

**Draft V1.0**

**Jharkhand IT, Data Center and BPO  
Investment Promotion Policy-2021**



**Department of Information Technology & e-Gov.  
Government of Jharkhand**

# Chapter -I

## IT, ITeS and Immerging Tech Policy-2021

### **1. PREAMBLE**

The Information Technology (IT) / Information Technology Enabled Services (ITeS) sector in India has continued to register tremendous growth over the past decade, achieving an enviable status all over the world. It has also got a reputation for reliable and cost-effective delivery of IT and ITeS services. Consumer markets in the developed world across the globe are sourcing IT-ITeS from India to gain benefits and improve their competitive edge. While Electronic System Design and Manufacturing (ESDM) along with IoT/AI & ML/ BIG DATA/ Block chain and Robotics Sectors are new emerging technologies of future.

India is now a global leader with 55% market share in the IT and Business Process Management (BPM) service industry worldwide. Indian IT & ITeS firms have over 1000 international delivery Centres in 80 countries across the globe. The nation holds the reputation of being the Digital Capabilities Hub of the world, with close to 75% of global digital talent.

Exports from the industry increased to USD 147 billion in FY20 while domestic revenues (including hardware) advanced to USD 44 billion. Revenue from the digital segment is expected to comprise 38% of the forecasted USD 350 billion industry revenue by 2025.

In context of Jharkhand, Export from STP registered IT/ ITeS Companies in FY20-21 was above INR 30 Cr. which indicates year by year growth of more than 30%.

The role of technology has also undergone a significant change; technology is no longer exclusive to only the corporate sector. Consumers, leveraging mobile and 24X7 connectivity are now the influencing forces shaping technology spend. Government has also begun to use technology as the platform for citizen outreach and G2C services.

Further, the COVID-19 outbreak necessitates a shift in the outlook and operations of many industries including the Information Technology (IT)/ Information Technology-enabled Services (ITeS)/ESDM industry. Therefore, the current scenario presents opportunities and challenges, which need to be considered.

The Information Technology and eGov Department of the Government of Jharkhand has embarked on a program of capitalizing on the growth of Indian IT and ITeS industry and making Jharkhand as the ideal destination for IT, ITeS and ESDM sector in the country. This policy on the IT/ ITeS/ ESDM/ Emerging Tech sector is a step in the direction.

## 2. Vision and Objectives

### a. Vision

To develop Jharkhand as most preferred destination for any IT/ITeS/ESDM/ Emerging Tech/ Data Centre/BPO company which are planning to commence new activities anywhere in the world by creating an conducive and vibrant environment for inclusive growth of industry and to become a leading global hub for technology entrepreneurship and innovation in the country.

### b. Objectives

To increase the flow of investments in the State in IT, ITeS, ESDM/ Emerging Tech Sectors, Data Centre and BPO Sector by promoting Jharkhand as an attractive investment destination for digital entrepreneurs and to provide an industry friendly climate to all.

- I. To promote Ranchi and other Tier 2 cities as alternative IT & BPO destinations and provide Leading Edge IT Infrastructure in all Tier 2 and Tier 3 cities of the State.
- II. To achieve generation of **2 Lakhs direct and 8 Lakhs indirect employment; Total 10 Lakhs**, in the State during the policy period.
- III. To provide assistance in setting up of IT infrastructure like IT Parks/HUB/ Cluster, IT SEZs and IT Cities, to the benefit of the industry.
- IV. To deliver all government services at the doorstep of the citizen.
- V. To use IT and ITeS as a leverage to enhance the quality of life of the citizen of the State.

### 3. PLAN OF ACTION

#### a. **BUILD a Digital Economy:**

Government of Jharkhand intends to build Digital Economy framework with followings:-

- ▶ Making Information available to the citizen,
- ▶ Boosting productivity by streamlining and automating processes,
- ▶ Creating new digital markets and jobs in digital industries.

