GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Department – Promotion Wing - Andhra Pradesh Data Center Policy (4.0) 2024-29 – Operating Guidelines for Implementation – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (PROMOTIONS) DEPARTMENT

G.O.Ms.No. 12 Dated:02.05.2025

Read the following:

1. G.O.Ms.No. 6, IT,E&C (Promotions) Department, dated: 14.11.2024
2. G.O.Ms.No. 4, IT,E&C (Promotions) Department, dated: 24.03.2025
3. G.O.Ms.No. 8, IT,E&C (Promotions) Department, dated: 25.04.2025
4. eFileNo.:ITC01-IT0PROM(ITPR)/13/2025-PROMOTIONS,Operating Guidelines for Implementation Data Center Policy of ITE&C Dept., Government of Andhra Pradesh.

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ORDER:

In the reference 1, the Government has announced the implementation of the Andhra Pradesh Data Center Policy (4.0) 2024-29, aims to add a few hundred megawatts, up to 1 gigawatt, of additional data center capacity in Andhra Pradesh during the policy period, with a focus on attracting investments from advanced data centers equipped with artificial intelligence (AI) capabilities, and establishing the state as a preferred destination for large-scale data embassies and data center parks.

2. In the reference 2, the Government of Andhra Pradesh has established a detailed and structured workflow to facilitate the effective implementation of the Andhra Pradesh Data Center Policy (4.0) for the period 2024–2029. This comprehensive framework outlines the procedures, roles, and responsibilities to ensure the successful execution of the policy's objectives.

3. In the reference 3, the Consultative Committee for the Information Technology and Electronics Industry (CCITEI) is being restructured to effectively implement policies and address issues related to IT, ITeS, electronics, and start- ups. The re-constituted committee will serve as a platform for policy discussions, regulatory support, and industry growth, ensuring alignment with broader economic and technological goals. It will also streamline proposal evaluations and oversee the efficient, timely, and transparent disbursement of incentives.

4. The Government hereby accords approval for the Operating Guidelines for Andhra Pradesh Data Center Policy (4.0) 2024-29, as enclosed to these orders.

(P.T.O)

5. In the reference 4, this order is issued with the remarks and concurrence of the Finance (Finance U.O.No.FIN01-FMU0PC(IC)/16/2025, (C.No.2789128)) Department, which states that "Since Land allotment for private individuals or entities is managed through the Andhra Pradesh Land Management Authority (APLMA), any proposals to allot land at a discounted rate should adhere to APLMA's guidelines and procedures and a ny other financial incentive will be borne by APIIC".

(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, Mangalagiri
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, RTGs, 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.12, ITE&C (Prom Wing) Dept., dated:02.05.2025)

Operating Guidelines for Government of Andhra Pradesh Data Center Policy (4.0) 2024-29

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1. Introduction

The increasing digitalization, cloud adoption, emerging use cases for Artificial Intelligence and government initiatives has led to the growth of India's data center market. Andhra Pradesh's coastline of around 975 kilometers, the second longest in India, allows easy access to international submarine cable networks, ensuring high-speed and reliable data connectivity making it favorable location for the data center players. The government of India has allowed 100% foreign direct investment (FDI) ownership of data centers, and lowered the barriers of entry, which has seen an influx of global players, financial institutions, and private capital coming in making it a favorable business opportunity.

These guidelines are issued to clarify incentive applicability and claim procedures all applicants claiming incentives under Data Center Policy 4.0 (2024-29).

SECTION A – GENERAL DEFINITIONS, INSTRUCTIONS, PROCESSES AND PROCEDURES

2. DEFINITIONS

2.1. Andhra Pradesh Data Center Policy (4.0) 2024-29

Andhra Pradesh Data Center Policy (4.0) 2024-29 means, the policy of state incentives/facilities announced by the state government vide G.O.Ms.No.9, Information Technology, Electronics & Communications (ITE&C) (Promotion Wing) Department, dated 12.12.2024 and amendments thereof.

