

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

IT,E&C Department – Promotions – Andhra Pradesh Artificial Intelligence (AI) & Cloud Hub Policy 2018-2020– Certain Packages of Incentives approved for M/s Adani Enterprises Limited – For Establishment of Data Center Park(s) in Andhra Pradesh – Amendment - Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS
(PROMOTIONS WING) DEPARTMENT

G.O.MS.No. 15

Dated: 01-03-2019

Read the following:

1. G.O. Ms. No: 9, IT, E&C (Promotions) Department, dated.12.02.2019.
2. From M/s Adani Enterprises Limited, Representation, 12.02.2019
3. U.O.No.237/2019 dated28.02.2019 of G.A. Cabinet, Dept.

ORDER

In the G.O. 1st read above Government has approved Certain Packages of Incentives to M/s Adani Enterprises Limited for establishment of Data Center Park(s) in Andhra Pradesh

2. In the representation 2nd read above, M/s Adani Enterprises Limited has requested to reconsider certain incentives viz. stamp duty, staggered land payment, electricity duty, drawal of 100% energy, SGST reimbursement on capex for Data Center infrastructure for Data Center unit(s), and SGST reimbursement on capex for all Electrical Equipment, Mechanical Equipment, Civil & other construction purchases for Data Center Unit(s) issued vide G.O.Ms.No.9, IT,E&C (Promotions) Department, dated 12.02.2019.

3. Government after careful examination, hereby issue the following amendments to G.O.Ms.No.9, IT, E&C (Promotions) Department, dated 12.02.2019.

AMENDMENT

Para-No.	Incentives as per G.O.MS.No.9, IT,E&C (Promotions) Department, dated.12.02.2019	Amendment (read as)
5(e)	to compute stamp duty as per the sale consideration (i.e., INR 1 Cr. per acre at Kapuluppada, INR 20 Lakhs per acre at Nakkapalli and G. Chodavaram)	• 100% reimbursement of stamp duty on purchase of 489.69 Acres of land in three locations namely Kapuluppada (89.69 Acres), Nakkapalli (300 Acres), and G. Chodavaram (100 Acres). • The stamp duty shall be computed as per the sale consideration (i.e., INR 1 Cr. per acre at Kapuluppada, INR 20 Lakhs per acre at Nakkapalli and G. Chodavaram). • The cost of Stamp Duty reimbursement will be borne by the IT,E&C Department from it's incentives budget.
5(f)	to allow staggered payments on land procurement. The project	to allow staggered payment on land procurement. The project proponent

Para- No.	Incentives as per G.O.MS.No.9, IT,E&C (Promotions) Department, dated.12.02.2019	Amendment (read as)
	proponent shall make an initial payment of 10% of the total sale consideration at the time of sale agreement. The remainder of payment shall be made in six (6) equal annual installments starting from the year after the initial payment	shall make an initial payment of 10% of the total sale consideration at the time of sale agreement. The remainder of payment shall be made in seven (7) equal annual installments starting from the year after the initial payment
5(g)	to allow banking of 100% energy up to the extent of consumption of Data Center Park(s)/ unit(s) without any restrictions duly relaxing the provisions of AP Solar Power Policy, 2015 as a special case for a period of 12 years from the date of land sale agreement for respective Data Center Park(s). For the data center units/individual consuming units that have started operations within these 12 years, banking of 100% energy without any restrictions would be extended by another 8 years for the installed capacity of Data Center Park(s)/ unit(s) at the end of 12th year. The loss of revenue on this account will be reimbursed to Power Utilities from the incentives' budget of IT, E&C Department on quarterly basis	to allow banking and drawal of 100% energy up to the extent of consumption of Data Center Park(s)/ unit(s) without any restrictions duly relaxing the provisions of AP Solar Power Policy, 2015 as a special case for a period of 12 years from the date of land sale agreement for respective Data Center Park(s). For the Data Center units/ individual consuming units that have started operations within these 12 years, banking and drawal of 100% energy without any restrictions would be extended by another 8 years for the installed capacity of Data Center Park(s)/ unit(s) at the end of 12 th year. The loss of revenue on this account will be reimbursed to Power Utilities from the incentives' budget of IT, E&C Department on quarterly basis. APTRANSCO will work with the Data Center Park developer to define appropriate mechanisms to manage the energy banking and drawal for the Data Center park(s)/ unit(s). In the event of grid instability, the relevant authorities (APSLDC/APTRANSCO) shall take decision in consultation with DC park developer.
5(i)	to consider the request for exemption of electricity duty for captive consumption and power sourced from the grid (if any) for a period of 25 years from the date of first purchase of land at Kapuluppada (Phase- I)	to permit exemption of electricity duty for captive consumption and power sourced from the grid (if any) for a period of 25 years from the date of first purchase of land at Kapuluppada (Phase- I).
5(j)	to permit 100% SGST reimbursement on capex (excluding	to permit 100% SGST reimbursement on all types of capex (excluding land)

