effective ICT destination with marginal operating cost, low cost of living and safe and secure social life.
- Widen the scope of ICT base by encouraging new verticals such as Animation, Gaming & Digital Entertainment, IT Products & Services in Engineering , Retail, Health Management, power & telecom sectors, etc
- Encourage Start ups, Small & Medium Enterprises (SMEs), Women and socially challenged communities, viz., Scheduled Caste and Scheduled Tribes, etc. of the society, through unique incentives and facilitation
- Promote other prominent cities/towns in the State as emerging Tier-II and Tier III IT Hubs.

Initiatives in the ICT Policy 2010-2015:

The following are the specific incentives, available to IT Industry (subject to fulfillment of eligibility criteria and terms & conditions, as stipulated):

(1) Allotment of Government land:

(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 Development 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 (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)Technology & Market Support:

Government will support IT Exporters Associations, ITsAP, NASSCOM, ELIAP, STPI, IEG, or any such organisation (as decided by the committee) in the creation of Library for making available material on trends in technology, market intelligence, research reports and analysis etc by contributing Rs.10 lakhs per annum for development of the SME sector by making such material available at these libraries.

(4)Business Networking:

Government shall promote and encourage participation in international events by the ICT industry by leading a Government-Industry business delegation to the identified international ICT Exhibition & Conferences, such as Cebit, Germany, Gitex-Dubai, Outsource World (New York/London) Communic Asia, Singapore, Comdex, USA, MIPCOM, Emmy, ATF, MIPCOM, MIPTV, ANNECY, GDC, SIGGGGRAPH, Internet World, London, etc., in IT/ITES/Animation areas, every year. Govt, along with industry associations, such as ITsAP, NASSCOM, shall hire appropriate Stall space to exhibit products and services of AP based ICT companies and help in their marketing efforts.

SPECIFIC INCENTIVES FOR SPECIAL FOCUS AREAS

STARTUPS:

(Startup is defined as having 0-5 yrs operating history, 0-50 employees and turnover upto Rs.50 lakhs)

- (a) 100% reimbursement of stamp duty, transfer duty and Registration fee paid by start up companies on sale/lease deeds on the first transaction.
- (b) 50% reimbursement of stamp duty, transfer duty and Registration fee paid by start up companies on sale/lease deeds on the 2nd transaction
- (c) Providing 25% subsidy on lease rentals upto Rs.5 lakhs per annum maximum upto a period of three years, for the plug-and-play built up office space ranging from 1000 sft to 5000 sft, leased by Start Ups in STPI, IT/multi-purpose SEZs/IT Parks(both Public & Private promoted).
- (d) Recruitment Assistance of Rs.2.5 lakhs for recruitment made upto 50 IT professionals within a period of one year
- (e) Reimbursement of 50% exhibition subsidy for participating in notified national/ international exhibitions limited to 9 sq.mts of space.
- (f) Admissibility of Industrial Power category tariff
- (g) 25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.
- (h) Reimbursement of patent filing cost to a maximum of Rs.2 Lakhs per patent awarded per annum

SMEs:

(SMEs are defined as having turnover of more than Rs.50 lakhs and less than Rs.10 crores per annum)

- (a) 100% reimbursement of stamp duty, transfer duty and Registration fee paid by SME companies on sale/lease deeds on the first transaction. This incentive is not eligible in case Government land is allotted
- (b) 50% reimbursement of stamp duty, transfer duty and Registration fee paid by SME companies on sale/lease deeds on the 2nd transaction. This incentive is not eligible in case Government land is allotted.
- (c) Providing 25% subsidy on lease rentals upto Rs.5 lakhs per annum maximum upto a period of three years, for the plug-and-play built up office space ranging from 1000 sft to 5000 sft, leased by SMEs in STPI, IT/multi-purpose SEZs/IT Parks(both Public & Private promoted).
- (4) Providing 25% subsidy on lease rentals upto Rs.5 lakhs per annum maximum upto a period of three years, for the plug-and-play built up office space ranging from 1000 sft to 5000 sft, leased space.
- (e) Admissibility of Industrial Power category tariff
- (f) 25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.
- (g) Rs.10 Lakhs as recruitment assistance for employing minimum 200 IT employees within 2 years of commencement of commercial operations.
- (h) Reimbursement of 20% of expenditure incurred for obtaining quality certification limited to a maximum of Rs.4 lakhs
- (i) Reimbursement of 50% exhibition subsidy for participating in notified national/ international exhibitions limited to 9 sq.mts of space.
- (j) Tie up with reputed Business Analyst Firms to evaluate the strengths of SMEs - so that SMEs can market themselves in international markets.
- (k) Facilitate linkages of smaller ICT companies with bigger firms