#### b. **CITIZEN SERVICES**

The Government of Jharkhand, as a collective effort of various departments, is willing to develop the requisite IT infrastructure to deliver citizen services at doorstep of citizen of Jharkhand across state including rural areas.

#### c. **Digital Empowerment**

In collaboration with Department of School Education & Literacy and Dept of Higher Education, the State intends to promote digital literacy not only in urban and semi urban areas but also in rural areas.

#### d. **Bridge between Government and IT Industry**

- A. **Industry Associations:** The State is willing to organise one IT Product conclaves or Summit or Seminar every year in collaboration with **STPI, NASSCOM, INFOCOM** and other industry associations.
- B. **Setting up shop:** The State shall encourage Industry associations unrepresented in Jharkhand to set up offices in Jharkhand.
- C. **Convention Centre:** Government of Jharkhand intends to construct **IT Convention Centre** at IT Park/IT City in Ranchi specifically for holding conferences, Seminars and events of IT, ITeS, ESDM and BPO etc.
- D. **Awards for IT/ ITeS/ ESDM and BPO Companies:** Department of IT & eGov, Govt of Jharkhand intends to organise an award in collaboration with STPI and other industry associations once in a year to acknowledge the contribution of IT/ITeS/ESDM/BPO Sector Companies towards development of IT ecosystem in the state.

#### e. **Brand Jharkhand:**

The State government intends to create a positive global image of the State in terms of IT/ITeS/ESDM & Emerging Tech investment prospective through 'Brand Jharkhand' and create awareness campaign to showcase Jharkhand as most preferred IT destination.

**f. State Portal:**

All IT and ITeS related services being implemented by the State shall be added to the State Portal of Dept of IT & eGov. The delivery under this policy and submission of documents are also part of this portal through web application to ensure smooth and time bond delivery of incentives. This portal will be linked with Single Window System Portal of Dept of Industries, Govt of Jharkhand and disbursement of incentive will be as per common disbursement guidelines.

**g. International Exhibitions & Trade Fairs:** IT, ITeS, ESDM, BPO and other Emerging Tech Industry will be encouraged to participate in International Exhibitions and Trade Fairs. Similarly Industry Associations will be provided assistance to participate in International Trade Fair as Jharkhand Pavilion outside India. Reimbursement of 50% of the total rent of the Pavilion and one to and fro ticket per industry unit participating subject to a total ceiling of INR. 20 lakhs will be provided to the industry association. Minimum participation of two industrial units will be necessary as part of the group to get this assistance out of which one Industry must be from Jharkhand. Assistance shall be in the form of reimbursement and the association shall have to apply within three months from the date of such participation.

**h. Innovation Hub:**

Jharkhand intends to create 3 ESDM Innovation Hubs at Ranchi, Jamshedpur and Dhanbad with land for Multi Product Electronic, IT, ITeS, BPO and ESDM industries. Apart from Electronic Manufacturing Cluster (EMC) at Adityapur; Govt of Jharkhand has put efforts to establish 2 more EMCs under EMC 2.0 Scheme support from Govt of India in collaboration with premier Educational Institutions and Jharkhand Industrial Area Development Authority (JIADA); one at Ranchi and another one at Dhanbad.

**i. IT park/ IT SEZ:**

**Dept of IT & eGov, Govt of Jharkhand intends to develop Mega IT Park in 100 Acres Land in PPP Mode and A Signature Tower of 5 Lakhs Sq. Ft.** within the Mega IT Hub to facilitate IT/ITeS MSME.

While the government agencies will be encouraged to setup IT Parks / IT SEZ on their own; reputed private developers with proven track record will also be welcomed to develop IT parks in Jharkhand in PPP mode. Each of the PPP projects will be approved by High Level Empower Committee under the Chairmanship of Chief Secretary on case to case basis.

**j. Land Bank:**

The State of Jharkhand through JIADA, intends to create land banks in selected districts by acquiring land and demarcating them as IT Parks/ IT SEZs with provision of basic IT infrastructure and connectivity.

