आज़ादी का अमृत महोत्सव

सत्यमेव जयते
GOVERNMENT OF GUJARAT

Department of Science & Technology
Government of Gujarat

IT/ITeS Policy (2022-27)



GOVERNMENT OF GUJARAT

Government of Gujarat
Department of Science and Technology
G.R. No: ITP/10/2021/583612/IT
Sachivalaya, Gandhinagar
Date: 07.02.2022

PREAMBLE:

1. Introduction

A. Global IT Industry Scenario

The technological revolution powered by Information Technology (IT) and Information Technology Enabled Services (ITeS) has changed the global economic structure permitting instantaneous communication among the far-flung operations of global enterprises. These emerging technologies are revolutionising sectors throughout the world and have demonstrated a significant impact on businesses, Government and the labour market, thereby enabling even the smallest players to compete with traditional giants.

The year 2021 saw the global IT Industry demonstrate an overall growth of 8.6 per cent. North America dominated the market share at 35 per cent. Asia was the second-largest region holding around 32 per cent, whereas Europe marked 22 per cent. Latin America and Africa accounted for around 5 per cent market share. North America, Asia and Europe held close to 89 per cent revenue share in 2021.

B. India Scenario

India is emerging as the hub for 'Digital Skills'. Indian IT/ITeS sector is steering India's leadership position in the global landscape in terms of employment and economic value creation. The IT industry accounted for 8 per cent of India's GDP in 2020. Indian IT industry is expected to contribute 10 per cent to the country's GDP by 2025. In the pre-Covid-19 years, from 2010 to 2018, the Indian IT market growth was recorded at 10.71 per cent.

C. Gujarat Scenario

Gujarat is a leading industrial state in India and has been recognised nationally and globally for offering a conducive business ecosystem, which is supported by the various Ease of Doing Business (EoDB) initiatives and state-of-the-art infrastructure. Spread across roughly about six per cent of India's geographical area and home to five per cent of the national population, Gujarat accounts for almost eight per cent of India's Gross Domestic Product (GDP). As per the 2020 Export Preparedness Index report of NITI Aayog, Gujarat topped the index with a strong display in export promotion Policy, business environment as well as infrastructure.

The state's Policy-driven business ecosystem primarily focusses on enhancing the industrial output and business viability of the State. However, the total share of Gujarat IT exports in FY18-19 stood at USD 422 million, which was 0.62 per cent of the total exports from Gujarat. Thus, Gujarat has a huge potential for increasing the share of exports in the IT sector.



2.IT/ITeS Policy (2022-27)

Gujarat is committed towards promoting faster and inclusive growth in the IT/ITeS sector. This Policy focuses on attracting investments and generating employment across the State along with propelling growth through incentives and facilitation. The IT/ITeS Policy (2022-27) will enable an innovative ecosystem, establish a robust infrastructure and further develop the state's IT talent pool. The Policy will reinforce various elements of the IT/ITeS ecosystem and introduce support for co-working spaces to establish Gujarat as a 'destination of choice'.

2.1. Vision

To transform the IT landscape of Gujarat by becoming one of the leading states in terms of world-class IT infrastructure, availability of high-skilled resources and innovation in Emerging Technologies.

2.2. Objectives

The key objectives of the Policy are:

1) To act as a catalyst in the growth of the IT/ITeS ecosystem
2) To enable the stakeholders of the IT/ITeS sector to create state-of-the-art IT infrastructure in the form of ready to occupy co-working office spaces
3) To enable the creation of high-skilled IT human resources in the state
4) To encourage large-scale investment in the IT/ITeS sector through special provisions for mega IT/ITeS projects
5) To establish the state as a hub for innovation in Emerging and Advanced Technologies

2.3. Targets

The proposed Policy aims to achieve the following milestones in the next five years:

1) Place Gujarat in the top five performing states of India in IT sector
2) Increase Gujarat's annual IT exports from INR 3,000 Cr. to over INR 25,000 Cr.
3) Generate more than one lakh new IT/ITeS jobs in the State
4) Become the national leader in terms of world-class IT infrastructure, Data Centers and Innovation Centers in Emerging Technologies

2.4. Drivers

- Government facilitated state-of-the-art IT infrastructure
- Incentivising the development of IT City/Township for facilitating a Walk-to-Work culture
- Fostering Research & Development in Emerging Technologies
- AI School or Center of Excellence – Advanced research center as a special Mega Project
- Upskilling state-wide talent through fiscal incentives for skill upgradation courses
- Enhancing digital literacy from the grassroots level
- CAPEX-OPEX model – A unique and simplified approach towards the scheme of assistance
- Enhanced tailor-made incentive scheme with special provisions for Mega Projects
- Special employment generation incentives for boosting local employment
- Enabling cloud computing by encouraging technologically advanced Data Centers and supporting the establishment of Cable Landing Station (CLS)
- Online Incentive Portal for efficient and transparent implementation

2.5. Definitions

2.5.1. The **'Operative Period of Policy'** shall come into force with effect from the date of notification of Policy and shall remain in force till 31st March 2027 or till the declaration of a new or revised Policy, whichever is earlier. Only eligible entities who have applied for assistance on or before 31st March 2027 and who have commenced operation on or before 31st March 2028 shall be eligible for incentives

2.5.2. **'IT software'** means any representation of instruction, data, sound and image, including source code and object code recorded in a machine readable form and capable of being manipulated or providing interactivity to use through automatic data processing machines

2.5.3. **'IT enabled Services (ITeS)'** are construed as any service, which results from the use of any IT software over a system of IT products for realising the value addition service rendering through the application of IT and shall include the following:

A. Call centers
B. Medical transcriptions
C. Back office operation/Business Process Outsourcing (BPO)
D. Knowledge Process Outsourcing (KPO)
E. Revenue accounting and other ancillary operations
F. Insurance claim processing
G. Web/digital content development/ERP/software and application development
H. Financial and accounting processing
I. HR and payroll processing
J. Bioinformatics
K. IT-enabled banking
L. Non-banking services, including insurance, pension, asset management and market-related services
M. Depository, security registration and dematerialisation services
N. GIS-enabled services
O. IT support centers
P. Website services
Q. Emerging Technologies, such as Cyber Security, Big Data, Artificial Intelligence, Blockchain, Machine Learning, etc.

or any other related fields as updated from time to time. This does not include companies engaged in manufacturing of hardware related to IT, telecom or fields as mentioned above. State Level Empowered Committee (SLEC) will be the final decision-making authority in this regard

2.5.4. **'IT/ITeS industry'** includes the development, production and services related to IT products, IT software, IT services and ITeS.

2.5.5. **'Government'** means the Government of Gujarat

2.5.6. 'New Unit'

A. A new unit means an IT/ITeS unit that has or had obtained registration under the Companies Act/LLP Act/Partnership/Proprietorship and is setting up or commenced its commercial operations in Gujarat during the operative period of the Policy.

B. An existing unit outside Gujarat State carrying out new investment in the IT/ITeS industry at any location in Gujarat and commences commercial operation during the operative period of the Policy shall be considered as a new unit.

C. A new unit shall be eligible for assistance for maximum one-time expansion during the operative period of the Policy.

2.5.7. 'Existing Unit' means any IT/ITeS unit which has been registered under the Companies Act/LLP Act/Partnership/Proprietorship and already running its operations within the state and is undertaking expansion in the project for carrying out activities indicated in the Policy and begins work for such expansion during the operative period of the Policy.

2.5.8. 'Expansion Unit'

A. An expansion unit means an existing unit in Gujarat undertaking expansion such that the total headcount of employees on its payroll, increases by 50 per cent of the existing headcount or by 1,000 employees, whichever is lower, during the operative period of the Policy.

B. It shall be applicable for incentives only one time during the operative period of the Policy.

C. To be eligible for incentives, the new investment made for the expansion must be brought into commercial operations during the operative period of the Policy.

2.5.9. 'Gross Fixed Capital Investment (GFCI)' means the expenditure made in the construction of the building, computers, software, networking related hardware and other related fixed assets, excluding the cost of land and expenditure on purchase of the building required to produce products or services by the eligible unit.

2.5.10. 'Mega Project' means an investment in the field of IT/ITeS with a minimum GFCI of INR 250 Cr. or generating a minimum of 2,000 direct IT employment positions on its payroll in the state.

2.5.11. 'Eligible Unit' means any new unit having a minimum of 10 employees on its payroll or an expansion unit having a minimum of 15 employees on its payroll after expansion.

2.5.12. 'Unique Registration Number (URN)' means an exclusive reference number assigned to an eligible entity, which will be used for all communications and transactions. Any eligible unit seeking to avail any benefits under the Policy has to apply for in-principle approval and subsequently obtain a Unique Registration Number (URN).

2.5.13. 'Built-up Area' means the area covered by a building on all floors and is in accordance with the relevant General Development Control Regulations (GDCR).

2.5.14. 'IT/ITeS Park' means a site comprising multiple IT/ITeS units (at least three units for the entire duration of the operative period of the Policy, till the time the IT/ITeS park is availing incentives under the Policy) constructed as an exclusively described or earmarked site for IT office space and made available on lease/rent/sale basis for IT/ITeS units, to provide ready-to-use facilities with a minimum saleable/leasable built-up area of 1,00,000 sq. ft. out of which a minimum of 70 per cent of saleable/leasable built-up area must be allocated to IT/ITeS units.

2.5.15. **'Co-working space'** means an office space wherein professionals from multiple IT/ITeS units share an office space.

2.5.16. **'Data Center'** means a facility that centralises computing and networking equipment to collect, store, process and disseminate a large amount of data and applications. Incentives will only be provided for the setting up of greenfield tier three or above Data Centers in the state with a minimum built-up area of 4,000 sq. ft. and a minimum of 150 racks.