Product/R&D companies:

(Product/R&D companies are having minimum 100 employees, invested Rs.10 cr and have turn over of Rs.10 crores, having obtained 1 patent and applied for 3 patents)

- i. 100% reimbursement of stamp duty, transfer duty and Registration fee paid by IT product/R&D companies on sale/lease deeds on the first transaction.
- ii. 50% reimbursement of stamp duty, transfer duty and Registration fee paid by IT product/R&D companies on sale/lease deeds on the 2nd transaction.
- iii. Rs.15 Lakhs as recruitment assistance for employing minimum 150 IT employees within two years of commencement of commercial operations
- iv. Reimbursement of 50% exhibition subsidy for participating in notified national/ international exhibitions limited to 9 sq.mts of space.
- v. admissibility of Industrial Power category tariff
- vi. 25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.
- vii. Reimbursement of patent filing cost to a maximum of Rs.2 Lakhs per patent awarded per annum

SC/ST Entrepreneurs:

- 100% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the first transaction.
- 50% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the 2nd transaction.
- Admissibility of Industrial Power category tariff
- 50% power subsidy on power bills for a period of 5 years or Rs.50 lakhs which ever is earlier, from the date of commencement of commercial operations.
- Rs.10 Lakhs as recruitment assistance, basing on the level of employment generated, for employing minimum 100 IT employees within three years of commencement of commercial operations, , i.e., Rs.5 lakhs for first 50 employment generated in the first year, Rs.2.5 lakhs to the next 25 employees in the 2nd year, and Rs.2.5 lakhs for the remaining 25 employees employed at the end of third year.
- 100% Exhibition stall rental cost will be reimbursed for participating in the notified national/international exhibitions limited to 9 sq.mts of space.
- Reimbursement of patent filing cost to a maximum of Rs.2 Lakhs per patent awarded per annum
- 100% reimbursement of Stamp duty and transfer duty paid on financial deeds and mortgages etc.
- 33- 1/3 % rebate on land cost in IEs/IDAs I.T. Parks I.T. SEZs (both Public & Private) up to Rs.5 lk
- 25% investment subsidy on fixed capital Investment will be given to SC and ST Entrepreneurs and additional 5% investment subsidy for SC Women and ST Women Entrepreneurs, with a maximum limit per unit of Rs.25 Lakhs.
- 8.5% Interest subsidy on Prime Lending Rate (PLR) will be given on the term loan and working capital subject to a maximum of Rs. 5.00 Lakhs per year for a period of 5 years for units which commence commercial production
- 50% subsidy on the expenses incurred for quality certification, limited to Rs. 2.00 Lakhs.
- Reservation of 15% built up office space for SC/ST entrepreneurs in the Govt promoted Incubation Centres.

Women Entrepreneurs:

- 100% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the first transaction.
- 50% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the 2nd transaction.
- 50% subsidy on the expenses incurred for quality certification limited to Rs.2 Lakh.
- 100% Exhibition stall rental cost will be reimbursed for participating in the notified national/international exhibitions limited to 9 sq.mts of space.