**k. Create a Robust Knowledge Base**

Knowledge bases can be one of the most powerful information support tools. Therefore the State intends to make a determined effort to create a robust knowledge base.

**l. Strategic Engagement to Innovate and Grow**

Government of Jharkhand intends to work closely and effectively with Technology leaders, national or state educational agencies, and business and community organizations, politicians and other important stakeholders to create conducive environment for innovation.

**m. Cyber Security: Understanding Threats and responses**

The Cyber Security serves several purposes. The main purpose is to inform the government users- employees and other authorized users- of their essential requirements for protecting the Data, Information Technology and Information assets of the Government. Government of Jharkhand in accordance with Cert in, Gol guidelines, puts all efforts to ensure cyber security in all government departments.

**n. Environment, health, safety & green initiative**

The Government of Jharkhand will encourage Eco-friendly and Green initiative within IT Park using Eco-friendly transportation modes. Public transport within the IT Parks shall be adopted using CNG or Electric vehicles.

## 4. Investment Promotion and Partnership

### 4.1 Fiscal Incentive

#### a. Capital Investment Incentive:

50% reimbursement on Capital Investment for Plant & (except land & Building) as per **Annexure B** will be given to IT/ITeS/ESDM industries with a maximum limit of Rs. 1 Cr. For IT/ITeS industries and Rs. 5 Cr. for ESDM Industries.

#### b. Stamp duty, Registration and Transfer fee:

100% reimbursement of stamp duty, transfer duty and Registration fee paid by IT/ITeS/BPO/ESDM/Data Centre industry on sale/lease deeds on the first transaction only. This incentive shall not be provided in case of Government land.

#### c. Patent Filing:

The Government of Jharkhand intends to encourage the filing of patents by companies/ institutions located within the State. The Government therefore proposes to create a pool of resources for successful filing of patents. Colleges in the State of Jharkhand starting courses/ vocational courses for Patent Filing shall be reimbursed the cost of INR 25,000 per candidate passing out subject to a maximum of 20 candidates per year. This reimbursement shall be available to the first 5 colleges applying for the same.

The State shall reimburse 100% of the cost of fee to filing patent by the company/unit located in Jharkhand provided the patent is filled from Jharkhand office and granted.

#### d. Recruitment Assistance:

Recruitment assistance of INR 10,000 per employee for a minimum annual recruitment of 10 new IT/ITeS/BPO/ESDM/Data Centre professionals will be reimbursed. The candidate must be either resident of Jharkhand or studied upto 10<sup>th</sup> from Jharkhand. The assistance shall be paid for employees whose tenure in the unit is minimum Six Months.

#### e. Employment Reimbursement on cost of land allotted:

Reimbursement on the cost of the land will be provided at the rate of INR. 30,000/- (Thirty Thousand) per employee who are resident of Jharkhand or have passed class 10th studies from Jharkhand. The reimbursement shall be available for three years (once in a year) from the start of operations. The payment will be subject to a minimum of 10 employees and also subject to total maximum of 50% of the land cost as per circle rate.

#### f. Reimbursement on cost of certification:

The State shall reimburse 50% of the cost of certification, subject to a maximum of INR 5 lakhs, in Leading edge emerging technologies, as decided by the department of IT and e-Gov from time to time.

**g. Electricity Duty**

IT / ITES/BPO/ESDM units will be reimbursed for payment of Electricity Duty from the date of commencement of production / activity for a period of 5 years for units in IT parks (including IT hardware and Telecom hardware manufacturing units).

**h. Internet Bandwidth**

50% of Bandwidth connectivity paid to Internet Service Provider (ISP) by the IT/ITeS/ Software Application Development companies/ System Integrators/ ESDM companies/ Start-Ups/ Data Centre/ BPO subject to a maximum of INR.15 lakhs per annum, for a period of five calendar years from the date of starting commercial production/ operation.

