



सत्यमेव जयते

Government of Gujarat

# Implementation Guidelines for Gujarat IT / ITeS Policy (2022 – 27)



Department of Science & Technology  
Government of Gujarat

## Table of Contents

<b>1. Resolution</b> .....	3
<b>2. Definitions</b> .....	3
<b>3. Incentive Management Portal</b> .....	4
<b>4. Timelines</b> .....	5
<b>5. Tier-II: Upskilling Industry-ready talent</b> .....	8
<b>6. Empanelment of Co-Working Spaces under Empanelment Model</b> .....	9
<b>7. Terms &amp; Conditions</b> .....	10
<b>Abbreviations</b> .....	15

**Implementation Guidelines  
for Gujarat IT / ITeS Policy (2022 – 27)**

**Government of Gujarat  
Department of Science and Technology  
G.R. No: ITP/10/2021/583612/IT  
Sachivalaya, Gandhinagar  
Date: 06-07-2022**

**RESOLUTION**

**Read:**

**1. Gujarat IT / ITeS Policy (2022-27) dated 07.02.2022**

**1. Resolution**

1.1. In view of the Vision, Objectives, Targets and incentives outlined under 'Gujarat IT/ITeS Policy (2022 – 27)', the Department of Science and Technology, Government of Gujarat is pleased to introduce the "Implementation Guidelines for Gujarat IT / ITeS Policy (2022 – 27)" which will come into force from the date of issuance of this Government Resolution (GR) and will remain in operation till the Policy Implementation Period of the Gujarat IT / ITeS Policy (2022 – 27).

**2. Definitions**

2.1. '**Base Employee Count**' means the average employee count of the preceding 12 months from the month of declaration of expansion.

2.2. '**Eligible Employee Count**' means the following:

- A. A minimum 10 employees on its payroll in the case of a New Unit.
- B. A minimum 50% additional employee on pay-roll above 'Base Employee Count' or increase of employee count by 1,000 employees, whichever is lower, during the operative period of the Policy, in case of Expansion Unit. i.e., Eligible Employee Count (for Expansion) = 'Base Employee Count' + 50% of 'Base Employee Count' or 1000, whichever is lower

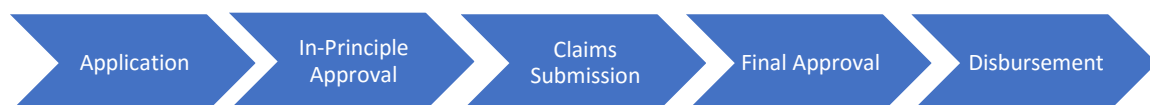
2.3. '**Month of Eligibility**' means,

- A. The month when a Unit achieves an 'Eligible Employee Count' or starts commercial operation, whichever is later in case of IT/ITeS Units.
- B. The month when Occupancy Certificate / Building Use (BU) permission for IT Office space is obtained / Project Completion Certificate is obtained in case of IT City/IT Township.
- C. The month when an entity starts commercial operation in the case of Data Centers and Cable Landing Station (CLS).

- 2.4. **'Base Electricity Unit'** means the average electricity unit consumption of the preceding 12 months from the month declaration of expansion for all the existing units.
- 2.5. **'Base Electricity Duty'** means the average electricity duty of the preceding 12 months from the month of declaration of expansion.
- 2.6. **'Base OPEX Expenditure'** means the average of the sum of Eligible OPEX Expenditure components as defined under this Policy, for the preceding 12 months from the month of declaration of expansion.
- 2.7. **'Course completion certification'** means the certificate received on successful completion of the approved course and the course completion exam, if any.
- 2.8. **'Cost to Company (CTC)'** means the average monthly salary of 12 months, as specified in the salary slip of the respective employee.