2.5.17. **'IT City/Township'** means an area in Gujarat wherein a developer or consortium of developers create state-of-the-art infrastructure to support direct IT/ITeS employment by way of dedicated IT office space in the form of IT parks, co-working spaces, etc. The IT City/Township shall also have residential and commercial infrastructure to support the employment created and promote the 'walk-to-work' culture. It should be spread over a minimum area of 10 acres to 50 acres for IT township and more than 50 acres for IT city, which may include the following facilities:

A. State-of-the-art IT office space
B. Incubation Center for start-ups
C. Auditorium
D. Cafeteria and food zones
E. Conference halls
F. Shopping complex
G. Gymnasium and sports complex
H. Other basic utilities and their supporting infrastructure

IT City/Township shall be eligible for fiscal incentives only if 50 per cent of the built-up area is developed as IT office space.

2.5.18. **'DST'** means Department of Science and Technology, Government of Gujarat.

2.5.19. **'DIT'** means Directorate of ICT and e-Governance, Government of Gujarat.

2.5.20. **'High Powered Committee (HPC)'** means the committee constituted by the DST and headed by the Chief Secretary of the State, for the approval of the assistance to entities falling under the Mega Project category.

2.5.21. **'State Level Empowered Committee (SLEC)'** means the committee constituted by the DST and headed by ACS/PS/Secretary of Department of Science and Technology, for the approval of the assistance to entities other than those falling under the Mega Project category.

2.5.22. **'Gujarat-based Company'** means a company that is registered in Gujarat, with its headquarters within the State itself.

2.5.23. **'R&D Center'** means the laboratories/advanced research centers which are specially created for R&D in the IT sector.

2.5.24. **'Term Loan'** means loan sanctioned by the financial institution/bank (except Non-Banking Financial Company (NBFC)) for the acquisition of GFCI of the entity. However, only the amount actually disbursed against the sanctioned amount will be considered for the incentive under the scheme.

2.5.25. 'Eligible CAPEX expenditure' means the following:

A. Capital expenditure as per GFCI.
GFCI made during the operative period of the Policy and up till two years after the date of commencement of commercial operations/production shall be considered under eligible CAPEX expenditure.

B. Stamp Duty and Registration Fees paid to the Government for lease/sale/transfer of land and office space.

C. Renewable energy expenditure – Expenditure incurred on the purchase of equipment for setting up of captive renewable energy plant.

2.5.26. 'Eligible OPEX expenditure' means the following:

A. Lease rental expenditure – Expenditure incurred on lease rental of office space at a property rented from a third party. IT/ITeS units are eligible to claim this expenditure head under the eligible OPEX expenditure for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later, up to a maximum monthly rental of INR 50/sq. ft. of built-up area or actual lease rental expenditure, whichever is lower.

B. Bandwidth expenditure – Actual expenditure incurred on subscribing or leasing bandwidth from the licensed Internet service provider with a valid GST number. IT/ITeS units are eligible to claim this expenditure head under the eligible OPEX expenditure for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later.

C. Cloud rental expenditure – Actual expenditure incurred on cloud rental by either subscribing or leasing from a cloud service provider, provided that the service providing company is registered in India and has a valid GST number. IT/ITeS units are eligible to claim this expenditure head under the eligible OPEX expenditure for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later.

D. Power tariff expenditure – Actual expenditure incurred on energy units consumed by the IT/ITeS units. IT/ITeS units are eligible to claim this expenditure head under the eligible OPEX expenditure for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later. Eligible IT/ITeS units can also avail of banking charges benefits in accordance with provisions laid down under Section 10 of the Gujarat Solar Power Policy 2021.

E. Patent expenditure – Expenditure incurred on the application of every successful patent during the operative period of the Policy up to INR5 lakhs per patent. Eligible IT/ITeS units can submit claims for a maximum of 10 patents per year for five years from the date of start of commercial operations or in-principle approval, whichever is later.

2.6. Policy Validity

The Policy will be valid from the date of issuance of this Policy GR and shall remain in force till 31st March 2027 or till the declaration of a new or revised Policy, whichever is earlier.

Incentives and Offerings



2.7. Incentives and Offerings

The incentives and offerings mentioned in this section apply to eligible entities, in addition to any incentives that they might be entitled to avail from the Government of India. However, any applicant claiming incentives from other policies of the Government of Gujarat is not permitted to claim incentives under this Policy

2.7.1. CAPEX-OPEX Model

The various fiscal incentives described under this section are prudently drafted to provide thrust to the IT/ITeS ecosystem by clearly defining the incentive support into two distinct avenues – CAPEX and OPEX support. A unique incentive structure is specifically designed to ease the complexity involved in claiming the fiscal incentives. Furthermore, these fiscal incentives are tailored as per the need of the various categories of projects/investments. The fiscal incentive support for IT/ITeS units is as follows:

S.No.	Investment Category	Description of support
1	Category I – GFCI less than INR 250 Cr.	• **CAPEX Support*:** All eligible IT/ITeS units are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 50 Cr. The disbursement will be done in twenty (20) equal quarterly installments. • **OPEX Support:** All eligible IT/ITeS units are entitled to OPEX support of up to 15 per cent of the annual eligible OPEX expenditure, subject to a maximum ceiling of INR 20 Cr. per year for a period of five years from the date of eligibility. The disbursement will be done in quarterly installments.
2	Category II (Mega Projects) – GFCI more than or equal to INR 250 Cr. or project generating more than or equal to 2,000 direct IT employment on its payroll	• **CAPEX Support*:** All eligible projects are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 200 Cr. The disbursement will be done in twenty (20) equal quarterly installments. • **OPEX Support:** All eligible projects are entitled to OPEX support of up to 15 per cent of the annual eligible OPEX expenditure, subject to a maximum ceiling of INR 40 Cr. per year for a period of five years from the date of eligibility. The disbursement will be done in quarterly installments. • **Early Mover Advantage:** To stimulate growth in the sector, the Government has introduced a special provision in this Policy. Through this initiative, the Government aims to provide strategic advantage to first movers in the IT/ITeS sector by relaxing the minimum investment criteria for mega projects. The first three eligible (and only) IT/ITeS projects with investment in GFCI of more than or equal to INR 100 Cr. will be considered as mega projects. Thereafter, the investment criteria will increase to the specified minimum investment in GFCI of INR 250 Cr. • **Enhanced Incentive Components:** High Powered Committee (HPC) may include other incentive categories or relax any of the conditions mentioned under this Policy based on the scale of investment, employment generation, high-value addition and potential for attracting further investments. Such an incentive package will be tailored in consultation with the stakeholders involved. HPC will be the final decision-making authority in all such cases.

*Note: The expenditure incurred under GFCI towards the construction of new buildings shall be capped at INR3,000/sq. ft. of built-up area, applicable for a total built-up area computed at 60 sq. ft. of built-up area per employee on the payroll of the eligible IT/ITeS unit. Further, the annual CAPEX assistance disbursed shall be capped to the total annual operating expenditure of the eligible IT/ITeS Units.

2.7.2. Special incentives for IT/ITeS Units

In addition to the above-mentioned fiscal incentive support, the Government shall provide impetus to the growth of IT/ITeS units by incentivising the major operational expenditure heads.

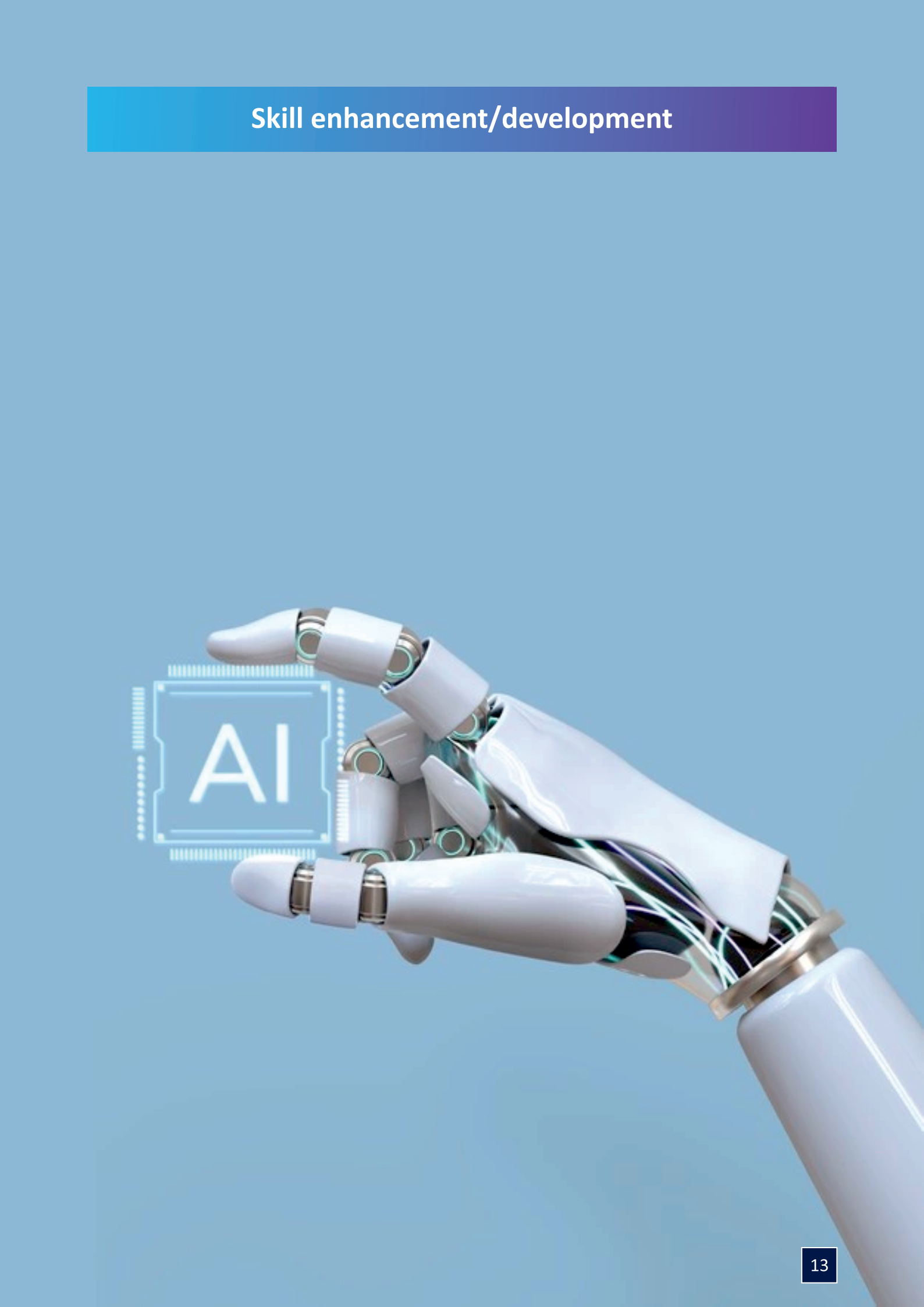
S.No.	Incentive category	Description of support
1	Employment Generation Incentive (EGI)	Eligible IT/ITeS units shall be entitled to one-time support for every new and unique job created in the State. It is applicable for new local employees hired and retained for a minimum period of one year at 50 per cent of one month's CTC up to INR 50,000 per male and INR 60,000 per female employee for Eligible IT / ITeS units. Note: The EGI assistance is tied to each individual IT employee and can only be claimed once for each individual IT employee in their lifetime. Therefore, if an IT/ITeS unit claims this incentive for any individual IT/ITeS employee, and thereafter the same individual IT/ITeS employee moves to another IT/ITeS unit, the subsequent IT/ITeS unit cannot claim the EGI assistance for the same. The applicable rules to implement the EGI assistance shall be formulated by the SLEC and released separately.
2	Interest Assistance	Eligible IT/ITeS units will be entitled to interest subsidy at 7 per cent on term loan or the actual interest paid, whichever is lower with a ceiling of INR1 Cr. per annum. Such IT/ITeS units shall be able to claim this incentive on an annual basis for a maximum period of five years from the date of start of actual interest repayment. Such eligible IT/ITeS units will be entitled to interest assistance on actual interest repayment (excluding principal repayment) on a term loan acquired from an Indian financial institution approved by the Reserve Bank of India (RBI) (excluding NBFC). However, to avail this component, the loan shall be availed from the Indian branch of the Indian financial institution and the interest repayment period should begin during the operative period of the Policy