**i. Reimbursement of Provident Fund & ESIC**

Employer contribution of PF & ESIC will be reimbursed for a period of 5 years, subject to the condition that such employment created is sustained for a minimum of 1 continuous year. The reimbursement will be paid only after the verification of employment data from the PF & ESIC submission.

**j. Interest Reimbursement:**

The State shall reimburse 100% of the interest paid by the unit to Scheduled commercial Banks in India subject to a maximum of INR 1 Crore.

**k. IPR & Technology Acquisition:**

The State will reimburse upto 50% of the cost of technology acquisition in terms of IPR Acquisition, maximum of INR 1Crore every 5 years. This acquisition reimbursement would be valid for acquisition of new technologies which enhance the capacity and capability of the unit established in the state.

**l. Reimbursement of certification cost:**

Certification cost towards relevant certification like CMM/CMMi, ISO or other for a maximum of 3 certifications shall be reimbursed subject to a maximum of INR 5 Lakh per unit.

**m. Reimbursement of GST:**

IT/ ITeS/ESDM units shall be eligible for reimbursement of **100% of NET SGST** per annum for 5 years up to a maximum of 50% of the total fixed capital investment.

**n. Lease Rentals Reimbursements:**

75% of Lease rentals paid in the 1st year of establishment, 50% of the Lease rental paid in the 2nd year and 25% of Lease rentals paid in the 3rd, 4th and 5th years for office space or factory space, either in STPI, IT/ Multi-purpose SEZs/ IT Parks/ DTP or in any private area/ location, subject to a maximum of INR 15 lakhs per annum, for a period of 5 years from the date of start of commercial production/operation.

## **4.2 Non Fiscal Incentives**

### **a) IT/ITeS/ESDM/BPO and Communication industry as Continuous Process industry:**

The IT, ITeS, BPO, ESDM and Data Centre industry units shall be treated as essential industry and continuous process industry.

### **b) Fixed Time Approval**

The delivery of Incentives and other approvals will be time bound with fixed accountability of concerned officer / Department. All the process will be online through **Department Web Portal** with E mail/SMS alert to concerned officer and Nodal Officer as well. Automatic Escalation Matrix for E Mail/SMS will also be there.

A Common Integrated Application for all permissions shall be designed and used.

Periodic review under the Chairmanship of Secretary, Dept of IT & eGov, Govt of Jharkhand or officer nominated will be done.

### **c) Exemption from Inspection**

IT industry shall be exempt from inspections under the Acts and the Rules as under, barring inspections made for verification of specific complaints. The IT units are permitted to file self-certifications, in the prescribed formats for:

- a. The Factories Act, 1948
- b. The Maternity Benefit Act, 1961
- c. The Jharkhand Shops & Establishments Act, 1953
- d. The Contract Labour (Regulations & Abolition) Act, 1970
- e. The Payment of Wages Act, 1936
- f. The Minimum Wages Act, 1948
- g. The Employment Exchanges (Customary Notification of Vacancies) Act, 1959

### **d) Three Shift for Women**

Permission shall be available for 3 shift operation and employment of women in all three shifts, subject to the units taking necessary precautions with respect to safety and security of women employees.

### **e) Relaxation from Pollution Control Inspection / Certification**

IT/ITeS/BPO/ESDM/Data Centre Companies and associated entities and other non-hazardous electronic hardware manufacturing entities shall be relaxed from the inspection of the Jharkhand Pollution Control Act.

### **f) Setting –up of IT/ITeS/BPO and ESDM units in any Zone**

IT/ITeS/BPO/ESDM units (except IT hardware and Communication Hardware Manufacturing Units) shall be allowed to be set up in any zone (including residential

zone/area). However DTP/ IT Park will only establish in commercial space / Industrial Area.

**g) Additional Floor Area Ratio (FAR)**

50% more FAR over and above the permissible FAR of the place will be allowed by the concerned authority/ Urban Local Bodies for IT/ ITeS/ Communication units in earmarked areas/ IT Parks/ SEZs/ STPs in consonance with other provisions of the prevailing Building Bye-laws. Necessary amendment, if required, will be done by concerned authority/ Urban Local Bodies with requisite permission of the Department of Urban Development.