- **Rs.10 Lakhs as recruitment assistance, basing on the level of employment generated, for employing minimum 100 IT employees within three years of commencement of commercial operations i.e., Rs.5 lakhs for first 50 employment generated in the first year , Rs.2.5 lakhs to the next 25 employees in the 2nd year, and Rs.2.5 lakhs for the remaining 25 employees employed at the end of third year.**
- **Admissibility of Industrial Power category tariff**
- **50% power subsidy on power bills for a period of 5 years or Rs.50 lakhs which ever is earlier, from the date of commencement of commercial operations.**
- **Reimbursement of patent filing cost to a maximum of Rs.2 Lakhs per patent awarded per annum**
- **100% reimbursement of Stamp duty and transfer duty paid by the industry on financial deeds and mortgages**
- **25% rebate in land cost(33 1/3 % in case of SC/ST Women Entrepreneurs) in IEs/IDAs/ I.T. Parks I.T. SEZs (both Public & Private) limited to Rs.5.00 Lakhs**
- **20% Investment subsidy on fixed capital investment subject to a maximum of Rs.20.00 lakhs.**
- **5% interest subsidy(8.5% in case of women SC/ST Entrepreneurs) on Prime Lending Rate (PLR) will be given on the term loan taken subject to a maximum of Rs.5.00 lakh per year for a period of 5 years for units which commence commercial production**

Animation, Gaming & Digital Entertainment:

Develop state-of-the-art Gaming and Animation Facility, which shall comprise of Built up incubation space, Shared Studios, Processing Labs, Media Centre, Conference facilities, Transit Office/Business Centre., etc. The PPP model also will be used to create the above infrastructure.

- (b) Start Animation & Gaming Academy in collaboration with reputed Gaming & Animation industry**
- (c) For creating public awareness on promoting Animation films produced locally, Govt will organize Animation & Gaming promotion events**
- (d) 100% reimbursement of stamp duty, transfer duty and Registration fee paid on the first transaction. This incentive is not available in case Government land is allotted.**
- (e) 50% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the 2nd transaction. This incentive is not available in case Government land is allotted**
- (f) Reimbursement of 50% exhibition subsidy for participating in the notified national/international exhibitions limited to 9 sq.mts of space.**
- (g) Admissibility of Industrial Power category tariff**
- (h)25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.**
- (i)Rs.15 Lakhs as recruitment assistance for employing minimum 100 employees within one year of commencement of commercial operations**
- (j) promote a full-fledged Gaming & Animation City to cater to the requirements of digital entertainment sector in due course of time.**
- (k) Reimbursement of 20% of expenditure incurred on Quality Certification, limited to a maximum of Rs.4 lakhs.**

Engineering Services:

(Software Companies primarily engaged in applying principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, & systems with Computer Aided Design and Manufacturing Software Tools)

- (a)100% reimbursement of stamp duty, transfer duty and Registration fee paid on the first transaction.**
- (b) 50% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the 2nd transaction.**
- (c) Reimbursement of 50% exhibition subsidy for participating in the international exhibitions limited to 9 sq.mts of space.**
- (d) Admissibility of Industrial Power category tariff**
- (e) 25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.**
- (f) Rs.15 Lakhs as recruitment assistance for employing minimum 100 employees within one year of commencement of commercial operations .**

- (g) Reimbursement of 20% of expenditure incurred for obtaining quality certifications for CMM Level 2 upwards. Reimbursement will be limited to a maximum of Rs.4 lakhs. Similar reimbursement will be made to BS7799 for security and also for ITES Companies for achieving COPC and eSCM certification.
- (h) Reimbursement of patent filing cost to a maximum of Rs.2 Lakhs per patent awarded per annum.

Electronics Hardware (non-hazardous)

Keeping in view the importance of growth of electronic hardware (non-hazardous) industry to support the IT sector, Government will provide the following incentives to the Hardware Industry(non-hazardous)::

- (a) 100% reimbursement of stamp duty, transfer duty and Registration fee paid by Electronic Hardware companies on sale/lease deeds on the first transaction.
- (b) 50% reimbursement of stamp duty, transfer duty and Registration fee paid by Electronic Hardware companies on sale/lease deeds on the 2nd transaction
- (c) Admissibility of Industrial Power category tariff
- (d) 25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.
- (e) 50% Exhibition stall rental cost will be reimbursed for participating in the notified national/international exhibitions limited to 9 sq.mts of space.
- (f) Patent Filing Costs will be reimbursed to a maximum of Rs.2 lakhs on successful attainment of the patents.