S.No.	Incentive category	Description of support
3	Atmanirbhar Gujarat Rojgar Sahay	Eligible IT/ITeS units will be eligible to claim reimbursement on the employer's statutory contribution under Employees' Provident Fund (EPF) made by them for their employees working in the offices situated within Gujarat for a period of five years. This reimbursement would be made subject to the following criteria: • 100 per cent of employer's statutory contribution under EPF amount paid in case of female employees • 75 per cent of the employer's statutory contribution under EPF amount paid in case of male employees • The ceiling of incentive amount per employee will be 12 per cent of the employee's basic salary plus applicable Dearness Allowance (DA) and retaining allowance • For eligible expansion units, the assistance will be available for incremental employee count beyond the count that existed before undertaking expansion, occurring during the Policy period for a period of five years for each of such projects. For this purpose, the average employee count of the previous year before the commencement of operations from new set-up/expansion shall be treated as base employee count and incremental count, which will be computed over such base count, happening every year during the Policy period shall be entitled to such benefit for the duration of five years.
4	Electricity Duty Incentive (EDI)	Eligible IT/ITeS units can claim the entire amount of electricity duty paid by them to the Government of Gujarat for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later.

2.7.3. Incentives for supporting 'Work from Home'

The Government shall support the eligible IT/ITeS units having its Gujarat-based employees availing work from home when such employees operate from within Gujarat. Such eligible IT/ITeS units can avail EGI and Atmanirbhar Gujarat Rojgar Sahay for all such employees. Such benefits will be available for incremental employees only.

Skill enhancement/development



2.7.4. Skill enhancement/development

The Government has envisaged a three-pronged approach to undertake massive skill development exercises:

A. Tier-I: Gujarat AI School or AI Center of Excellence

The Government , in association with the IT industry and premier academic institutions in the state, such as IIIT, IIT and other renowned international and national research institutions, envisions establishing an advanced Center of learning – The Gujarat AI School or the Gujarat AI Center of Excellence. The prime objective of this institution shall be to become the foremost source of industry-ready skilled talent for the emerging technology of the IT industry in the nation. This institution shall provide impetus to the upskilling efforts of the state Government by offering courses in the field of emerging technologies, such as Artificial Intelligence, Blockchain, Quantum Computing, Big Data, Internet of Things, Data Enablement Technologies, Cyber Security and the forthcoming 5G technology, etc. DST will issue separate guidelines for the same.

B. Tier-II:Upskilling industry-ready talent

The Government shall endeavour to upskill the graduate students and working professionals of the state to expand their knowledge and skill sets across emerging technologies by incentivising them. The Government will incentivise the beneficiaries for successfully completing globally recognised courses in Information & Communication Technology (ICT) through Direct Benefit Transfer (DBT) up to a maximum of INR 50,000 per course or up to 50 per cent of the course fee, whichever is lower.

The detailed list of eligible courses, course fees and the scale of monetary assistance for each course along with the list of approved institutes, Massive Open Online Courses (MOOCs) and other such e-learning platforms administering such courses will be published separately and shall be amended from time to time to accommodate the trend and industry requirement during the operative period of the Policy. DST will issue separate operational guidelines for the same.

C. Tier – III: Nurturing roots by promoting IT

The Government shall launch large-scale Information, Education and Communication (IEC) programmes targeting school students and the general public aimed towards improving digital literacy, enhancing awareness of the potential of IT in daily life and building a foundation for the availability of skilled IT resources in the state.

IT City/Township



2.7.5. IT City / Township

The Government envisions fostering the IT/ITeS ecosystem in the state by supporting the development of a dedicated state-of-the-art IT township or IT city that will have all the modern amenities in line with the prevailing global standards. The Government shall incentivise developer/consortium of developers for the creation of such IT township or IT city in the following way: In addition to the above-mentioned incentive, the Government may provide support through the following non-fiscal incentives:

A. Relaxation in zoning and land use laws, such as permission for mixed land use (residential, commercial and industrial)
B. Assistance in obtaining other necessary statutory clearances
C. Relaxation in Floor Space Index (FSI) norms for IT office space
D. Utilities/infrastructure support up to the doorstep

S.No.	Incentive category	Description of support
1	CAPEX Support	All eligible applicants are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 100 Cr. Such support shall be provided as a reimbursement towards actual expenditure incurred for creating IT office space (co-working space, IT/ITeS park) in the IT city/ township. The disbursement will be done in twenty (20) equal quarterly installments.

2.7.6. Facilitating Infrastructure

The State Government shall provide impetus to the IT ecosystem by supporting the development of ready to occupy co-working space at an easy-to-commute location to allow IT/ITeS units to immediately start their operations within the state. The Government aims to achieve this objective by implementing the following models:

A. Government -facilitated model

The Government envisions building/leasing state-of-the-art co-working IT office spaces on PPP/EPC mode with modern interiors, high-speed internet connection and other services and facilities as per prevailing industry standards.

B. Empanelment model

The Government shall empanel state-of-the-art co-working IT office spaces that are run by private companies/developers.

The eligible IT/ITeS units opting to start their operations in co-working IT office spaces under the Government facilitated/empanelment model shall be eligible for the following fiscal support for a period of five years from the date of start of commercial operations or in-principle approval, whichever is later:

Monthly rental support to IT/ ITeS units (per seat basis)	Period	Fiscal incentive limit per seat per month (INR)
50 per cent of monthly rental	First two years	10,000
25 per cent of monthly rental	Three to five years	5,000

Applicability of Government facilitated model and empanelment model:

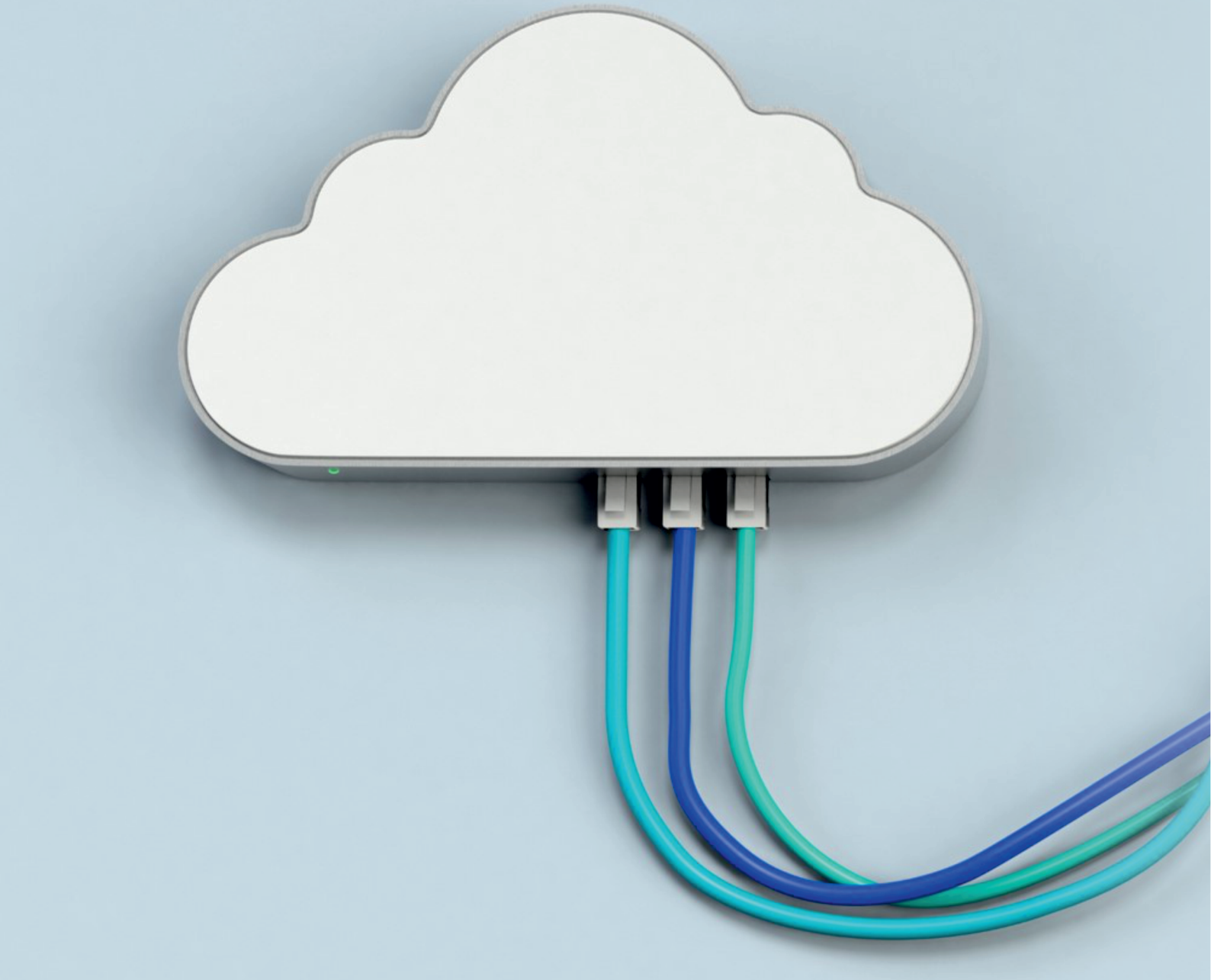
A. Any IT/ITeS unit availing benefit under this section will also be eligible for assistance under the EGI and Atmanirbhar Gujarat Rojgar Sahay. However, such IT/ITeS units will not be eligible for any other fiscal incentives defined in this Policy.