This incentive shall also be applicable to Private/ Government infrastructure developers developing IT Park/ SEZ/ EMC on private/ Government land; subject to fulfilling the criterion required for IT Park.

**h) Self-Certification of Building Drawing & Design**

All Private IT Parks/ IT Towers, IT Park under STPI/ IT SEZ will be allowed for Self-Certification for their Building Design & Drawing by their architect subject to following all necessary guidelines of State Building bylaws.

## **5 IT Park**

### **5.1 Mandatory requirements for consideration of Infra as IT Park**

The Government of Jharkhand stipulates the requirements as Mandatory for constructed buildings/ Tower or Group of Towers to qualify as Information Technology Park (IT Park) under this Scheme is outlined below:

- a)** Minimum area requirement for a DTP is 10,000 Sq. Ft.
- b)** Minimum no of company rented is 5
- c)** Minimum 75 % of total area allotted to IT/ITeS/BPO/ESDM company

### **5.2 In Principle approval and Notification**

- a.** The Developer of IT Park will sign MoU with State Govt which will be considered as in principle approval.
- b.** After occupancy of minimum 5 IT/ITeS/BPO/ESDM companies, Director IT & e Gov, as Nodal Officer, will notify the IT Park.

### **5.3 Incentives to Private Infrastructure Providers / Developers**

#### **c. Availability:**

The incentives/ benefits under this policy shall be available to private infrastructure providers/ developers/ builders/ owners/ lessee/ Operators of IT Park for providing Leading Edge IT office spaces for a period of 5 calendar years.

#### **d. Stamp Duty:**

100% reimbursement of stamp duty, transfer duty and Registration fee paid by private infrastructure providers/ developers/ builders/ owners/ lessee/ Operators of IT Park for providing Leading Edge IT office spaces on sale/ lease deeds on the first transaction only. This incentive shall not be provided in case of Government land.

#### **e. Reimbursement of Property Tax:**

50% Reimbursement of Property Tax paid to the Local Municipal Authorities, proportionate and limited to the built up IT office space, rented/leased to the IT/ITeS /Software Application Development companies/ System Integrators/ ESDM units and graduated Start-Up Units.

#### **f. Reimbursement of Insurance Premium:**

50% Reimbursement of Insurance Premium on Building insured, proportionate and limited to the built up office/shed space rented/leased to the IT/ITeS/ Software Application Development companies/ System Integrators/ ESDM units and graduated Start-Up Units, for 3 years.

#### **g. Facility Management Reimbursement:**

75% Reimbursement of facility maintenance charges in the first year and 50% in second year and 25% in the third year paid to Facility Management Companies, proportionate and limited to the built up office/ shed space rented/ leased to the IT/ITeS/ Software Application Development companies/ System Integrators/ ESDM units and graduated Start-Up Units, subject to a maximum of Rs.10 lakhs per annum.

**h. Interest Reimbursement:**

Reimbursement of 25% of the total interest paid per annum on the loan obtained from any financial institution approved by RBI for site development and construction of office spaces/ factory for use by IT/ITeS and related units by private infrastructure providers/ developers/ builders/ owners/ lessee for 5 years subject to maximum 1 Cr per annum and a total of 5 Cr per IT Park.

**i. Reimbursement on development of IT Park :**

On development of IT Park, reimbursement of INR 400/ Sq. Ft. of built-up area will be made on one-time fixed capital investment excluding the cost of land, subject to a maximum of INR 25 Cr.

**j. Power Generation:**

IT Parks shall be allowed to operate and maintain a captive power generation plant (only new and renewable energy as defined by Govt. of India) and a power distribution system for supplying electricity for running its operations. The IT Parks shall be allowed to sell power on Power Exchange and also earn Carbon Credits.