2.2. Nodal/ Implementation Agency for Policy

S.No.	Policy	G.O. No	Validity Dates	Implementing Agency/ Nodal Office
1	Andhra Pradesh Data Center Policy (4.0) 2024-29	9	12.12.2024 to 11.12.2029	Andhra Pradesh Economic Development Board (APEDB)

In line with G.O.Ms.No.4, dated 24.03.2025, as notified by IT,E&C Department, Government of Andhra Pradesh, APEDB will be the nodal agency for this policy and coordinate for all matters with the investor.

2.3. Applicant

Applicant shall mean any Building Infrastructure Developer, an entity with lines of activity IT, Cor working space developer, IT enabled Services, or Data Center setup, that is seeking benefit of any incentive, or a concession or a subsidy under Andhra Pradesh Data Center Policy (4.0) 2024-29.

2.4. Policy Period

Andhra Pradesh Data Center Policy (4.0) 2024-29 will be operational from 12.12.2024 to 11.12.2029 until any further amendments to the policies for extension of period. The policy will be applicable to the projects that have commenced operation during the policy period. However, eligible firms can apply for incentives until 11.06.2030.

2.5. Area of Operation

The policy is applicable for greenfield and brownfield projects, which are being setup or operating within the territory of state of Andhra Pradesh.

2.6. Data Center

Data centers are centralized facilities used to collect, store, process, and distribute large amounts of data.

2.7. Data Center Firm

A data center firm refers to an organization, company, or facility that operates and manages data centers.

2.8. Data Center Park

Data Centre Park is a building/collection of buildings and common infrastructure, built to co-locate multiple Data Centers, from one or more firms. The park infrastructure covers land, park area (Water, Sewage, Road, Parking, Green Area, etc.), Electricity, Network, Fibre connectivity and Mechanical Electrical and Plumbing equipment.

2.9. Fixed Capital Investment (FCI)

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.

2.10. Eligible Fixed Capital Investments (eFCI)

The eligible FCI definition shall be used for computation of incentives under this policy. Eligible FCI means,

a) For Data Center entities - only investment in Civil works, Plant, Machinery and equipment

2.11. 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.

2.12. Date of Commencement of Commercial Operations (DCO)

DCO is the date on which commercial operation started, as verified through first sales bill/ commercial invoice.

2.13. 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.

2.14. SIPB: State Investment Promotion Board

2.15. Financial Year

1st April to 31st March of the next year

2.16. First Half Year

1st April to 30th September

2.17. Second Half Year

1st October to 31st March

3. Institutional Mechanism for Tailor made incentives approvals

3.1. For the purpose of processing the claims the state has following committees to recommend and approve incentives as per policy or to extend tailor-made Benefits.

3.2. Only approved projects related to Data Centers Data Center Policy 4.0 2024-29 will be allowed to file claims for incentives under the policy. Approval will be provided by CCITEI.

3.3. Tailor made incentives:

1) Eligible companies desirous of seeking financial assistance/ concessions, **beyond those already provided in the policy**, must present detailed representations along with project reports to IT, E&C department, clearly spelling out special incentives being sought with due justification before or during initial stages of implementation.
2) On receipt of such proposals, IT,E&C department will examine the same with due diligence and forward it to the Government through CCITEI following due procedure defined before placing it in the State Investment Promotion Committee (SIPC) and State Investment Promotion Board (SIPB) for taking the decision in the matter.

#	Process for approving Tailor Made Incentives
1	Investor Submits Detailed Project Report (DPR) to APEDB

#	Process for approving Tailor Made Incentives
2	APEDB to scrutinize the DPR, assess benefits to the state and put up the case to CCITEI for evaluation
3	CCITEI to review and approve projects. In case of tailor made incentives, CCITEI to review and forward case to SIPC.
4	SIPC to review and recommend to SIPB based on merit of the case
5	SIPB to review and provide approval
6	IT, E&C Department to issue Government Order for every case, with list of incentives
	Total

3.4. State Investment Promotion Council (SIPC)

1) 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.
2) The State Investment Promotion Committee (SIPC) shall convene atleast once every month for discussion of agenda which constitute but not limited to
   - scrutinize and recommend tailor made incentives including Financial and non-financial benefits to Mega and above projects
   - evaluate and recommend extent of land for projects having requirement of more than 50 acres
   - evaluate and recommend revision/modification/relaxation on contractual terms for Mega and above projects that have breached agreed service level agreements. Any recommendation by SIPC shall not override conditions stipulated by the Judiciary.
   - Repetitive requests received from Mega and above projects that may require standardization/policy level interventions.
3) The concerned Principal Secretary/ Secretary to the Government, willing to place their proposals before the SIPC for decision, shall send the agenda notes to the Commissioner of Industries.
4) The Commissioner of Industries will circulate the agenda notes to all the members and collate their responses and will place before the SIPC in consultation with the Chairman.