B. In the event that any IT/ITeS unit seeks to opt out of the Government facilitated model or empanelment model in between the five years, they shall be eligible for the following incentives for the remaining period of the five years.

- OPEX component of the CAPEX-OPEX model for IT/ITeS units
- EGI
- Atmanirbhar Gujarat Rojgar Sahay

For e.g. – If an IT/ITeS unit has availed the benefits under Government facilitated model or empanelment model for a period of two years and then decides to opt out of the scheme, then the IT/ITeS unit shall be eligible for only the OPEX incentives under the CAPEX-OPEX model for the remaining period of the three years. Additionally, the EGI and Atmanirbhar Gujarat Rojgar Sahay shall continue for the remaining period of three years.

Facilitating Cloud ecosystem



2.7.7. Facilitating cloud ecosystem – support for Cable Landing Station (CLS)

The Government has undertaken substantive steps towards the improvement of cloud infrastructure in the state. To promote the development activities and boost the cloud ecosystem in the state, the Government shall facilitate the setting up of a CLS by way of support in land identification and allotment along with necessary utility infrastructure support at the doorstep. Further, the Government shall provide fiscal support in the following way:

S.No.	Incentive category	Description of support
1	CAPEX Support	One-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure subject to a maximum ceiling of INR 20 Cr. The disbursement will be done in twenty (20) equal quarterly installments. Note: Only expenditure incurred on civil works for constructing the building of CLS along with network hardware (excluding expenditure towards cable laying and network cables) shall be admissible under GFCI.
2	OPEX Support	Power tariff subsidy of INR 1/unit for a period of five years

2.7.8. Data Centers

Additionally, the Government shall support the developers of Data Center projects in the following manner:

S.No.	Incentive category	Description of support
1	CAPEX Support	All eligible Data Centers are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure subject to a maximum ceiling of INR 150 Cr. The disbursement will be done in twenty (20) equal quarterly installments.
2	OPEX Support	Power tariff subsidy of INR1/unit for a period of five years

Support for Research & Development



2.7.9. Support for R&D

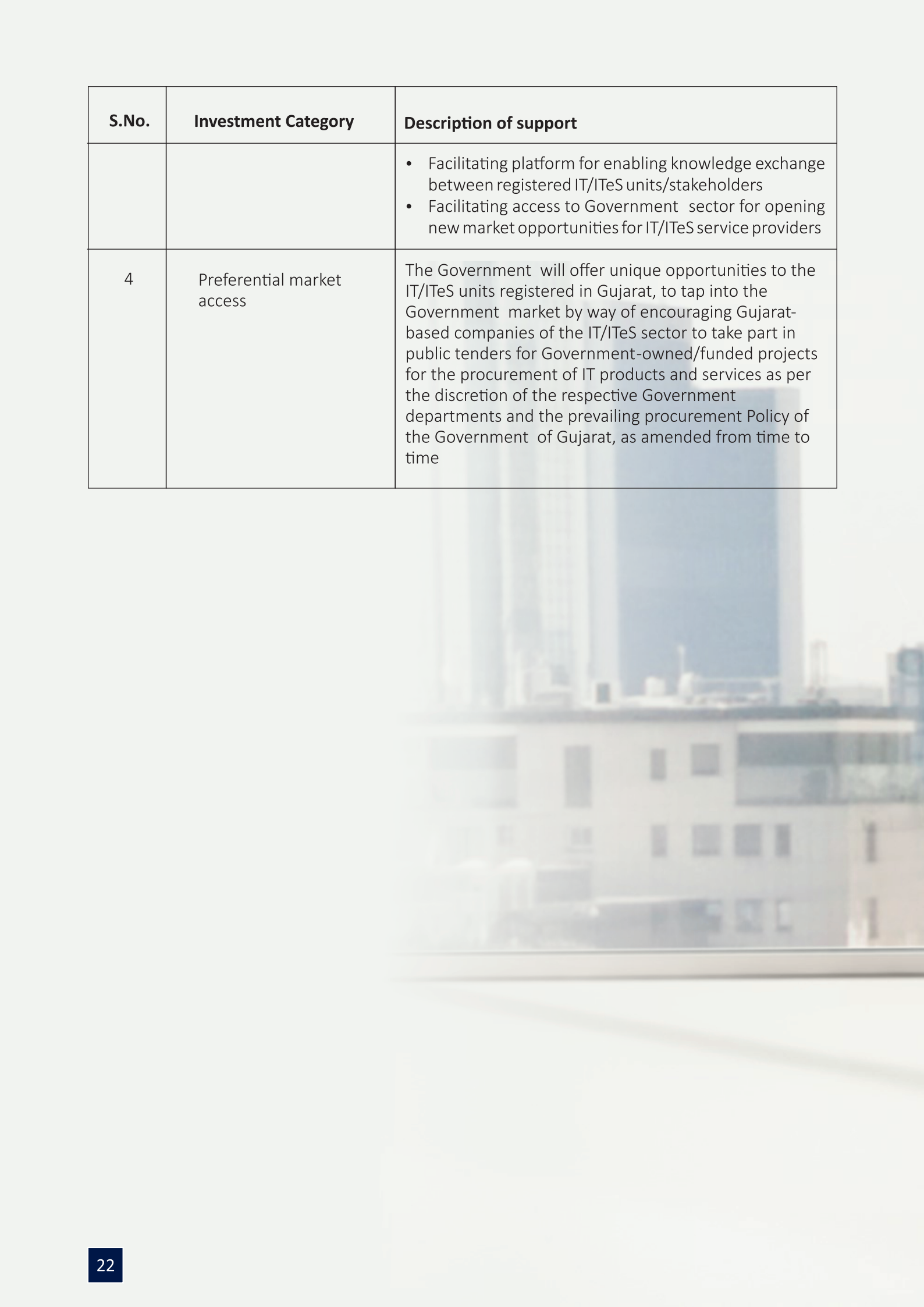
S.No.	Incentive category	Description of support
1	Support to R&D Institutes/R&D Centers established by educational institutes recognised by AICTE	All eligible R&D institutes can avail one-time CAPEX support for the purchase of equipment for setting up of R&D Center/laboratory at 60 per cent of the cost for machinery and equipment, hardware and software (COTS/license) required for research for the R&D activities subject to a maximum of INR5 Cr., provided that the R&D institute is acknowledged by Council of Scientific & Industrial Research (CSIR) / Department of Scientific and Industrial Research (DSIR) for conducting research into the desired field.

2.7.10. Non-fiscal incentives

The Government is committed towards building a sustainable, citizen-centric and investor-friendly environment and to this effect, the Government shall undertake various steps to ensure that all stakeholders are supported throughout their journey. Some of the key interventions in this regard are as follows:

S.No.	Incentive category	Description of support
1	Facilitation of allotment of land	The Government will duly facilitate the allotment of land for eligible projects in the state. Such allotment shall be subject to availability and the fulfillment of eligibility criteria as determined by the state Government from time to time.
2	Self-certification	IT/ITeS units will be allowed self-certification without the inspections under the act, such as Factory Act, Maternity Act, Minimum Wages Act., etc., barring complaints and random spot checks by the relevant authorities.
3	Investor Facilitation Center	• Include the industry players of the State on a common platform to link all types of industries • A centralised helpdesk call center on a 24x7 basis will be developed for query management • Central platform for connecting investors with stakeholders (Government nodal agencies/financial institutions) • Assist in marketing/promotion of IT/ITeS services of companies/stakeholders • Ensuring effective implementation of the Policy

S.No.	Investment Category	Description of support
		• Facilitating platform for enabling knowledge exchange between registered IT/ITeS units/stakeholders • Facilitating access to Government sector for opening new market opportunities for IT/ITeS service providers
4	Preferential market access	The Government will offer unique opportunities to the IT/ITeS units registered in Gujarat, to tap into the Government market by way of encouraging Gujarat-based companies of the IT/ITeS sector to take part in public tenders for Government-owned/funded projects for the procurement of IT products and services as per the discretion of the respective Government departments and the prevailing procurement Policy of the Government of Gujarat, as amended from time to time





3.Policy Implementation

3.1. The Department of Science and Technology will issue detailed implementation guidelines to achieve the goals and objectives of this Policy.