**k. Renewable Energy:**

The IT Parks shall be provided a 15% capital reimbursement or INR 25 lacs, whichever is lower, on installation of Renewable Energy generation unit (of greater than 100KW) by existing as well as new IT infrastructure developer (exclusively for use of IT facility and its support services). The Capital reimbursement will be given only once to the developer/company, this will be in addition to subsidy provided by the Central Government for setting up solar captive power. Power generation units from renewable sources will also enjoy 50% reimbursement of electricity duty for a period of 5 years.

**l. Reimbursement of Provident Fund & ESIC:**

Reimbursement of Employer Contribution of PF & ESIC to all new created positions by units in the notified IT Parks for a period of 5 years, subject to the condition that such employment created is sustained for a minimum of 1 continuous years.

**m. Lease:**

In case of IT Park being operated and managed by a Lessee, an irrevocable registered Lease Deed for a period of not less than 5 continuous years from the owner of the structure is mandatory and required to be furnished at the time of application for notification as IT Park.

**n. Large IT Projects**

For the investment more than INR 500 Cr in IT Park / IT SEZ by developer/ IT/ITeS Companies, the government may consider a special package of incentives on a case to case

basis. Special Committee under the chairmanship of Hon'ble Chief Minister will take decision in this regard.

#### **o. Exit Clause for IT Park:**

At any time after availing the applicable incentives/ benefits (as specified in this policy for the notified IT Park in Jharkhand) by the applicant of the notified IT Park, they may exit and change the status of developed IT Park to others, as it is found suitable and deemed fit by the owners for their use of developed office space.

The exit may be taken by the applicant of the notified IT Park only after the 5 years of lock-in period, which will be counted from the date of notification of IT Park.

For exit from the status of IT Park, the applicant must give in writing the reason and details of un-occupied space with proof on notarized stamp paper to DoIT & e-Gov.

### **5.4 Monitoring of Policy implementation**

#### **a. Policy Implementation Unit (PIU)**

A PIU under the chairmanship of Principal Secretary, Department of IT & Electronics shall be set up to oversee the work of the Nodal Agency. PIU shall be responsible for effective implementation of the policy including the approval of investment proposal, disbursement of incentives, making recommendations to Empowered Committee etc. Other responsibilities of PIU include coordination with Government functionaries, engagement with Industry associations, stakeholders, corporate, promotion of the policy etc.

#### **b. Empowered Committee**

A state level Empowered Committee under the Chairmanship of Chief Secretary shall be set up to monitor the effective implementation of the policy. The charter of the committee shall be pertaining to the effectiveness implementation of the policy and Inter-departmental coordination with respect to timely resolution of Investors issues at all levels.

#### **c. Task Force for Promotion of Policy**

A special task force shall be established in association with STPI/ NASSCOM/ CII and other agencies for Promotion of policy and for primary individual interaction with top officials of IT/ ITeS/ ESDM/ Data Center Industry.

### **5.5 Breach of Conditions**

The applicant availing benefits under the policy shall comply with all statutory laws and regulations of the State of Jharkhand and compliances as mentioned in this policy. In case of breach of any of the conditions mentioned anywhere in the Policy, the benefits availed under the Policy, shall be withdrawn and recovered along with interest @ 18% per annum from the date from which the benefits have been availed.

The applicant availing benefits under the Policy shall be subject to the conditions, procedures, instructions, clarifications or amendments issued, from time to time, for this policy and other applicable policies issued by Government of Jharkhand.

## **Annexure A**

### **Definitions**

1. Information Technology (IT) Park- means integrated IT/ ITeS facility constructed on minimum 10000 Sq Ft Area with IT office space and other amenities and made available on lease basis for IT/ITeS/BPO/ESDM industry as per the stipulations contained herein:
  - I. **IT Park** may or may not include public utility offices/ facilities. The area allotted for Core Industry (IT/ITeS/BPO/ESDM) activities shall be 75% of the permissible built-up area.
  - II. The IT Park should contain basic IT infrastructure.
  - III. In the event of IT/ITeS/BPO/ESDM unit vacating, any subsequent lease etc. of such IT/ITeS/BPO/ESDM unit(s) in the Core Zone it shall be given only to IT/ITeS/BPO/ESDM units.
  