Para- No.	Incentives as per G.O.MS.No.9, IT,E&C (Promotions) Department, dated.12.02.2019	Amendment (read as)
	land) for the Data Center Park(s) for first 3 years from the date of signing of respective sale agreements. 50% SGST reimbursement on capex would be allowed for subsequent 7 years. No SGST reimbursement will be given for replacement of Data Center infrastructure. However, the company needs to segregate creditable and non-creditable tax during the implementation period	for the Data Center Park(s) and Data Center unit(s) for first 3 years from the date of signing of respective sale agreements (between APIIC and Data Center Park developer). 50% SGST reimbursement on capex would be allowed for subsequent 7 years. Incentives will be available for both new projects and expansion projects. No SGST reimbursement will be given for replacement of Data Center infrastructure. However, the Data Center park(s)/ Data Center unit(s) need to segregate creditable and non-creditable tax during the implementation period.
5(k)	to permit 100% reimbursement of SGST on capital expenditure (for all electrical equipment, mechanical equipment, civil & other construction purchases) for Data Center Park(s) for first 3 years from the date of signature of respective site sale agreement (between APIIC and Data Center Park developer) and 50% for next 7 years, No SGST reimbursement will be given for replacement of electrical equipment, mechanical equipment, civil & other construction purchases. However, the company needs to segregate creditable and non- creditable tax during the implementation period	to permit 100% reimbursement of SGST on all types of capex (including electrical equipment, mechanical equipment, civil, other construction purchases and other items) for Data Center Park(s) and Data Center Unit(s) for first 3 years from the date of signature of respective site sale agreement (between APIIC and Data Center Park developer). 50% SGST reimbursement on capex would be allowed for subsequent 7 years. Incentives will be available for both new projects and expansion projects. No SGST reimbursement will be given for replacement of electrical equipment, mechanical equipment, civil & other construction purchases. However, the Data Center park(s)/ Data Center unit(s) need to segregate creditable and non-creditable tax during the implementation period.

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

**K.VIJAYANAND
PRINCIPAL SECRETARY TO GOVERNMENT**

To
M/s. Adani Enterprises Limited
The VC&MD, APIIC Ltd, Vijayawada
The Spl. Chief Secretary to Government, Revenue (CT) Department

The Principal Secretary to Government, Finance Department
 The Principal Secretary to Government, Energy, I&I Department
 The Principal Secretary to Government, MA&UD Dept.
 The Secretary to Govt., Industries and Commerce Dept.
 The Commissioner, Industries, Andhra Pradesh
 The District Collector & Magistrate, Visakhapatnam District.
 The District Collector & Magistrate, Vizianagaram District.
 The Commissioner, GVMC, Visakhapatnam.
 The VC&MD, VUDA, Visakhapatnam.
 The CMD, APEPDCL, Visakhapatnam.

Copy to:

The OSD to Hon'ble Minister for Information Technology, Andhra Pradesh
 The DC, VSEZ, Visakhapatnam
 The PS to Principal Secretary to Hon'ble Chief Minister
 The PS to IT Advisor
 The PS to Prl. Secretary, IT,E&C Department
 The Group CEO, AP Electronics & Information Technology Agency
 The Director, Airport Authority, Visakhapatnam
 The LET & F (Employment) Department.
 The Law (B) Department
 The GM, DIC, Visakhapatnam
 The ZM, APIIC, Visakhapatnam
 The ZM, APIIC, Special Projects Zone, Visakhapatnam.
 The P.S. to Secretary to Government & CIP

// FORWARDED :: BY ORDER //

SECTION OFFICER