Tier II Locations (Visakhapatnam, Vijayawada, Warangal and Tirupati)

- 100% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the first transaction. This incentive is not available in case Government land is allotted.
- 50% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the 2nd transaction. This incentive is not available in case Government land is allotted
- Reimbursement of 50% exhibition subsidy for participating in the national/international exhibitions limited to 9 sq.mts of space.
- Admissibility of Industrial Power category tariff
- 25% power subsidy on power bills for a period of 3 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.
- A subsidy of Rs.10 lakhs to the first five anchor IT / ITES companies employing more than 250 employees in IT or 500 employees in ITES in any Tier-II location.
- Rs.15 Lakhs as recruitment assistance for employing minimum 100 employees within two years of commencement of commercial operations in the Tier-II city.
- Free City profiling and detailed report on advantages of each Tier II location for prospective investors and entrepreneurs;
- Organising exhibitions, conferences in Tier II cities and taking IT companies located there as part of trade delegations to domestic, national and international exhibitions.

Tier III locations (Other than HMDA and Tier II locations):

- 100% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the first transaction.
- 50% reimbursement of stamp duty, transfer duty and Registration fee paid on sale/lease deeds on the 2nd transaction.
- Reimbursement of 50% exhibition subsidy for participating in the international exhibitions limited to 9 sq.mts of space
- Admissibility of Industrial Power category tariff
- 50% power subsidy on power bills for a period of 5 years or Rs.30 lakhs which ever is earlier, from the date of commencement of commercial operations.
- A subsidy of Rs.10 lakhs to the first five anchor IT / ITES companies employing more than 250 employees in IT or 500 employees in ITES in any Tier-III location.
- Rs.15 Lakhs as recruitment assistance, basing on the level of employment generated, for employing minimum 100 IT employees within three years of commencement of commercial operations in identified Tier-III location, i.e., Rs.5 lakhs for first 50 employment generated in the

first year, Rs.2.5 lakhs to the next 25 employees in the 2nd year, and Rs.2.5 lakhs for the remaining 25 employees employed at the end of third year. This incentive is available only for the first 5 anchor companies as identified by the Government.

- Government shall strive to create Incubation Centres and IT Parks depending on need based requirement.
- Government shall take steps to see that the “e-learning” concept is widely used by the students in Tier III locations.

Promotion of IT Incubation Facilities at Engineering Colleges

(a) Admissibility of Industrial Power category tariff on power connection of the Business Incubation Labs

(b) 25% power subsidy on power bills consumed on the Power Meter of the Business Incubation Labs for a period of 3 years or Rs.30 lakhs whichever is earlier, from the date of commencement of commercial operations.

(c) Recruitment assistance of Rs.2.5 lakhs for recruitment of 50 local students in the Business Incubation Labs/R&D Centre/IT/ITES operation, within two years.

(d) Reimbursement of 50% exhibition subsidy for participating in the national/international exhibitions limited to 9 sq.mts of space.

IT SEZs/IT Parks/IT Campuses/ITIR

For provision of state-of-the-art physical infrastructure of international standards suiting to the requirements of IT/ITES industry, the following additional incentives, are eligible for notified ITIRs/ITSEZs/IT Parks/IT Campuses in the State.

1) Exemption from Zoning Regulations:

IT industry, i.e., IT/ITES Units/Companies and IT Parks/IT Campuses notified by the IT&C Department, are exempted from the Zoning Regulations, subject to ensuring environmental safeguards, and the payment of conversion charges under the provisions of AP Urban Area Development Act 1975 or AP Town Planning Act 1920 as applicable for the location of IT/ITES Units/Companies as stipulated under the Revised Building Rules of Municipal Administration & Urban Development (M) Department and amendments thereon from time to time, basing on the terms and conditions stipulated in the

2) IT/ITES Units/Companies/IT Parks so notified by Information Technology and Communications Department are exempted from payment of land usage conversion charges.