5) The committee, after deliberations, will place their remarks before the State Investment Promotion Board for their consideration and approval / for a suitable decision.
6) The agenda shall be structured as indicated below to apprise the committee about the proposal and help the committee to take rational decision.

	Proposals requesting Tailor made incentives or Land requirement > 50 acres
1.	Firm details
2.	Proposal Summary view
3.	Investment break-up
4.	Financing Details
5.	Land Locations details
6.	Approvals status
7.	Incentive Wishlist
8.	Impact to state
	Projects that breached SLA and requesting relaxations
1.	Firm details
2.	Committed timeline vs Actual Timeline
3.	Request of company
4.	Sequence of events
5.	Department comments
6.	Impact to State

3.5. State Investment Promotion Board (SIPB)

1) The State Investment Promotion Board (SIPB) will meet at regular intervals to examine all the proposals related to Industrial and infrastructure Investments and to take appropriate decisions for early realization of investments in the state of Andhra Pradesh.
2) The SIPB shall evaluate the recommendations of SIPC and make a final decision on the agenda proposals.
3) After obtaining SIPC & SIPB approvals and ratification by cabinet (wherever required), respective line department Secretaries shall issue Government Order mentioning the terms agreed, timelines for each of the specific proposals.

3.6. Consultative Committee for Information Technology and Electronics Investments CCITEI

1) The ITE&C department has constituted the Consultative Committee for Information Technology and Electronics Investments (CCITEI) to evaluate, approve and monitor projects related to IT and Electronics industries.
2) The consultative committee comprises of the members notified in an updated government order from time to time.
3) Powers of CCITEI
   i. To resolve the problems in implementation of the policies and cause necessary through
      implementing agencies such as APIIC/ Urban Development Authorities/ DISCOMs/ Municipal Corporations, for administration of various incentives sanctioned, and for speedy realization of the goals set forth in the upcoming polices within the said period.
   ii. To prescribe the procedure and issue the guidelines and clarifications in implementation of all policies to be issued in coming years. The CCITEI can recommend/approve/ defer any application for incentives/land allotments at its sole discretion.
   iii. Interpretation
   iv. When any matter arises for the purpose of interpretation on which CCITEI could not take a decision or in case where any suggestions are made outside the scope of CCITEI in regard to implementation of the scheme, such matters shall be referred to the Government of Andhra Pradesh for decision.
   v. The interpretation and decisions of the Government is final with regard to applications made Data Centers units for any of the incentives available as per AP Data Center Policy 2024-29. Government shall not entertain any correspondence against its decision, nor can the matter be subjected for any challenge in any court of law at any point of time.

4. Digital Platforms for Claim Application

4.1. Single Desk Portal

1) Single Desk Portal is an integrated portal for applying and receiving all industrial licenses and permissions, for setting-up industry or start industrial activity in the state.
2) Any entity that needs support from government, should mandatorily create an account in Single Desk Portal (SDP) and furnish details in prescribed formats.

3) Any Data center enterprise will have to submit request for development by furnishing required details and receive approvals and licenses from respective authorities through SDP.

4.2. APIIC ERP

1) Andhra Pradesh Industrial Infrastructure Corporation (APIIC) is the state owned, nodal organization, which holds and manages government lands for allotment to industrial and approved commercial activities.
2) In line with G.O.Ms.No.4, dated 24.03.2025, as notified by IT,E&C Department, Government of Andhra Pradesh, Applications for the lands/buildings belonging to the APIIC for IT, E&C Sector will be applied through APIIC portal, as attached with the Single Desk Portal. The Detailed Project Reports (DPRs) submitted for the lands/buildings of APIIC by the interested firms in the APIIC Online Portal will be forwarded to APEDB and IT, E&C Department by the APIIC and these DPRs will be evaluated by Consultative Committee for Information Technology and Electronics Industry (CCITEI). The CCITEI shall make use of the remarks of the APEDB while evaluating the DPR.