2. IT Enabled Services (ITeS) shall mean service rendering through application of IT and shall include the following:
  - a. Call Centres
  - b. Medical Transcriptions
  - c. Back Office Operation/Business Process Outsourcing (BPO)
  - d. Knowledge Process Outsourcing (KPO)
  - e. Insurance claim Processing
  - f. Web/Digital Content Development
  - g. ERP / Software and Application Development
  - h. Financial and Accounting Processing
  - i. HR & Payroll Processing
  - j. IT enabled banking, non-banking services including insurance, pension, Asset Management and market related services
  - k. Depository and Security registration and dematerialization services
  - l. Any other services as defined by Govt. of India from time to time

## Annexure B

### List of admissible items under Fixed Capital Investment

Sl. No	Item description
1	Servers with OS
2	Software and Hardware per license cost for BPO/ITES operations
3	Networking Equipment (Switches, Routers, Firewalls, Voice/Video Conferencing Gateways)
4	Workstations (Desktop, Laptop, Tablets, IP phones, Headsets)
5	Data storage
6	Structured cabling
7	UPS
8	Printer, Copier, Scanner & Projector
9	Refrigerator & Water Purifier
10	Fire & Security Items
11	Computer furniture
12	Electrical wiring & fittings
13	Central Air-conditioning equipment, air-conditioning System
14	Captive Diesel Generating Set and transformer of capacity commensurate with the actual requirement of the unit
15	Fax machine
16	Private automatic branch exchange
17	Data Communication Equipment, Modem & VSA
18	Other misc. goods not exceeding 5 % of the total cost of above items including Tools, kits and spares
19	Fixtures & Furniture's

## **Chapter -II**

### **Data Centre-2021**

#### **Data Centre Park**

- a. A Minimum 25 MW Data Centre capacity for locating minimum 5 Data Centre Unit(s) shall be consider under the definition of **Data Centre Park**.
- b. A Data Centre Unit is a dedicated secure space within building / centralized location where computing and networking equipment is structured for purpose of collecting and storing large amount of Data. Captive Data Centres dedicated to serve need of particular company shall not be considered under this policy.

#### **2. Data Centre Park Developer**

Data Center Park Developer is an entity who would be responsible to build the facility of Data Center Park Covering Land, Park Area (Water, Sewage, Road, Parking, Green Area etc) provisioned for Data Center essentials setup/ equipment (i,e Electricity, Network / Fiber Connectivity, Mechanical Electrical and Plumbing Equipment etc).

#### **3. Financial Incentives**

**The Financial incentives to Data Center Park or Data Center Units will not be more than 50% of their total capital investment including cost of land.**

##### **3.1 Data Center Parks**

The followiing financial incentives shall be available to the data Center Park:

##### **a) Interest Subsidy**

Reimbursement of interest subsidy up to 50% of annual interest for 5 years subject to annual ceiling of INR 10 Crore per year with an overall ceiling of INR 50 Crore per park shall be provided.

### **b) Land Subsidy**

25% land subsidy on prevailing circle rates and as per State Rehabilitation Policy shall be provided on purchase/ lease of land directly from land owner.

Proposed land subsidy will be applicable to set up the Data Center Parks as well Captive **Solar Power Plant** specifically to meet Energy requirements of Data Center Parks established along with.

### **c) Stamp Duty**

100% reimbursement of stamp duty on first transaction (Authority / land owner to DC Parks) and 50% reimbursement on second transaction (DC Park to DC Units) shall be available for purchase / lease of land. The reimbursement will be after commencement of operations of respective Data Centre Park.