3.2. The State Government constitutes the following committees for evaluating proposals and granting approvals for eligible assistance to applicants under this Policy:

3.2.1 For the approval of assistance to mega and special projects, the High-Powered Committee (HPC) shall comprise the following members:

1. Chief Secretary, Gujarat – Chairman
2. Additional Chief Secretary/Principal Secretary/Secretary, Industries & Mines Department – Member
3. Additional Chief Secretary/Principal Secretary/Secretary, Finance Department – Member
4. Additional Chief Secretary/Principal Secretary/Secretary, Revenue Department – Member
5. Additional Chief Secretary/Principal Secretary/Secretary, Urban Development and Urban Housing Department – Member
6. Additional Chief Secretary/Principal Secretary/Secretary, Energy and Petrochemicals Department – Member
7. Additional Chief Secretary/Principal Secretary/Secretary, Department of Science & Technology (DST) – Member
8. Secretary (Expenditure), Finance Department – Member
9. Additional Secretary (IT)/Joint Secretary (IT)/Deputy Secretary (IT), Science & Technology Department – Member
10. Financial Advisor (DST), Finance Department – Member
11. Industries Commissioner – Member
12. Director, ICT & e-Governance – Member Secretary

3.2.2 For the approval of assistance to all projects other than mega and special projects, the State-Level Empowered Committee (SLEC) shall comprise the following members:

1. Additional Chief Secretary/Principal Secretary/Secretary, Department of Science & Technology (DST) – Chairman
2. Additional Chief Secretary/Principal Secretary/Secretary (Expenditure), Finance Department – Member
3. Additional Secretary (IT)/Joint Secretary (IT)/Deputy Secretary (IT), Department of Science & Technology – Member
4. Financial Advisor (DST), Finance Department – Member
5. Industries Commissioner – Member
6. Director, ICT & e-Governance – Member Secretary

3.3. Additionally, the Government shall digitise the entire incentive application process and aim to reduce human interface. Such a digital platform shall be built on a mission mode by duly incorporating advanced technologies into its software system.

3.4. The Office of the Director, ICT & e-Governance, shall implement this Policy.

4.Interpretation

The Department of Science and Technology, Government of Gujarat, is authorised for interpretation of any provision and to give clarification/decision with reference to any provision under this resolution, keeping in view the objective of the Policy and schemes, and it will be final and binding to all.

5.Power to Amend the Policy

Notwithstanding anything contained in the foregoing paras, the Government holds the right to review and amend various aspects of the Policy from time to time.

5.Budgetary Provision

The expenditure on this account shall be made from the grants under the following budget head:

- Demand no: 89
- Major Head: 2052, Information Technology Incentive Plan.

The above Government resolution issues with the concurrence of the Finance Department on the department's file of even number

By order and in the name of Governor of Gujarat,

sd/-
(Vijay Nehra)
Secretary to the Government of Gujarat,
Department of Science and Technology.

Government of Gujarat
Department of Science and Technology
G.R. No: ITP/10/2021/583612/IT
Sachivalaya, Gandhinagar
Date: 11/10/2024

RESOLUTION

Read:
1. **Gujarat IT / ITeS Policy (2022-27) dated 07.02.2022.**
2. **Implementation Guidelines for Gujarat IT/ITeS Policy (2022-27) dated 06.07.2022.**

Preamble:

1. The Government of Gujarat came out with the IT/ITeS Policy and Implementation Guidelines vide GRs referred above.
2. Issuance of certain modifications for efficient implementation of the policy was under active consideration of the Government.

Resolution:

After careful consideration, Government is pleased to issue the following modification to the IT/ITeS Policy vide GRs read 1 at above.

Modification in Policy

Original Policy Para	Amended Para
2.5.3 'IT enabled Services (ITeS)' are construed as any service, which results from the use of any IT software over a system of IT products for realising the value addition service rendering through the application of IT and shall include the following: A. Call centers B. Medical transcriptions C. Back-office operation/Business Process Outsourcing (BPO) D. Knowledge Process Outsourcing (KPO) E. Revenue accounting and other ancillary operations F. Insurance claim processing	**2.5.3 'IT enabled Services (ITeS)'** are construed as any service, which results from the use of any IT software over a system of IT products for realising the value addition service rendering through the application of IT and shall include the following: A. Emerging or Deep Technologies, viz i. Artificial Intelligence (including Natural language Processing (NLP), Machine Learning (ML), Generative AI) ii. Internet of Things iii. Analytics using AI technologies (including Big Data & Data Science) iv. Augmented Reality (AR), Virtual Reality (VR) & Mixed Reality (MR) v. Distributed Ledger Technology (Blockchain)

G. Web/digital content development ERP/software and application development H. Financial and accounting processing I. HR and payroll processing J. Bioinformatics K. IT-enabled banking L. Non-banking services, including insurance, pension, asset management and market-related services. M. Depository, security registration and dematerialisation services N. GIS-enabled services O. IT support centers P. Website services Q. Emerging Technologies, such as Cyber Security, Big Data, Artificial Intelligence, Blockchain, Machine Learning, etc. or any other related fields as updated from time to time. This does not include companies engaged in manufacturing of hardware related to IT, telecom or fields as mentioned above. State Level Empowered Committee (SLEC) will be the final decision-making authority in this regard.	vi. Quantum Computing B. Back-office operation/Business Process Outsourcing (BPO) C. Knowledge Process Outsourcing (KPO) D. Web/digital content development ERP/software and application development E. Bioinformatics F. Banking, Financial Services and Insurance (BFSI) services. G. Depository, security registration and dematerialisation services H. GIS-enabled services I. IT support centers J. Website services K. Global In-house Center (GIC) / Global Capability Center (GCC) or any other related fields as updated from time to time. This does not include companies engaged in manufacturing of hardware related to IT, telecom or fields as mentioned above. State Level Empowered Committee (SLEC) will be the final decision-making authority in this regard. Any software or application that provides any service or utility through the use of AI, where AI algorithms are employed where GPU/TPU is necessary to run the algorithm, will be considered. However, offering generic application services, such as chatbots, will not be considered under section 2.5.3 (A) of the policy.
2.5.9. **'Gross Fixed Capital Investment (GFCI)'** means the expenditure made in the construction of the building, computers, software, networking related hardware and other related fixed assets, excluding the cost of land and expenditure on purchase of the building required to produce products or services by the eligible unit.	2.5.9 **'Gross Fixed Capital Investment (GFCI)'** The expenditure made in the construction of the building, purchase of the building, computers, software, networking related hardware and other related fixed assets, excluding the cost of land required to produce products or services by the eligible unit.
2.5.11 **'Eligible unit'** means any new unit having a minimum of 10 employees on its payroll or an expansion unit having a minimum of 15 employees on its payroll after expansion.	2.5.11 **'Eligible unit'** means: Any new unit having a minimum of 50 employees on its payroll or an expansion unit having a minimum of 75 employees on its payroll. A workstation, laptop or any IT device should be allocated to a minimum 80% of its total employees.

2.5.16. 'Data Center' means a facility that centralizes computing and networking equipment to collect, store, process and disseminate a large amount of data and applications. Incentives will only be provided for the setting up of greenfield tier three or above Data Centers in the state with a minimum built-up area of 4,000 sq. ft. and a minimum of 150 racks.	**2.5.16. 'Data Center'** means a facility that centralizes computing and networking equipment to collect, store, process and disseminate a large amount of data and applications. Incentives will only be provided for the setting up of tier three or above Data Centers in the state subject to: A. A minimum built-up area of 4,000 sq. ft. B. A minimum of 150 racks or IT power consumption of at least 900 KW in racks or 2,00,000 processor cores.
2.5.26. E. Patent expenditure - Expenditure incurred on the application of every successful patent during the operative period of the Policy up to INR 5 lakhs per patent. Eligible IT/ITeS units can submit claims for a maximum of 10 patents per year for five years from the date of start of commercial operations or in-principle approval, whichever is later.	**2.5.26. E. Patent expenditure** - Expenditure incurred on the application of every successful patent during the operative period of the Policy up to INR 10 lakhs per patent. Eligible IT/ITeS units can submit claims for a maximum of 10 patents per year for five years from the date of start of commercial operations or in-principle approval, whichever is later.

The following paragraphs shall be added after Para 2.5.26 of the said policy, namely:

2.5.27 'Eligible ICT & Deep Tech Incubator' for the purposes of this policy means an organization established under the Companies Act/LLP Act, engaged in supporting ICT & deep tech start-ups through host of support services and resources such as deep tech labs, POC facilities, space, funding support, mentoring, and business management services, which incubates minimum 10 Startups at a time from IT/ ITeS sector as defined in section 2.5.3. To avail benefits under this policy, the Eligible ICT & Deep Tech Incubator should also be registered under this policy.

2.5.28 'Eligible ICT & Deep Tech Accelerator' for the purposes of this policy means an organization set up to empower ICT & deep tech startups by providing advanced resources and technological support, enhancing their market-ready solutions, market linkages while fortifying their business strategies, thereby facilitating easier access to investment from venture capitalists and angel investors.

An Eligible ICT & Deep Tech Accelerator should:

A. Have been in the business of incubation for more than 3 years and supported more than 20 start-ups of which at least 5 have received non-public investment.
   OR
   Having targeted accelerator programs with an experience of running at least 3 groups with 5-10 startups in each group.
B. Have operations in India.
C. Have necessary space and infrastructure to carry out activities for the ICT & deep tech start-ups.
D. Demonstrate capabilities with regard to:
   i. Supporting ICT & Deep Tech Start-Ups for domestic and international market immersion.
   ii. Network/Connect with Venture Capitalist/Angel Investors.

iii. On-boarded with leading business mentors.
iv. Structured group for accelerating ICT & deep tech software product start-ups.