4.3. Incentive Application Portal

1) Incentive Application Portal is a sub-part of SDP, where investors after becoming eligible to claim incentives under various policies of the state, will submit their application for incentives.
2) Investors will have to upload all documentary proofs, filled-in all details in the prescribed forms on the incentives portal, for concerned department to scrutinize, verify, validate and sanction the incentive claim.

5. General Guidelines

5.1. Only approved projects related to Data Centers Data Center Policy 4.0 2024-29 will be allowed to file claims for incentives under the policy. Approval will be provided by CCITEI.

5.2. Further, only those enterprises which fulfill the following criteria are eligible for incentives:

   a. The enterprise should have a registered/branch office in Andhra Pradesh.

5.3. All eligible Enterprises shall submit their claims online, within six months from the DCO, through Online Incentive Portal.

5.4. The overall incentive amount for each IT enterprise shall be limited to 100% of the approved FCI. The incentives under this policy are in addition to any Government of India incentives which the IT enterprise may be eligible for.

5.5. The approved projects, where land allotment by government or government agencies is involved, will have to commence commercial operations within 3 (three years from the date of handing over of land) and where space allotment is involved, will have to commence commercial operations within one (1) year from the date of handing over of office space. However, CCITEI may take a decision extending the timelines after evaluation of justification stated by the enterprise.

5.6. Any deviation from committed timelines of execution, will attract penalty, which will be deducted from the sanctioned incentives. CCITEI, shall define penalty structure for any SLA breaches by the enterprises.

5.7. The enterprises availing incentives shall file separate claim application for each of the incentives they are eligible for, through online incentive portal, within the stipulated time frame.

5.8. The claim applications filed after six months but before one year from the date of eligibility of the claim, after commencement of operations, will be treated as belated claims and are eligible for 50% of all the incentives.

5.9. If any existing enterprise setting up a new enterprise with Separate Identifiable Investment for the same end service/ new service at different location in the same name it will be treated as new enterprise (Separate Identifiable Investment) for the purpose of sanction of various incentives, even though there is no separate GST registration number and separate marketability, since the Commercial Tax Department is issuing only one GST Registration number for one entity even if they have more than one enterprises within the State. However, they must maintain separate books of accounts for each location.

5.10. The entrepreneurs should have Permanent Account Number (PAN) and should file the Income Tax Returns annually in the name of the legal entity i.e. proprietor in the case of sole proprietorship, firm in case of partnership and in the name of the company in case of Private Limited companies etc.

5.11. The following items shall not be computable towards Fixed Capital Investment (FCI):

1) Working capital, stores, and all consumables
2) Value of motor vehicles.
3) Pre-operative expenses, advances, expenditure not supported by payment of bills.
4) Investment made outside the approved project cost and items not covered by approved project.
5) Fixed assets which form part of project cost but not created within 6 months from the DCP or the date of filling the claim whichever is earlier if it is a financed enterprise.

6) Term loan sanctioned by the financial institution after the DCO.
7) In case of self-financed enterprise/ industry, the fixed assets created after the DCO and payment made after DCO.
8) Diesel generators.
9) Transformers.

6. PROCEDURE FOR CLAIMING VARIOUS INCENTIVES

6.1. The entrepreneurs who wish to receive incentives have to file for the same on the on the online portal of Government of Andhra Pradesh.

6.2. The entrepreneurs who wish to avail incentives have to file claims for each of the incentives they are eligible for through online incentive portal invariably within the stipulated time frame as prescribed in this document.

6.3. All claims requested shall be within one policy period only. One claim cannot be requested under more than one policy period.

6.4. All the enterprises should have professional tax registration and should pay the professional tax as per G.O.Rt.No.664 Revenue (Commercial Taxes-II) department Dt. 24.08.2020.

6.5. To extent possible, incentives portal shall be integrated with APIs of concerned line departments (including but not limited to GSTIN, Energy, Excise, Commercial Tax, Labor), to leverage features of Artificial Intelligence for self-computation of incentive/concessions, digital validation of documents submitted, fraud detection and online certification required for incentive claim submission.