3) No limitation on height of buildings and FAR/FSI, subject to payment of City Level Infrastructure Impact Fee and would be governed by, Revised Building Rules, location norms and clearances from Fire Services, Airport Authority and shall be in conformity with National Building Code, regulations, terms & conditions as per stipulations of Municipal Administration & Urban Development (M) Department and amendments thereon.

General Incentives automatically applicable to all the ICT Industry:

General incentives available to the ICT industry, automatically are:

i) IT/ITES units are exempt from the purview of the AP Pollution Control Act, except in respect of power generation sets.

ii) IT/ITES units/ companies are exempt from the purview of statutory power cuts.

iii) IT Industry is exempt from inspections under the following Acts and the Rules framed there under, barring inspections arising out of specific complaints. The IT units are permitted to file self-certificates, in the prescribed formats.

- The Factories Act 1948.

- The Maternity Benefit Act 1961.

- The AP Shops & Establishments Act 1988.

- The Contract Labour (Regulation & Abolition) Act 1970.

- The Payment of Wages Act 1936.

- The Minimum Wages Act 1948.

- The Employment Exchanges (Compulsory Notification of Vacancies) Act 1959.

- iv) General permission for three shift operations with women working in the night for IT/ITES units/companies.
- v) IT/ITES units/companies and non-hazardous hardware manufacturing industry are declared as essential service under AP Essential Services Maintenance Act.

IT HR PROMOTION

While the number of students graduating from the State very impressive, there is a need to upgrade their skills to suit the needs of the IT and ITES industry. The Government of Andhra Pradesh has many initiatives described below to meet this requirement.

(a) Jawahar Knowledge Centre (JKC) programme is a unique and first of its kind initiative in the country implemented by Institute of Electronic Governance (IEG) under the aegis of IT&C Dept. The aim of JKC is to strengthen the quality of graduates coming out of colleges by imparting Industry grade skill sets in both technical and non technical disciplines. JKC programme brings the ICT Industry, Academia, and the Government, together to make the graduating students Industry ready. At present, there are 748 JKC in 414 engineering and 334 degree colleges spread across all regions of the State. So far, under JKC programme more than 100,000 final year students have been trained and about 25000 of them, including students from economically and socially deprived sections of the society and from rural/remote areas of the State have been provided gainful employment with IT majors. In addition, another 25,000 students have obtained placements elsewhere. JKC will be further strengthened, and expanded, to all engineering and degree colleges in every nook & corner of the State.

(b) Under IEG, unemployed students who have passed out of the colleges, a special training programme for the SC/ST/BC/Minority/Economically backward/physically handicapped and women candidates, especially from rural areas, to obtain gainful employment will also be undertaken. IEG will also support other organizations or NGOs imparting training to the SC/STs for potential employment in the IT/ ITES sectors. IEG will support such agencies or NGOs by providing content, mentoring, placement and infrastructure support.

(c) Government of AP (IEG) will facilitate faculty development Program in association with ICT Industry to facilitate imparting of latest industry trends and emerging technologies to the faculty.

(d) Government, through JKC, shall facilitate the stakeholders in offering guest lectures, training the faculty and setting the appropriate curriculum in the Universities to suite the requirement of the growing IT/ITES activity in the State,

(e) Skill development in student community: It is observed that the academia is not encouraging the industry participation in professional skill development for the students. Students are not exposed to the open source technologies. Hence, the following courses are proposed in various streams of education:

- Introduce Open source technology as one subject in IT professional courses
- Introduce Project management skills as one subject in Professional courses
- Update syllabus by making IT as a Mandatory for the following courses
 - Mandatory Subject at graduation level
 - General course at pre-university level
 - One subject at high school level
- Strengthen JKC program by Encourage industry for execution of projects in participation with students & academia.
- To start rural e-literacy program in villages.