### 3. Incentive Management Portal

- 3.1. The Directorate of ICT & e-Governance, Department of Science and Technology, Government of Gujarat, shall develop and maintain an integrated Incentive Management Portal for end-to-end management of the Gujarat IT/ITeS Policy (2022 – 27) including the incentive application, claims processing and disbursement, dispute resolution, empanelment of Co-working IT office spaces and application for IT skill development courses.
- 3.2. The relevant and necessary information with regards to the Gujarat IT/ITeS Policy (2022 – 27) shall be updated on the Incentive Management Portal from time to time.
- 3.3. **Special Note: All existing IT/ITeS Units operating within the State of Gujarat must register themselves on the Incentive Management Portal. The registration window will remain open for a period of one month from the date of issuance of the Implementation Guidelines or the time period specified on the Incentive Management Portal, whichever is later. Any Existing IT/ITeS Unit which fails to register themselves on the Incentive Management Portal will not be considered for any incentives under expansion of operations as defined under the Gujarat IT/ITeS Policy (2022 – 27).**
- 3.4. The URL for the Incentive Management Portal is as follows: <https://dstpolicy.gujarat.gov.in>
- 3.5. The following procedure will be followed for availing any incentives under this Policy:



## 4. Timelines

### 4.1. Claim Eligibility Period

#### 4.1.1. CAPEX claim:

S.No.	Unit Type	From	To
1	New Unit, Data Center & Cable Landing Station (CLS)	1st investment bill or 07-02-2022, whichever is later.	2 years from the start of commercial operations
2	Expansion Unit	1st investment bill from the month of declaration of expansion or 07-02-2022, whichever is later.	2 years from the month of achievement of 'Eligible Employee Count (for Expansion)'

#### 4.1.2. OPEX claim:

S.No.	OPEX expenditure head for IT/ITeS Units	Eligibility Period
1	Lease rental expenditure	5 years starting from the 'Month of Eligibility', or in-principle approval, whichever is later.
2	Bandwidth expenditure	
3	Cloud rental expenditure	
4	Power tariff expenditure	
5	Patent expenditure	

#### 4.1.3. OPEX claim for Data Center & CLS

S.No.	Unit type	OPEX Support	From
1	Data Center	Power tariff subsidy	5 years starting from the 'Month of Eligibility' or in-principle approval, whichever is later
2	CLS		

#### 4.1.4. Special Incentives for IT/ITeS Units

S.No.	Special Incentive Type	Eligibility Period
1	Employment Generation Incentive (EGI)	<p><b>For New Units:</b> 5 years starting from the date of incorporation, or in-principle approval, whichever is later, up till 31 March 2027.</p> <p><b>For Expansion Units:</b> 5 years starting from the date of declaration of expansion, or in-principle approval, whichever is later, up till 31 March 2027.</p>
2	Atmanirbhar Gujarat Rojgar Sahay	5 years starting from the 'Month of Eligibility', or in-principle approval, whichever is later.
3	Electricity Duty Incentive (EDI)	
4	Interest Assistance	5 years starting from the actual interest repayment.

#### 4.1.5. CAPEX claim for IT City/Township

S.No.	Type	From	To
1	IT City / Township	1st investment bill towards construction after receipt of in-principle approval	<ul style="list-style-type: none"> <li>▪ In case the project is developed in a single phase, then 2 years from the receipt of Occupancy Certificate / Building Use (BU) permission for the IT Office building or 31 March 2028 Whichever is earlier.</li> <li>▪ In case the project is developed in a phased manner, then 2 years from the receipt of Occupancy Certificate / Building Use (BU) permission for the IT Office building in the last phase or 31 March 2028 Whichever is earlier.</li> </ul> <p><b>Note: Start of commercial operations for IT City/Township is determined by the receipt of BU permission / Occupancy certificate for the IT Office space and such certification must be obtained before the end of operative period of the Policy.</b></p>

#### 4.1.6. CAPEX claim for R&D Institutes / R&D Centers

Support Type	From	To
CAPEX Support	Issuance of in-principle Approval.	2 years from the issuance of in-principle approval.