6.6. The Unit holder must obtain all the necessary statutory approvals/permissions/licenses for operating the unit. In case of deemed approvals, the online system shall not permit the user who didn't obtain necessary approvals/permissions/licences/ to apply for incentives beyond the exempted period. All the approvals can be sought from the Single desk portal at https://www.apindustries.gov.in/APIndus/UserInterface/SingleWindowServicesApplication/Public/EntrepreneurLogin.aspx

7. PROCESS FLOW FOR INCENTIVE SANCTION

7.1. As per G.O. Rt. No. 24, dated 17th April 2025, notified by the IT,E&C Department, Government of Andhra Pradesh, for incentive applications up to INR 10 Lakhs, the District IT manager will scrutinize and analyze applications for eligible firms applying under the policies of the ITE&C department, and submit to the General Manager, District Industries Center (GM-DIC), to be placed under District Industries and Export Promotion Committee on Incentives (DIEPC) for review and approval. The DIEPC constitution will be that notified by Department of Industries, Government of Andhra Pradesh, from time to time. The DIEPC committee shall consider the recommendations of the District IT manager and shall take appropriate decision including sanction or rejection of the claims. The decision will be communicated to the Joint Director, Promotions, IT, E&C Department to be put up to CCITEI for review and approval.

7.2. For incentive applications greater than INR 10 Lakhs, the APEDB will scrutinize the applications put up the same to CCITEI for review and approval.

7.3. CCITEI is constituted for sanction/rejection of claims for the incentives.

7.4. **Profession Tax**: Payment of Profession Tax is mandatory for obtaining industrial approvals/ licenses, renewals and for availing incentives as per the Andhra Pradesh Tax on Professions, Trades, Callings and Employment Act 1987. All entrepreneurs shall submit undertaking that they are paying the profession Tax to the Government. All inspecting officers should ensure and certify the payment of profession tax by the enterprises before placing any claims in the CCITEI as the case may be.

7.5. All enterprises shall submit application online for applying for the incentives along with relevant documents for the specific incentive.

7.6. On receipt of the application for claiming incentives from the Enterprises, IT,E&C departments, with the help of APEDB, will inspect the Enterprise/Industry and verify all the records/documents and provide recommendation to CCITEI.

7.7. The inspecting officers verifies all the machinery/equipment/office furniture and works as per list with bills, payment proofs (**validated with data from GSTIN or any other relevant databases linked through APIs)**.

7.8. For Data Centers, If any second-hand machinery exists in the list, it can be certified accordingly.

7.9. The inspecting officers are solely and severally responsible for the inspection and they should upload the inspection reports in the incentives portal within 48 hours.

7.10. Inspection report will be made available to the entrepreneur through his/her login.

7.11. If the entrepreneur doesn't agree with the inspection report, he/she can appeal within 3 months of publication and uploading the inspection report.

7.12. For all firms, appeals are submitted to Secretary, IT,E&C Department, duly notifying Joint Director, IT Promotions, IT,E&C Department.

8. Service Level Agreement (SLA) for sanction of Incentives:

IT,E&C Department will receive the claims online and forward the claim applications strictly as per seriatim to Joint Director, IT Promotions, IT,E&C Department, for claim processing and to place the same before CCITEI within 100 working days.

9. Procedure for Inspection of enterprises

9.1. The concerned inspecting officers shall inspect the enterprises once in 6 months after first inspection / from the date of previous inspection in case of NWS and once in a year for Data Centers.

9.2. The performance reports shall be obtained from the unit during the inspection and the same shall be uploaded in the portal.

9.3. The claims received further shall be processed based on the earlier inspection / performance report filed earlier without inspecting the unit physically.

9.4. These performance reports shall also be utilized for analyzing the efficiency / performance of the unit and for facilitating other benefits if any.

10. Procedure for disbursement of Funds

10.1. All sanctioned claims shall be kept ready in the chronological orders (as per the date of application) for disbursement. No documents shall be uploaded by the entrepreneur for disbursement, except in cases involving courts, wherein court orders shall be honored.

10.2. The Self declaration submitted at the time of submission of Common Application Form is sufficient for disbursement of the sanctioned incentives.