PROMOTING ANDHRA PRADESH AS A ROLE MODEL IN e-GOVERNANCE

The Government of Andhra Pradesh is front-runner in providing eGovernance services aimed to benefit the common touching the cross sections of the society and to the last mile of the State. The e-Governance projects of State Government, such as eSeva, eProcurement, Computer Aided Registration of Documents, Citizen Friendly Services of Transport are widely known across the globe and are well acknowledged. However, Government is not complacent on what it has achieved in the area of eGovernance in the State. As such, keeping the past experiences in view, in order to rejuvenate and sustain the eGovernment services more effectively, efficiently and transparently, the present policy has decided the following action plan in further extending e-Governance services:

1)APSWAN:

AP State Wide Area Net Work (AP SWAN) is under implementation connecting State Head Quarters (SHQ) with 23 District Head Quarters (DHQs) and DHQs to respective 1088 Mandal (Revenue Unit) Head Quarters (MHQs) is backbone for all Government applications of voice, data and video services. 5690 Government offices spread across AP State are connected to APSWAN. (b) Connect all village Panchayats through PPP model, (c) To enable broad band penetration to rural areas of the State by using Universal Service Obligation (USO) funding (DOT).

2)Common Service Centres

Government of India has formulated a National e-Governance Plan with the vision of providing all Government Services in an integrated manner at the doorstep of the citizen, at an affordable cost. One of the models for delivery of “Web-enabled Anytime, Anywhere access” to information and services in rural India under the project Common Services Centers (CSCs). 4,687 ICT enabled centers in the rural areas covering all the Districts will be created. The target fixed for the year 2015 is 10,000 CSCs

3)AP State Data Centre

(i)A communication network based initiative useful for all Government departments to have secure data storage through a state-of-the-art Data centre. Provides 50 TB storage space expandable to 500 TB where all Govt. departments’ data, application servers, web servers, and mail servers can be resided.

4) Encourage developing software in Telugu so that citizen services can be offered in Telugu.

Incentives for implementation of eGovernance Initiatives:

The following are specific Incentives for implementation of eGovernance Initiatives

1. Seed money for Pilot project implementation: Maximum of Rs 1.00 crore (for software development only) up to 5 departments in a year.
2. Assistance in preparation of IT road Map Detailed Project Report (DPR): To assist Departments who come forward to implement e-governance initiatives, towards Consultancy, preparation of IT road Map Detailed Project Report (DPR), an incentive limited up to 10 lakhs, up to 10 Departments in a year is made available.
3. Online workflow management: Providing the online workflow management software developed by APTS to departments to encourage online file management system, with budget not exceeding 50.00 lakhs per annum.
4. Audit for security & functionality: Providing the third party Audit for security & functionality for 10 user departments to ensure the security with budget not exceeding 1.00 crores per annum for all Departments.
5. Allocation of Budget for IT projects by the Departments: In line with government of India guidelines

to keep the e-Governance as one of the priority sectors for the 10th Five Year Plan, government of AP also issued GO Ms no 14 dated 23.07.2003, guidelines are issued to all departments to implement the prioritized e-governance to earmark 2% budget other than salaries. The respective departments are directed to meet all the expenditure of e-Governance initiatives out of the earmarked budget provided under separate head created for this purpose.

FACILITATION MECHANISMS:

To offer proactive investor-friendly industrial environment, and to maintain the time bound consistency in its approvals and support to Industry and as a step forward, the following institutional mechanism is proposed:

Business Advisory Committee:

Constitution of Business Advisory Committee, under the Chairmanship of Honorable Chief Minister and Key stakeholders representing IT/ITES Industry for advising on IT promotion strategies

eGovernance Advisory Panel:

Constitution of eGovernance Advisory Panel, with stakeholders under the Chairmanship of Honble CM for eGov implementation

Single Window Mechanism:

Constitution of Special Single Window Clearance Committee for IT/ITES sector, under the chairmanship of the Principal Secretary/Secretary to Government, IT&C Department, and other Heads of the Department of the concerned Government Agencies, along with industry associations such as NASSCOM, ITsAP and other IT/ITES industry associations as members, as per the provisions of Section 5(1) of the AP Industrial Single Window Clearance Act, 2002, to provide single window Pre & Post Business Facilitation service which will facilitate the IT/ITES Companies in obtaining clearances from various departments/agencies for setting up of enterprises in a time bound manner. The application forms and timelines for deemed approvals, etc. are as prescribed in the AP Industrial Single Window Clearance Act of 2002.