**4.2. Application for incentive claim:** All Eligible New Units must submit their incentive application within one year from the month of start of commercial operations. Furthermore, all Eligible Expansion Units must submit their incentive application within one year from the month of achievement of eligible employee count.

S.No.	Category	Type of Operation	Claim Application & Submission
1	CAPEX Support <ul style="list-style-type: none"> <li>▪ IT/ITeS Units</li> <li>▪ Data Center</li> <li>▪ Cable Landing Station (CLS)</li> <li>▪ R&amp;D Institutes/R&amp;D Centers</li> </ul>	New Unit & Expansion Unit (Only for IT/ITeS Units)	Must submit CAPEX claim within 1 year from the end of eligible period of the claim.
2	IT City/Township	As determined by SLEC	Must submit CAPEX claim within 1 year from the end of eligible period of the claim or within 1 year from the date of the proportionate completion of development of Non-IT infrastructure under IT City / Township Project, whichever is later
3	OPEX Support <ul style="list-style-type: none"> <li>▪ IT/ITeS Units</li> <li>▪ IT City / Township</li> <li>▪ Data Center</li> <li>▪ Cable Landing Station (CLS)</li> </ul>	New Unit & Expansion Unit (Only for IT/ITeS Units)	<ul style="list-style-type: none"> <li>▪ Must submit the OPEX claim within 2 quarters from the end of the eligible period of the claim.</li> <li>▪ Subsequently, the claim for the remaining quarters must be submitted before the end of the succeeding quarter.</li> </ul>

S.No.	Category	Type of Operation	Claim Application & Submission
4	Special Incentives for IT/ITeS Units <ul style="list-style-type: none"> <li>▪ Employment Generation Incentive (EGI)</li> <li>▪ Interest Assistance</li> <li>▪ Atmanirbhar Gujarat Rojgar Sahay</li> <li>▪ Electricity Duty Incentive (EDI)</li> </ul>	New Unit & Expansion Unit (Only for IT/ITeS Units)	<ul style="list-style-type: none"> <li>▪ Must submit first annual claim within 1 year from the end of the eligible period of the claim.</li> <li>▪ Subsequent annual claims must be submitted before the end of the succeeding financial year</li> </ul>
5	Tier-II: Upskilling industry-ready talent	Individual DBT Claims	Must upload course completion certificate within three months of receipt of course completion certification
6	Facilitating Infrastructure-Seeking Rental Support	New IT/ITeS Units	<ul style="list-style-type: none"> <li>▪ Must submit first annual Rental Support claim within 1 year from the end of the eligible period of the claim.</li> <li>▪ Subsequent annual Rental Support claims must be submitted before the end of the succeeding financial year</li> </ul>

## 5. Tier-II: Upskilling Industry-ready talent

- 5.1. The Government will incentivise the beneficiaries for successfully completing the upskilling courses, which are listed on the Incentive Management Portal, through Direct Benefit Transfer (DBT) up to a maximum of INR 50,000 per course or up to 50 percent of the course fee, whichever is lower. The Government of Gujarat shall indicate the scale of assistance for each approved course on the Incentive Management Portal. Such scale of assistance may be increased or decreased from time to time based on the market demand, availability of skilled talent pool and the milestones/targets set under this Policy.
- 5.2. Any Individual Beneficiary can apply for a maximum of two courses/certifications on the Incentive Management Portal per financial year up to a total of five courses during the operative period of the Policy.
- 5.3. Subsequent recertification of any approved courses will not be eligible for availing any incentive benefit under this Policy.



- 5.4. The individual must apply on Incentive Management Portal before beginning the respective course. Furthermore, an Individual must have graduated from a government recognised educational institution.
- 5.5. The course completion certificate must be issued and uploaded on the Incentive Management Portal on or before 31 March 2027.
- 5.6. The Government of Gujarat reserves the right to add, modify or discontinue fiscal assistance towards any of the courses mentioned on the Incentive Management Portal depending upon the demand and relevance of the course, the annual skill development milestone/target of the Government and applicable budgetary provision for the skill development initiative under this Policy.