10.3. Wherever the IT,E&C Department finds any entity is sick, closed, change of management taken place, change of financial institution, shifting part of the machinery etc. or for any other reason not worthy of receiving subsidy till further examination, the IT, E&C Department shall not disburse the subsidy to such entity and a written intimation to be given to the Industry/Enterprise. In case of above two situations, the subsidy shall be disbursed only after further clearance given by the CCITEI.

10.4. However, if the unit was in continuous operation for a period as prescribed i.e. 6 years from DCO and the amount is pending to be released even after such period, that amount should be released without insisting working status.

11. RECOVERIES OF INCENTIVES SANCTIONED UNDER THE POLICY.

11.1. Incentives/ concessions granted to firms shall be liable to be recovered under the following circumstances:

i. If the incentives/ concessions are obtained by the enterprise by misrepresentation of essential facts or by furnishing of false information or suppressions of facts or by submission of false/ fake documents etc. In addition to recovery of the incentives granted, penalty will be levied as deemed fit and disbursed amount and barred from availing incentives in future.

ii. In case the enterprise goes out of operation within six (6) years from the DCO, as applicable. However, in the case where the unit remains out of operation for period up to 36 months due to the reasons beyond its control such as shortage of critical infrastructure, power and change of management, bills receivables, recession in the market, fire accidents and natural calamities etc., and the same is regularized by the CCITEI, then the enterprise is exempted from recovery/ penalty.

iii. If the unit fails to furnish the prescribed statements and/ or information when it is called upon to furnish.

iv. If the unit effects change of management without prior approval from the financing institution concerned and the CCITEI.

v. If the unit shifts a part or whole of the enterprise/ industry after receiving a part or whole of the incentives without prior approval of the CCITEI.

vi. If the whole or part of the unit is leased/ sold to another IT enterprise/ unit without the prior approval of the CCITEI.

vii. If the unit enters into a contract of any nature whatsoever by transferring the Management, without the prior approval of the CCITEI.

11.2. In the event of recoveries for reasons arising mentioned above, they shall be recovered treating them as arrears of Land Revenue under A.P. Revenue Recovery Act, 1864 and the ITE&C Department officers will be designated as recovery officers by suitable Government Orders. In this regard, CCITEI should monitor the progress of the unit and submit report to the ITE&C Department periodically.

12. FURNISHING OF STATEMENT OF ACCOUNT/ INFORMATION BY ELIGIBLE ENTERPRISES

The unit availing incentives for this project, shall furnish certified copy of audited accounts including balance sheet before 30th June of the succeeding year to IT,E&C Department through online system. Such statement should be furnished for a period of minimum six

(6) years, as per the case. Further, the unit should also furnish details of operations, sales, employment, etc., through online system before 30th June of the succeeding year. In case the unit fails to submit the certified audited accounts including balance sheet or Annual Performance Report in time, the recurring incentives in future will not be disbursed.

13. Interpretation

When any matter arises for the purpose of interpretation on which CCITEI could not take a decision or in case where any suggestions are made outside the scope of CCITEI in regard to implementation of the scheme, such matters shall be referred to the Government of Andhra Pradesh for decision.

14. Penalties

Without prejudice to anything included in this paragraph, it is hereby ordained that any willful misrepresentation of facts, action/ inaction on behalf of entrepreneur leading to irregular sanction/disbursement of incentives under the above policy will invite civil and criminal action as per extant laws besides recovery of the amount irregularly disbursed, if any, and debarring the unit from claiming incentives in the future.

SECTION B – INCENTIVE ELIGIBILITY, APPLICABILITY AND EVALUATION PROCEDURES

15. QUALIFYING AND ELIGIBILITY OF APPLICANTS

All Data Center developers who wish to claim incentives under this policy, should possess approval from CCITEI during the operative period of this policy.

15.1. Project Approval:

All Data Center developers who wish to claim incentives should get their project approved by CCITEI. The firms should submit a project report, detailing the following:

a) About the Company
b) Background of the promoter
c) About the project
d) Total Investment
e) Total Employment/ Total Committed seats
f) Timeline for completion of the project.
g) Financial statements and net worth certificate of the firm.