Consultative Committee on IT Industry (CCITI):

Constitution of Consultative Committee on IT Industry (CCITI), is a joint committee with representatives from the Government and the ICT Industry - for administering the incentives to the ICT Industry in a smooth manner, and for effectively resolving the problems, overcoming the impediments and ensuring growth of the ICT Industry in the State. The CCITI shall administer the incentives on specific application made by an ICT Company for the incentives mentioned herein. Such applications shall be prima facie scrutinized by the Sub-Committee of the CCITI headed by the Special Secretary, IT&C, in association with industry representatives, on the eligibility, veracity of technical/financial information, etc., before being placed before the CCITI for its consideration. The composition and terms of reference of CCITI and sub-committee of CCITI are specified.

IT Infrastructure Promotion Committee:

In order to provide solutions to operational issues pertaining to infrastructure, such as water, road, power, sewerage and transport in the IT Layouts, an Infrastructure Committee, under the chairmanship of Principal Secretary, IT&C, comprising the field level officers of the respective agencies and captains of IT Industry and Associations, has been formed and is in place. This Committee meets periodically to address the related issues for providing requisite facilitation to IT Industry.

IT Security & Safety Committee:

To provide appropriate security and safety to the ICT Industry in Andhra Pradesh, the Government has put in place (i) Industrial Security Task Force, headed by IG Police and (ii) IT Security & Safety Committee, headed by Commissioner of Police, Cyberabad, comprising of members representing IT industry / IT Infrastructure developers and IT Associations. These mechanisms address the related issues for providing the requisite comfort to IT Industry.

Corporate Social Responsibility:

The initiative of Government is to coordinate and make concerted cohesive efforts in organizing CSR programmes, in association with IT industry in a coordinated and synchronized manner, so that a visible impact is seen and felt by the society, through:-(i)Constitution of a Joint Committee comprising of Govt, Industry and Industry associations for identification of CSR initiatives in all the districts and execute them in an organized manner,(ii)Creation of a common pool of resources in the form of sponsorships in cash and kind voluntarily from the IT companies,.

Women participation in the growth of ICT Industry:

The Government wants to impress upon the ICT industry to adhere to and enforce certain key measures scrupulously to promote the participation of women in the knowledge economy. Women need to be promoted into key roles as decision makers, entrepreneurs and other senior positions. All efforts are to ensure that the self esteem, individual and collective confidence of women is held up at all levels in the organization. Women participation must be encouraged in all public and internal activities of the company. In effect, the following policies will be impressed upon the industry to meticulously adhere to as part of their HR policies.

- (i) Introduce an Affirmative Action Initiative to increase the participation of women at various levels in the organization – board of directors, Vice Presidents, Executives, Senior Managers, and leaf level employees.
- (ii) Follow fair practices with respect to recruitments, promotions, career opportunities, project allocations, and training opportunities, etc.
- (iii) Provide congenial conditions for smooth working of the women employees.
- (iv) Provide requisite safety and security for women employees at their work place during the working hours and night shifts.
- (v) Provide necessary escort services for women to enable them reach their residences safely after work.
- (vi) Implement in letter and spirit the statutory provisions pertaining to women employees with regard to their various types of leave entitlement such as medical, maternity, earned leave and privilege leave, etc.
- (vii) Provide professional counseling arrangements to the needing women employees for handling adverse situations related to gender.
- (viii) Provide a forum wherein the women employees can represent their issues and mutually interact for bettering their working conditions.
- (ix) Provide periodic training to the women at all levels to achieve the above.

With the above initiatives, Information & Communications Technology sector in the Andhra Pradesh State, is slated to grow and penetrate rapidly to the last mile of the State not only for providing gainful employment for rural educated youth but also for overall balanced socio-economic development of entire Andhra Pradesh State.