## **6. Empanelment of Co-Working Spaces under Empanelment Model**

- 6.1. 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. To achieve this objective, the Government shall empanel state-of-the-art IT Co-working spaces having a minimum built-up area of 5,000 sq.ft.
- 6.2. All applicants seeking to empanel their IT Co-working spaces under the empanelment model must apply on the Incentive Management Portal. Post processing of the application, the list of approved empaneled IT Co-working spaces will be integrated on the Incentive Management Portal.
- 6.3. Any IT/ITeS Unit owned by a Co-working space developer or operator, whether fully or partially, shall not be allowed to avail any incentive benefit under the empanelment or government facilitated model of the Policy.
- 6.4. The minimum facilities required for a Co-working space to qualify under Empanelment Model are as follows:
  - A. High speed Internet connectivity
  - B. Power supply
  - C. Ready to use and plug-n-play facilities and furniture for each individual seat claimed
  - D. Reception area with minimum one attendee
  - E. Minimum one conference room
  - F. CCTV camera with monitoring and storage facilities
  - G. Housekeeping
  - H. Professional IT support
  - I. Printing, scanning, and photocopying service
  - J. Any other service as updated on the Incentive Management Portal from time to time

The per seat rental amount charged by the Empaneled Co-working spaces must include all the facilities mentioned above and any other additional facilities provided by the respective Co-working space.

## **7. Terms & Conditions**

7.1. The Directorate of ICT & e-Governance may at time during the operative period of the Policy constitute additional committees for effective implementation of the Policy, subject to approval from HPC or SLEC (if applicable).

### **7.2. Additional Clarification on type of operations (New / Expansion Units)**

#### **7.2.1. New Unit:**

A. If the 'Employee on Pay-roll' count falls below 10 for three consecutive months, all further financial assistance will be discontinued for the Eligible Unit.

#### **7.2.2. Expansion Unit:**

- A. 'Eligible Employee Count' should be achieved within one year from the month of declaration of Expansion.
- B. The average employee count of the preceding 12 months from the month of declaration of expansion shall be considered as the 'Base Employee Count' for expansion.
- C. All fiscal assistance under the OPEX model, EGI, 'Atmanirbhar Gujarat Rojgar Sahay', Interest Assistance, and Electricity Duty Assistance will be provided for a maximum period of 5 years only from the Month of Eligibility.
- D. If the 'Employee on Pay-roll' count falls below 'eligible employee count' for three consecutive months, all further fiscal assistance will be discontinued for the Eligible Unit.
- E. An Eligible New Unit which is availing fiscal incentive assistance under this Policy can apply for expansion only after two years from the date of commencement of operation of the Eligible New Unit.
- F. The computation of fiscal incentives shall be made on the clearly identifiable additional Eligible CAPEX Expenditure and Eligible OPEX Expenditure made for expansion.

### **7.3. Additional clarification on type of eligible units:**

#### **7.3.1. IT/ITeS Units (Category – I & II)**

A. Only an Eligible 'New Unit' can avail the rental support benefit specified under section 2.7.6. - 'Facilitating Infrastructure' in the IT/ITeS Policy (2022-27).

#### **7.3.2. IT City / Township:**

A. Any investor or consortium of investors who wants to start/develop an IT City/Township must obtain in-principle approval before beginning any development/construction. Any IT City/Township project who has commenced any development/construction work before

obtaining in-principle approval is not eligible for availing any fiscal or non-fiscal incentive under this Policy.