2.5.29 'Eligible ICT & Deep Tech Start-up' To consider an entity under the eligible ICT & deep tech startup it must meet the definition of start up as declared by the Government of India, as updated from time to time, and should be working in the IT/ ITeS sector as defined in section 2.5.3. Some of the major consideration for eligible ICT & deep tech Startup are mentioned as the following-

A. Start-up is a private limited company (as defined in the Companies Act, 2013), or a registered partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2002). Furthermore, the entity would be considered as a start-up up to ten years from the date of incorporation / registration.
B. The entities' turnover should not exceed INR 100 Crore in any of the financial year since its incorporation / registration.
C. Any entity formed by splitting up or reconstruction of a business already in existence shall not be considered as a 'Eligible Startup.'
D. An entity is working towards innovation, development or improvement of products, processes, or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.
E. Eligible ICT & deep tech Start-ups will be entitled to benefits under this policy till they cross any of the following milestones, whichever is earlier:
    i. Number of employees on payroll crosses 10
    ii. Turnover exceeds INR 100 Cr per annum

2.5.30 'Global In-house Center (GIC) / Global Capability Center (GCC)'

A. Offshore centres established by companies (as defined in the Companies Act, 2013) to provide various services to their parent organizations and group companies widely engaged/ working in the IT/ ITeS and deep tech sector. These centres operate as internal organizations within the global corporate structure, providing specialized capabilities in IT/ ITeS and deep tech sector.
B. A minimum GFCI of INR 25 Cr. is required for establishing Global In-house Center (GIC) / Global Capability Center (GCC).
C. Additionally, 75% of the operations and functions of the Global In-house Center (GIC) / Global Capability Center (GCC) should be through deep tech and ICT technologies.

2.5.31 'GPU' for the purpose of this policy means a stand-alone graphics processing unit for handling large set of data that is installed in a computer system separately from the Central Processing Unit (CPU). GPU embedded in CPU shall not be considered as GPU.

2.5.32 'Technical Committee' means the committee constituted by the Department of Science and Technology and headed by Director, ICT & e-Governance, DST for the validation and scrutiny of eligible entities working in the deep tech subsector as defined in section 2.5.3 (A) and their use cases. Post scrutiny and validation, the committee will recommend SLEC of its observations on the eligibility of the entities and use cases.

Original Policy Para	Amended Para
2.7.1. (1) Category I - GFCI less than INR 250 Cr. **CAPEX support*:** All eligible IT/ITeS units are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 50 Cr. The disbursement will be done in twenty (20) equal quarterly instalments. **OPEX support:** All eligible IT/ITeS units are entitled to OPEX support of up to 15 per cent of the annual eligible OPEX expenditure, subject to a maximum ceiling of INR 20 Cr. per year for a period of five years from the date of eligibility. The disbursement will be done in quarterly instalments.	**2.7.1. (1) Category I - GFCI less than INR 250 Cr.** **CAPEX support*:** A. All eligible IT/ITeS units are entitled to following CAPEX support with a maximum ceiling of INR 50 Cr: i. Up to 20 per cent of the expenditure made in construction and purchase of the building, other related fixed assets and, ii. Up to 30 per cent of the computers, software, networking related hardware. B. The disbursement will be done in twenty (20) equal quarterly instalments.` **OPEX support*:** C. All eligible IT/ITeS units are entitled to OPEX support of up to 15 per cent of the annual eligible OPEX expenditure, subject to a maximum ceiling of INR 20 Cr. per year for a period of five years from the date of eligibility. D. However, the total expenditure on Bandwidth and Cloud Rental shall be capped up to 35% of the eligible OPEX or INR 7 crore per annum, whichever is lower. The total OPEX support, including both 'C' and 'D,' shall not exceed INR 20 crore per year for a period of five years from the date of eligibility. E. The disbursement will take place in quarterly instalments.
2.7.1. (2) Category II (Mega Projects) - GFCI more than or equal to INR 250 Cr. or project generating more than or equal to 2,000 direct IT employment on its payroll **CAPEX support*:** All eligible projects are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 200 Cr. The disbursement will be done in twenty (20) equal quarterly instalments. **OPEX support:** All eligible projects are entitled to OPEX support of up to 15 per cent of the annual eligible OPEX expenditure, subject to a maximum ceiling of INR 40 Cr.	**2.7.1. (2) Category II (Mega Projects) - GFCI more than or equal to INR 250 Cr. or project generating more than or equal to 500 direct IT employment on its payroll** **CAPEX support*:** A. All eligible IT/ITeS units are entitled to following CAPEX support with a maximum ceiling of INR 200 Cr: a. Up to 20 per cent of the expenditure made in construction and purchase of the building, other related fixed assets and, b. Up to 30 per cent of the computers, software, networking related hardware. B. The disbursement will be done in twenty (20)

per year for a period of five years from the date of eligibility. The disbursement will be done in quarterly instalments.	equal quarterly instalments. **OPEX support*:** C. All eligible IT/ITeS units are entitled to OPEX support of up to 15 per cent of the annual eligible OPEX expenditure, subject to a maximum ceiling of INR 40 Cr. per year for a period of five years from the date of eligibility. D. However, the total expenditure on Bandwidth and Cloud Rental shall be capped up to 35% of the eligible OPEX or INR 14 crore per annum, whichever is lower. The total OPEX support, including both 'C' and 'D,' shall not exceed INR 40 crore per year for a period of five years from the date of eligibility. E. The disbursement will take place in quarterly instalments.
***Note:** The expenditure incurred under GFCI towards the construction of new buildings shall be capped at INR3,000/sq. ft. of built-up area, applicable for a total built-up area computed at 60 sq. ft. of built-up area per employee on the payroll of the eligible IT/ITeS unit. Further, the annual CAPEX assistance disbursed shall be capped to the total annual operating expenditure of the eligible IT/ITeS Units.	***Note:** A. The expenditure incurred under GFCI towards the construction of new buildings shall be capped at INR 3,000/sq. ft. of built-up area, applicable for a total built-up area computed at 60 sq. ft. of built-up area per employee on the payroll of the eligible IT/ITeS unit. Further, the annual CAPEX assistance disbursed shall be capped to the total annual operating expenditure of the eligible IT/ITeS Units. B. Total CAPEX incentive, OPEX incentive and Special Incentives disbursed to any eligible entity shall not exceed 75% of its eligible GFCI.
2.7.2. Special incentives for IT/ITeS Units In addition to the above-mentioned fiscal incentive support, the Government shall provide impetus to the growth of IT/ITeS units by incentivising the major operational expenditure heads.	**2.7.2. Special incentives for IT/ITeS Units** In addition to the above-mentioned fiscal incentive support, the Government shall provide impetus to the growth of IT/ITeS by incentivising the major operational expenditure heads. These incentives shall be available to • 2.5.11 Eligible units • 2.5.16 Data centers • 2.5.27 Eligible ICT & Deep Tech Incubator • 2.5.28 Eligible ICT & Deep Tech Accelerator • 2.5.29 Eligible ICT & Deep Tech Startups • 2.5.30 Global In-house Center (GIC) / Global Capability Center (GCC)

	• 2.7.4 A. Deep Tech Centre of Excellence except IT/ ITeS Park as defined in section 2.5.16, IT City/ Township and 2.5.23 R&D Centre as defined in section 2.5.17.

The following paragraphs shall be added after Para 2.7.10 of the said policy, namely:

2.7.11 Incentives for Deep Tech

A. A one- third relaxation in eligibility criteria, wherever applicable, shall be provided to the entities working in the deep tech sub sectors as defined in the section 2.5.3 (A).
B. An indicative list of hardware and software requirement for deep tech subsectors is attached for reference as per **'Annexure A'.**
C. The period as mentioned in 2.5.25 (A) shall be kept up till five years for expenditure made in deep tech IT hardware only in case of eligible unit working in the deep tech sub sectors as defined in the section 2.5.3 (A).

2.7.12 Incentives for ICT & Deep Tech Incubators, ICT & Deep Tech Accelerators, and ICT & Deep Tech Startups

Any entity taking benefits under Startup Policies, shall not be eligible to claim incentives as an Eligible ICT & Deep tech startup under this policy.

Sr. No.	Incentive Category	Description of Support
1	Incentives for ICT & Deep Tech Incubators	**CAPEX Support:** Eligible ICT & Deep Tech Incubators will receive CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 25 Cr. The disbursement will take place in twenty (20) equal quarterly installments. **OPEX Support:** Eligible ICT & Deep Tech Incubators will receive OPEX support of up to 15% of Lease Rental expenditure, 15% of Power tariff expenditure, 20% of Bandwidth expenditure and 20% of Cloud rental expenditure (as mentioned in the "Eligible OPEX") up to a maximum ceiling of INR 10 Cr per year for a period of five years from the date of eligibility.
2	Incentives for ICT & Deep Tech Accelerators	A 10% assistance will be provided to ICT & deep tech accelerators for the investments they facilitate through venture capitalists and investors to ICT & deep tech startups. This includes support through market research, customer connections, investor connections, and internationalization services, such as participation in pitching events, boot camps, trade fairs, and startup summits. This assistance will be capped at INR 10 Lakhs per ICT & deep tech startup.

3	Incentives for ICT & Deep Tech Startup	**A. Assistance in R&D, Prototype Creation and Product Development-** one time support of 25% up to INR 25 Lakhs for their total expenses incurred on R&D, creating prototypes, and developing the product. This assistance will be reimbursed upon submission of their first sales invoice. **B. Patent Assistance** @ 75% of cost of obtaining patent subject to ceiling of INR 5 lakhs per patent for domestic patent and INR 10 lakhs per patent for international patent. Eligible ICT & deep tech startup can submit claims for a maximum of 10 patents per year for five years. The Government fees and the professional fees shall be considered for computing assistance. The assistance will be in the nature of reimbursement. **C. Quality certification** @ 50% subvention on the expenses incurred for a maximum of three quality certifications up to a maximum of INR 5 Lakhs per certificate. **D. Facilitating shared infrastructure:** The eligible ICT & deep tech startup working in deep tech subsector as defined in section 2.5.3 (A) will receive a one-time support of 35% of the internet (bandwidth) cost and cloud cost for procuring cloud platform through a private cloud service provider for 6 months up to INR 10 Lakhs for non-incubated ICT & deep tech startup and INR 7.5 Lakhs for incubated ICT & deep tech startup once during the operative period of the policy. **E. Lease Rental Support:** An eligible ICT & deep tech startup can claim expenditure incurred on lease rental of office space at a property rented from a third party for a period of five years, up to a maximum monthly rental of INR 25/sq. ft. of built-up area or actual lease rental expenditure, whichever is lower. The units running their operations in non-empaneled co-working spaces are eligible to claim a maximum of up to 15 per cent of the per seat monthly rental expense or INR 1250/- per seat per month, whichever is lower. **F. Special Incentives:** An eligible ICT & deep tech startup can claim special incentives as defined under section 2.7.2. **Note:** The ICT & deep tech startups after the

		commercialization of their application/ products, shall be eligible to claim incentives under this policy as an "Eligible Unit".