16. INCENTIVES UNDER DATA CENTER POLICY (4.0) 2024-29

1) **Capital Subsidy:** 100% Net state goods and services taxes (SGST) reimbursement on capital goods (OR) 10% Capital subsidy on Plant and Machinery
2) **Stamp Duty**
   a. 100% stamp duty exemption on reimbursement basis.
3) **Power Subsidy**
   a. Industrial tariff will be applicable.
4) **Other Benefits**
   a. Relaxation in parking requirement in Designated data center facility
5) **Data Center Parks:**
6) As per provision under “AP Policy for establishment of private Industrial Parks with Plug and Play” notified vide GO 67 dated 26-10-2024.
7) **Additional incentives** will be provided on a case-to-case basis post review of proposal and feasibility. They may include the following:
   a) Reducing Parking space requirement
   b) Stacking of Diesel Generator sets

c) Requirement for Windows/Openings in buildings
d) Common area requirements
e) Relaxation on floor to ceiling height requirements
f) Chillars on the facility rooftop
g) Dual Grid provision in Public Private Partnership (PPP) mode with Viability Gap funding (VGF)
h) Transmission and Wheeling Charges

17. INCENTIVE CLAIM VERIFICATION PROCEDURE

17.1. Capital Subsidy/ Investment Subsidy (investor can claim either capital subsidy or Reimbursement of SGST on capital goods but not both)

1) For Data Center Developers:
   a. The eligible fixed capital investment will cover only plant and machinery and not include land and buildings.
   b. The 10% capital subsidy will be applicable on electrical equipment only.
   c. If rented buildings are used to house the Data centers, the developed building should have clear & unencumbered title of the original owner of the superstructure (such as Encumbrance Certificate and other supporting documents) and all other statutory permissions specific to Data centers.
   d. Incentive will be disbursed in 5 annual installments.
   e. The applicable subsidy, post due verifications and internal approvals, will be disbursed in 5 annual installments over 5 years, from DCO.
2) All eligible Enterprises shall submit their claims online for capital subsidy within six months from the DCO, subject to fulfilment of
   a. 100% of committed capacity (in MW) of plant and machinery installation requirement for Data centers
3) Claims to be submitted to the Joint Director, Promotions, IT,E&C Department concerned, through Online Incentive Portal.
4) The subsidy shall be released to the Enterprises as per the project cost certified by the Chartered accountant.

17.2. Stamp Duty

1) All eligible Industrial Enterprises shall submit the claim for reimbursement of stamp duty, transfer duty, on purchase of land meant for industrial use, Stamp duty for lease of Land/Building and mortgages and hypothecations within six months from the DCO to the IT,E&C Department concerned, through Online Incentive Portal.

2) Stamp Duty and Transfer duty shall be applicable on purchase of land meant for Industrial use or commercial use for approved projects only.
3) Stamp duty will be reimbursed only one time on the land/building and subsequent transactions will not be eligible for stamp duty reimbursement even in case of land purchases in open auction conducted by financial institution.
4) The above benefits shall be admissible up to five times of the plinth area of the building constructed within the approved project cost. However, in respect of entity where the open land requirements would be larger due to the specific nature of industry, CCITEI may consider allowing land in excess of five times plinth area on case-to-case basis.
5) Stamp duty on Mortgages and hypothecations paid by an Enterprise for availing term loan from the financial institutions on assessed Fixed Capital Investment only would be eligible. This facility is not applicable on working capital. If the mortgage deed is registered in any state other than Andhra Pradesh in favour of any financial institution, then, this facility will not be extended.

17.3. Net SGST reimbursement

1) All eligible Data Center Enterprises shall submit their claims along with a GSTR-3B and GSTR-2A (as amended by the government of India from time to time) for reimbursement of SGST within six months after completion of the financial year i.e. on or before 30th September as per check slip, to the concerned IT,E&C Department through online incentive portal.
2) Net SGST accrued for a period stipulated in the policy on capital goods purchased up to DCO will be reimbursed.
3) Net SGST accrued to the State: Net SGST means SGST amount paid through cash ledger (indicated in GSTR-3B)
4) The Enterprise/Industry shall obtain the GSTR-3B as proof of net SGST accrued to the state. For this purpose, regular monthly returns filed during the financial year will only be considered.

BHASKAR KATAMNENI
SECRETARY TO GOVERNMENT