- B. Fiscal incentive support will be provided for expenditure incurred on Eligible CAPEX Expenditure heads only, provided that out of the total built-up area designated for IT Office space, minimum 70% of the built-up area is earmarked / notified and utilized for core IT/ITeS operations. Furthermore, disbursement of Fiscal assistance shall begin only when at least 50% of the earmarked / notified area for core IT/ITeS operations is occupied by IT/TeS companies. In the event the IT City / Township project fails its minimum occupancy criteria for two consecutive quarters any time during the project period, all further fiscal incentive support will be discontinued.
- C. The developers of the IT City/Township project may choose to develop the IT City/Township project in a phased manner. The disbursement schedule in such a case shall be devised in accordance with the phased development of the IT City/Township project. In any case, the disbursement schedule will take into account the overall development of IT City/Township project and not just the development of IT Office space within the IT City/Township Project and such a schedule shall be finalized by the SLEC at the time of in-principle approval.

#### **7.3.3. R&D Institutes/R&D Centers:**

- A. Any Eligible R&D institute must obtain in-principle approval before undertaking any expenditure on purchase of equipment for setting up of R&D Center/laboratory.

#### **7.4. Additional clarification on Eligible Expenditures:**

##### **7.4.1. Eligible CAPEX Expenditure**

- A. Only domestic invoices with valid GSTIN (in case the invoices do not specify GSTIN, then an additional CA certified certificate mentioning the vendor and its GSTIN registration should be attached with the invoices) & International Invoices attached with the appropriate Bill of Entry will be eligible for claims under GFCL, provided the date of the invoice is within the eligibility period of the unit.
- B. All the invoices claimed here-on-with shall be in the same name as that of the entity/company registered with the Incentive Management Portal.
- C. Purchase Order/Delivery Challan will not be admissible for computation of Eligible CAPEX Expenditure.
- D. The invoices must be paid from the bank account registered in the name of the Eligible Unit. Transactions made in cash will not be considered eligible for computation under Eligible CAPEX Expenditure.
- E. Only the base invoice amount (excluding tax) will be considered while computing the eligible amount under Eligible CAPEX Expenditure.

- F. Only new purchases will be considered eligible for computation of Eligible CAPEX Expenditure. Expenditure incurred on the purchase of old/refurbished/second-hand items will not be considered eligible for computation of Eligible CAPEX Expenditure.
- G. Any expenditure incurred on repairing/refurbishment of any equipment/machinery will not be considered for computation of Eligible CAPEX Expenditure.
- H. Other related fixed assets including furniture and fixtures, HVAC equipment, other machinery etc. (subject to the discretion of the Nodal Implementing Agency and availability of relevant supporting documents) will be considered for computation of Eligible CAPEX Expenditure.
- I. In the case of expansion, the expenditure made before the month of declaration of expansion will not be considered for determining the Eligible CAPEX Expenditure.
- J. In case of an existing unit outside Gujarat State carrying out new investment in the IT/ITeS industry at any location in Gujarat, only the invoices of expenditure incurred in Gujarat State will be considered eligible for computation of Eligible CAPEX Expenditure, i.e., all the invoices must be in the name of the Eligible Unit with its billing address or shipping/delivery address as the address of the location of the upcoming Eligible Unit as mentioned in the Incentive Management Portal.
- K. Only Stamp Duty & Registration Fee, which is in the name of Eligible Unit and paid during operative period of the Policy will be considered eligible for claim under Eligible CAPEX Expenditure.
- L. In case of Renewable Energy Expenditure, only expenditure incurred on the purchase of equipment for setting up of a captive renewable energy plant @25% of the cost of equipment up to INR 5 Cr. will be considered eligible for claim under Eligible CAPEX Expenditure.

**7.4.2. Eligible OPEX Expenditure:**

- A. The Lease Rental Expenditure head only covers the base lease rent and does not include any other ad-hoc services offered by the lessor. Furthermore, the expenditure incurred towards lease rental shall be computed for a maximum of 60 sq. ft. of built-up area per employee on the payroll of the eligible IT/ITeS unit.
- B. Only expenses incurred towards patent application fees and hiring of legal services will be eligible for claim under this expenditure. It may kindly be noted that only invoices billed to India based Legal firms/entities/freelancers are eligible for claim under this expenditure head.