Original Policy Para	Amended Para
2.7.4 A. Tier-I: Gujarat AI School or AI Center of Excellence The Government, in association with the IT industry and premier academic institutions in the state, such as IIIT, IIT and other renowned international and national research institutions, envisions establishing an advanced Center of learning – The Gujarat AI School or the Gujarat AI Center of Excellence. The prime objective of this institution shall be to become the foremost source of industry-ready skilled talent for the emerging technology of the IT industry in the nation. This institution shall provide impetus to the upskilling efforts of the state Government by offering courses in the field of emerging technologies, such as Artificial Intelligence, Blockchain, Quantum Computing, Big Data, Internet of Things, Data Enablement Technologies, Cyber Security and the forthcoming 5G technology, etc. DST will issue separate guidelines for the same.	**2.7.4 A. Tier- I: 'Deep Tech Centre of Excellence'** for the purpose of this policy is an advanced infrastructure, with GPUs compute capacity, established in collaboration with the Deep Tech industry and leading academic institutions. The primary focus of these centers is on Research & Development for AI-based solutions across various sectors. Furthermore, these centers will play a crucial role in developing a skilled workforce by providing training/ capacity building in deep tech tools, API creation and integration, and domain-specific expertise. Additionally, they will offer facilities to support Intellectual Property (IP) creation, management, protection, valuation, and commercialization, fostering innovation and growth in the AI ecosystem. **CAPEX & OPEX Support:** Project eligible for setting up the Center of Excellence will be entitled to CAPEX and OPEX support as per section 2.7.1 (1 or 2)
2.7.4 B. Tier-II: Upskilling industry-ready talent The Government shall endeavor to upskill the graduate students and working professionals of the state to expand their knowledge and skill sets across emerging technologies by incentivizing them. The Government will incentivize the beneficiaries for successfully completing globally recognized courses in Information & Communication Technology (ICT) through Direct Benefit Transfer (DBT) up to a maximum of INR 50,000 per course or up to 50 per cent of the course fee, whichever is lower.	**2.7.4 B. Tier-II: Upskilling industry-ready talent** The Government shall endeavor to upskill the undergraduate students / graduate students and working professionals of the state to expand their knowledge and skill sets across emerging technologies by incentivizing them. The Government will incentivize the beneficiaries for successfully completing globally recognized courses in Information & Communication Technology (ICT) through Direct Benefit Transfer (DBT) up to a maximum of INR 50,000 per course or up to 50 per cent of the course fee, whichever is lower.
2.7.5. IT City/Township The Government envisions fostering the IT/ITeS ecosystem in the state by supporting the	**2.7.5. A. IT City/Township** The Government envisions fostering the IT/ITeS ecosystem in the state by supporting the

development of a dedicated state-of-the-art IT township or IT city that will have all the modern amenities in line with the prevailing global standards. The Government shall incentivize developer/consortium of developers for the creation of such IT township or IT city in the following way: In addition to the above-mentioned incentive, the Government may provide support through the following non-fiscal incentives: A. Relaxation in zoning and land use laws, such as permission for mixed land use (residential, commercial, and industrial) B. Assistance in obtaining other necessary statutory clearances C. Relaxation in Floor Space Index (FSI) norms for IT office space D. Utilities/infrastructure support up to the doorstep. **CAPEX Support:** All eligible applicants are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 100 Cr. Such support shall be provided as a reimbursement towards actual expenditure incurred for creating IT office space (co-working space, IT/ITeS park) in the IT city/ township. The disbursement will be done in twenty (20) equal quarterly installments.	development of a dedicated state-of-the-art IT township or IT city that will have all the modern amenities in line with the prevailing global standards. The Government shall support developer/consortium of developers for the creation of such IT township or IT city through the following non-fiscal incentives: A. Relaxation in zoning and land use laws, such as permission for mixed land use (residential, commercial, and industrial) B. Assistance in obtaining other necessary statutory clearances. C. Relaxation in Floor Space Index (FSI) norms for IT office space D. Utilities/infrastructure support up to the doorstep. **2.7.5. B. IT/ ITeS Park** **CAPEX Support:** A. All eligible applicants are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure, subject to a maximum ceiling of INR 100 Cr. B. Such support shall be provided as a reimbursement towards actual expenditure incurred for creating IT office space. C. The disbursement will be done in twenty (20) equal quarterly installments.
2.7.8. Data Centers **CAPEX support:** All eligible Data Centers are entitled to one-time CAPEX support of up to 25 per cent of the eligible CAPEX expenditure subject to a maximum ceiling of INR 150 Cr. The disbursement will be done in twenty (20) equal quarterly installments. **OPEX support:** Power tariff subsidy of INR1/unit for a period of five years	**2.7.8. Data Centers** A. **CAPEX & OPEX support:** All eligible Data Centers will be entitled to CAPEX and OPEX support as per section 2.7.1 (1 or 2). B. **Special Incentives:** All eligible Data Centers can claim special incentives as defined under section 2.7.2.

The following paragraphs shall be added after Para 2.7.10 of the said policy, namely:

2.7.13 Incentives for Global In-House Center (GIC)/ Global Capability Center (GCC)

CAPEX and OPEX Support: All Eligible entities will be entitled to CAPEX and OPEX support as per section 2.7.1 (1 or 2)

The following paragraphs shall be added after Para 3.2.2 of the said policy, namely:

3.2.3 SLEC shall form the technical committee for the validation and scrutiny of eligible entities and use cases and recommending it to the SLEC.

By order and in the name of Governor of Gujarat,

(Mona K. Khandhar)
Principal Secretary to the Government of Gujarat,
Department of Science and Technology

Encl.: Annexure A : Indicative list for DeepTech

To

1. *Principal Secretary to Hon'ble Governorshri, Raj Bhavan, Gandhinagar.
2. Additional Chief Secretary to Hon'ble Chief Minister, CM Officer, SS-1, Gandhinagar.
4. Secretary to Hon'ble Chief Minister, CM Officer, SS-1, Gandhinagar.
5. Personal Secretary to Hon'ble Ministers, Government of Gujarat.
7. Additional Secretary to Hon'ble Chief Secretary, Government of Gujarat.
8. *Registrar, Hon'ble Gujarat High Court, Ahmedabad.
9. *Secretary, Gujarat Vigilance Commission, Gandhinagar.
10. *Secretary, Gujarat Public Service Commission, Gandhinagar.
11. *Secretary, Gujarat Legislature Secretariat, Gandhinagar.
12. *Secretary, Gujarat Civil Service Tribunal, Gandhinagar.
13. All Administrative Departments
14. VC and MD, GIDC, Udyog Bhavan, Gandhinagar.
15. Industries Commissioner, Udyog Bhavan, Gandhinagar.
16. Director ICT & e-Governance, Karmyogi Bhavan, Gandhinagar.
17. All Institutions/Organisations/Societies under DST
18. All Collectors
19. DDG and SIO, NIC, Gujarat
20. Account General (A&E) Gujarat, Rajkot.
21. Account General (A&E) Gujarat, Ahmedabad Branch, Ahmedabad.
22. Account General (Audit-1) Gujarat, MS Building, Ahmedabad.
23. Director, Account & Treasuries, Gujarat State, Gandhinagar
24. Pay & Account Offices, Ahmedabad/Gandhinagar
25. All District Treasury offices
26. Resident Audit Officer, Ahmedabad/Gandhinagar.
27. Select File.

*By Letter

(Copy of this Resolution can be downloaded from URL: https://dst.gujarat.gov.in)

Annexure 'A'

Indicative list for Deep Tech

This list is indicative and not exhaustive.

Sr. No.	Deep Tech Sub Sector	Definitions	Hardware Requirement	Software Requirement
1	Artificial Intelligence (AI), including NLP, ML, and Generative AI Hardware	For the purpose of this policy, Artificial Intelligence (AI) means a technology that encompasses technologies that enable machines to perform tasks requiring human intelligence, including Natural Language Processing (NLP), Machine Learning (ML), and Generative AI Hardware, facilitating advanced data analysis, decision-making, and automation.	1. High-Performance GPUs 2. High-Performance CPUs. 3. RAM: High capacity 4. Storage (SAN/NAS) 5. Network & Bandwidth	1. Frameworks 2. Programming Languages 3. SDK & Libraries 4. Operating Systems 5. Development Environments 6. Big Data Platforms 7. Data Warehousing / Visualization Tools 8. Data Processing Frameworks 9. Collaboration Tools
2	Internet of Things (IoT)	For the purpose of this policy, Internet of Things (IoT) means a Physical objects—"things"—that are embedded with sensors, software, and other technologies for the purpose of connecting and exchanging data with other devices and systems over the internet.	1. Microcontrollers 2. Sensors: Temperature, humidity, motion, light sensors etc. 3. Actuators: Motors, relays etc 4. Connectivity Modules: Wi-Fi, Bluetooth, Network Infrastructure, etc.	1. Operating Systems 2. Programming Languages 3. Middleware Platforms 4. Data Protocols 5. Security Tools
3	Augmented Reality (AR)	For the purpose of this policy, Augmented Reality (AR) means a real-time use of information in the form of text, graphics, audio, and other virtual enhancements integrated with real-world objects	1. AR Headsets 2. Smartphones/Tablets 3. Cameras and Sensors 4. Network Connectivity	1. AR Development Kits: ARKit (iOS), ARCore (Android). 2. 3D Modeling Software 3. Programming Languages: C#, C++, Swift etc.
4	Virtual Reality (VR) & Mixed Reality (MR)	For the purpose of this policy, Virtual Reality (VR) means an immersive technology that simulates a three-dimensional, computer-generated	1. VR Headsets 2. MR Headsets	1. VR Development Tools 2. 3D Modeling Software 3. Programming Languages: C#, C++.