## **7.5. Additional clarification on incentive categories:**

### **7.5.1. Interest Assistance:**

- A. The Eligible Unit shall have to bear a minimum 2% interest levied on a term loan by Bank/Financial institution.
- B. Interest assistance will not be available for penal interest or any other bank charges.
- C. The Eligible Unit will not be allowed to claim interest assistance for the term loan sanctioned after 2 years from the date of commencement of commercial operation in case of New Unit and 1 year from the month of declaration of expansion in case of Expansion Unit.
- D. If there are multiple facilities (like working capital, cash credit, etc.) included in the same loan sanction letter, the entity must have to submit a separate interest certificate clearly specifying the interest amount from the term loan components, duly signed by the respective Indian financial institution.

### **7.5.2. EGI Assistance:**

- A. The EGI assistance shall be applicable for the following cases:
  - i. The individual is working outside Gujarat and is recruited by a Gujarat based IT/ITeS unit, i.e. First IT/ITeS job in Gujarat in case of an existing IT/ITeS employee
  - ii. The individual working inside Gujarat and is recruited for the first time in IT/ITeS sector by any eligible Gujarat based IT/ITeS Unit
  - iii. The individual is fresh graduate and is hired by an eligible IT/ITeS Unit against a new employment position
- B. Replacement hiring, i.e., hiring of resources to fill existing vacancies created as a result of attrition will not be considered eligible for claim under EGI
- C. In any event, only the local employee having valid domicile certificate of Gujarat shall be eligible for assistance under the EGI claim.

## **7.6. General terms and conditions:**

- 7.6.1. If any Eligible Unit which has received in-principle approval and is taking assistance under this Policy, is acquired by another entity, such that the Eligible Unit ceases to exist and the assets of the Eligible Unit are transferred to the acquiring entity, then further assistance will be stopped. The acquiring entity will not be allowed to continue the claim of the Eligible Unit in such a case.
- 7.6.2. The Directorate of ICT & e-Governance may ask for any additional documents and information other than documents mentioned on the Incentive Management Portal as required from time to time, for the purpose of verifying the various components of the incentive claim submitted by the Eligible Unit / Individual Beneficiary.

By order and in the name of Governor of Gujarat,

Sd/-  
(Vijay Nehra)

Secretary to the Government of Gujarat,  
Department of Science and Technology.

- To
1. Principal Secretary to Hon'ble Governorshri, Raj Bhavan, Gandhinagar
  2. Chief Principal Secretary to Hon'ble Chief Minister
  3. Additional Chief Secretary to Hon'ble Chief Minister
  4. Secretary to Hon'ble Chief Minister
  5. Personal Secretary to Hon'ble Ministers, Government of Gujarat
  6. Personal Secretary to the Leader of Opposition Party in Gujarat Legislative Assembly, Gandhinagar
  7. Joint Secretary to 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
  15. Industries Commissioner, Government of Gujarat
  16. Director ICT & e-Governance, Gandhinagar
  17. All Institutions / Organizations / Societies under DST
  18. All Collectors
  19. DDG and SIO, NIC, Gujarat
  20. Account General (A&E) Gujarat, Post Box No. 2201, 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

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

## Abbreviations

AI	Artificial Intelligence
BU	Building Use
CCTV	Closed Circuit Television
CLS	Cable Landing Station
COTS	Commercial off-the-shelf
CTC	Cost to Company
DBT	Direct Benefit Transfer
EDI	Electricity Duty Incentive
EGI	Employment Generation Incentive
EPF	Employee Provident Fund
GFCI	Gross Fixed Capital Expenditure
GoG	Government of Gujarat
GSTIN	Goods and Services Tax Identification Number
HPC	High Powered Committee
HVAC	Heating, Ventilation and Air Conditioning
ICT	Information and Communication Technology
IT/ITeS	Information Technology/Information Technology enabled Services
R&D	Research and Development
SLEC	State Level Empowered Committee
URL	Uniform Resource Locator