		environment, allowing users to interact with and experience a virtual world as if it were real. For the purpose of this policy, Mixed Reality (MR) means a technology that combines physical and digital environments, enabling real-time interaction between virtual objects and the real world to create a seamless, immersive experience.	3. High-Performance PCs: Equipped with powerful GPUs 4. Motion Tracking Devices: Controllers, gloves, body suits. 5. Network Connectivity	
5	Distributed Ledger Technology (Blockchain)	For the purpose of this policy, Distributed Ledger Technology (Blockchain) means a decentralized system that records, shares, and synchronizes transactions across multiple nodes, ensuring transparency, security, and immutability of data	1. Nodes/Servers: High-performance servers for running blockchain nodes. 2. Cryptographic Hardware: Hardware security modules (HSM), specialized mining hardware (ASICs). 3. Network Equipment: High-speed routers, switches	1. Blockchain Platforms 2. Smart Contract Languages: Solidity, Chaincode 3. Wallets 4. Database Solutions
6	Quantum Computing	For the purpose of this policy, Quantum Computing means, the computing technique which leverages the principles of quantum mechanics to process information, enabling the execution of complex computations at unprecedented speeds and efficiency compared to classical computing	1. Quantum Processors: Qubits-based processors 2. Cryogenic Systems: For maintaining low temperatures required for quantum operations. 3. Classical Computers: High-performance classical computers for interfacing with quantum processors. 4. Network Equipment: High-speed routers, switches	1. Quantum Development Kits 2. Programming Languages: Python, Q#, Cirq. 3. Simulation Tools: Quantum simulators for testing algorithms.

Amendment in Implementation Guidelines for Gujarat IT/ITeS Policy (2022-27)

Government of Gujarat
Department of Science and Technology
G.R. No: DST/ITP/e-file/24/2024/0626/IT
Sachivalaya, Gandhinagar
Date: 13.08.2024

Read:

1. Gujarat IT/ITeS Policy (2022-27) dated 07.02.2022
2. Implementation Guidelines for Gujarat IT/ITeS Policy (2022-27) dated 06.02.2022
3. Atmanirbhar Gujarat Scheme for Assistance to MSMEs issued vide IMD Resolution dated 05.10.2022
4. Proposal of Director, ICT and e-Governance dated 06.03.2024

Preamble:

Vide Resolution Read at Sr. No.1 above, Gujarat IT/ITes Policy (2022-27) was issued by this Department. Vide Resolution Read at Sr. No.2 above, Implementation Guidelines for Gujarat IT/ITes Policy (2022-27) was issued by this Department.

During the meeting of 6th SLEC for other than mega and special projects which was convened on 20.01.2024, the Committee reviewed the Implementation Guidelines (IG) of the Policy (2022-27) in the context of Atmanirbhar Gujarat Scheme for Assistance to MSMEs vide Resolution dated 5.10.2022 Read at Sr. No.3 above issued by Industries & Mines Department. Accordingly, vide letter Read at Sr. No.4 above, sent by Directorate of ICT & eGovernance, it was proposed to amend the IG of the Gujarat IT/ITeS Policy (2022-27). It was under consideration of Government to amend the IG of the Gujarat IT/ITeS Policy (2022-27) in the context of provision of Atmanirbhar Gujarat Scheme for Assistance to MSMEs.

Amended Resolution:

After due consideration, the below provision is added at the end of Clause 4.2 on the Page-7 of Implementation Guidelines of the Policy (2022-27).

"The unit submitting application after the time limit prescribed in Clause 4.2, shall be subject to deduction of the delayed period from the eligible period of incentive. In any case, the application shall have to be made before the last date (i.e. 31st March, 2027) of the operative period of this Scheme."

By order and in the name of Governor of Gujarat,

(N.H.Gadhavi)
Joint Secretary to the Government of Gujarat
Department of Science and Technology

To

1. *Principal Secretary to Hon'ble Governorshri, Raj Bhavan, Gandhinagar.
2. Additional Chief Secretary to Hon'ble Chief Minister, CM Officer, SS-1, Gandhinagar.
3. Secretary to Hon'ble Chief Minister, CM Officer, SS-1, Gandhinagar.
4. Personal Secretary to Hon'ble Ministers, Government of Gujarat.
5. Additional Secretary to Hon'ble Chief Secretary, Government of Gujarat.
6. *Registrar, Hon'ble Gujarat High Court, Ahmedabad.
7. *Secretary, Gujarat Vigilance Commission, Gandhinagar.
8. *Secretary, Gujarat Public Service Commission, Gandhinagar.
9. *Secretary, Gujarat Legislature Secretariat, Gandhinagar.
10. *Secretary, Gujarat Civil Service Tribunal, Gandhinagar.
11. All Administrative Departments

Signature valid
Signed by:N H Gadhavi
Joint Secretary
Date: 2024.08.13 18:08:06 +05:30

Open the document in Adobe Acrobat DC to verify the E-sign

12. VC and MD, GIDC, Udyog Bhavan, Gandhinagar.
13. Industries Commissioner, Udyog Bhavan, Gandhinagar.
14. Director ICT & e-Governance, Karmyogi Bhavan, Gandhinagar.
15. All Institutions/Organisations/Societies under DST
16. All Collectors
17. DDG and SIO, NIC, Gujarat
18. Account General (A&E) Gujarat, Rajkot.
19. Account General (A&E) Gujarat, Ahmedabad Branch, Ahmedabad.
20. Account General (Audit-1) Gujarat, MS Building, Ahmedabad.
21. Director, Account & Treasuries, Gujarat State, Gandhinagar
22. Pay & Account Offices, Ahmedabad/Gandhinagar
23. All District Treasury offices
24. Resident Audit Officer, Ahmedabad/Gandhinagar.
25. Select File.

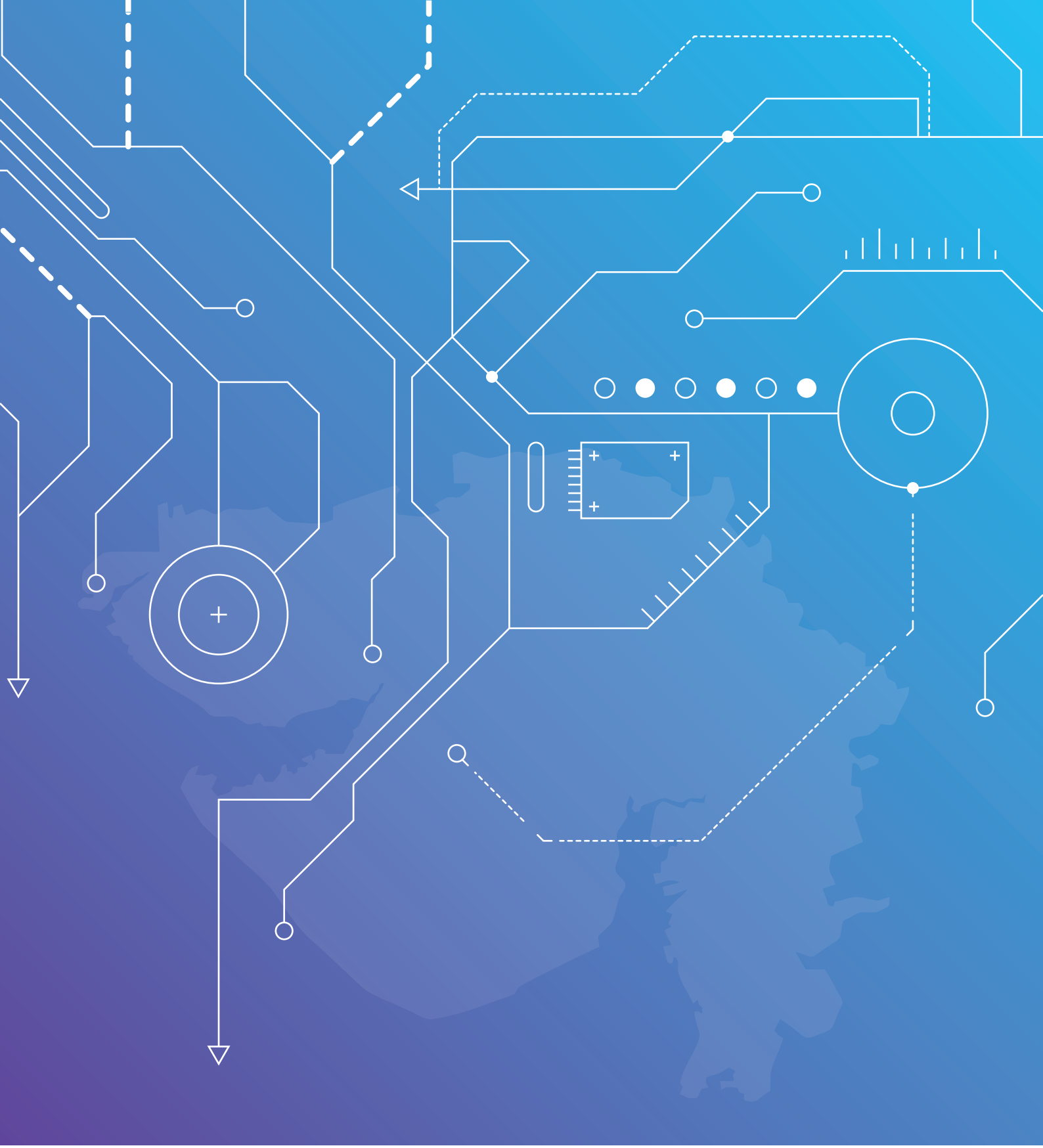
*By Letter

(Copy of this Resolution can be downloaded from URL: https://dst.gujarat.gov.in)

Signature valid
Signed by:N H Gadhavi
Joint Secretary
Date: 2024.08.13
18:08:06 +05:30

File No: DST/ITP/e-file/24/2024/0626/IT
Approved By: Joint Secretary,IT,DST

Open the document in Adobe Acrobat DC to verify the E-sign



Department of Science & Technology
Government of Gujarat

Department of Science and Technology, Sachivalaya, Gandhinagar
Government of Gujarat
www.dst.gujarat.gov.in