### **d) Electricity Supply**

Dual-grid lines power supply: Dual power grid network shall be provided to first 2 DC Parks established in the state from the notification of this policy in which the cost of regular available grid shall be borne by DC park developer and 50% cost of second grid will be reimbursed after commencement of operations of respective Data Centre Park.

## **3.2 Data Center Units**

The following financial incentives shall be available to the Data Center Units:

### **a) Capital Subsidy**

DC units shall be eligible to get 25% capital subsidy up to INR 10 Crores on fixed investment including Solar Power Plant to meet the energy requirement of Data Center and it is excluding land and building. The same shall be disbursed within 5 years with an annual ceiling of INR 2 Crores after commencement of operations.

### **b) Land Subsidy**

25% land subsidy on prevailing sector rates or as per Jharkhand Rehabilitation Policy shall be provided on purchase/ lease of land directly from land owner.

Proposed land subsidy will be applicable to set up the Data Center as well **Solar Power Plant** specifically to meet Energy requirements of Data Center established along with.

The land subsidy will not be applicable to DC units operating inside DC Parks, if subsidy has already been availed by the DC Park developer.

### **c) Electricity Supply**

- i. **Electricity Duty:** 100% reimbursement on electricity duty for a period of 5 years post commencement operation shall be provided.

ii. **Subsidy on Power Tariff:** Reimbursement of 25% of Power Tariff (Unit Charge) for 5 years subject to a maximum amount of INR 1 Cr per annum from the date of Commencement of Operations.

**d) Internet Bandwidth**

50% of Bandwidth connectivity paid to Internet Service Provider (ISP) by the DC Units subject to a maximum of INR.25 lakhs per annum, for a period of five calendar years from the date of starting commercial production/ operation.

## **4 Non-Financial Incentives**

### **4.1 Critical Infrastructure**

The DC Industry in the State shall be classified under Essential Services Maintenance Act (ESMA) as an essential service provider.

### **4.2 Special provision in building norms**

**d. Sub-Leasing:** In case of land allotted by the Jharkhand Industrial Area Development Authorities at different part of the State, Data Centre Park as well as Data Centre Units are treated as Service Industry and for subleasing of built up space, necessary changes will be done, if required.

**e. Floor Area Ratio:** 50% more FAR over and above the permissible FAR of the place will be allowed by the concerned Industrial Development Authority/ Urban Local Bodies for Data Centre Units in consonance with other provisions of the prevailing Building Bye-laws. Necessary amendment, if required, will be done by concerned authority/ Urban Local Bodies with requisite permission of the Department of Urban Development.

### **4.3 Three Shift Operations:**

DC units shall be permitted to have 24x7 operation and employment of women in all three shifts, subject to the units taking necessary precautions with respect to safety and security of women employees.

## **Chapter-III**

### **BPO/ BPM Policy 2021**

#### **1. Fiscal Incentive**

The Policy shall be applicable to BPO/BPM units subject to the following conditions:

- a. BPO/BPM and other allied activities as listed in definition of IT Enabled Services (ITeS) shall be eligible for benefits/incentives under this policy.
- b. The BPO/BPM unit shall be under obligation to commence its operations within 1 Year from the date of signing of MoU with Dept of IT & E Gov, Govt of Jharkhand in which the BPO/BPM Company must commit to operate for a minimum period of 3 (Three) years from commencement of operations.
- c. The policy shall be applicable to new BPO/BPM unit(s) with a minimum number of 25 (Twenty Five) seats.
- d. The policy shall also be applicable for existing BPO/ BPM units in Jharkhand who want to extend their capacity by a minimum 25% or 25 (Twenty) seats, whichever is higher. Incentives under this policy cannot be availed under in conjunctions with any other Jharkhand State Government policy unless and otherwise specified in the policy. Further, units shall not be eligible to avail incentives under the schemes/ policies of Government of India for the same/ similar component, however units shall be allowed to club up the incentives under the schemes/ policies for different component(s) as per the illustrative below:

**Illustrative:**

- i. Capital subsidy from Central Government scheme/ policy and Rental reimbursement from Jharkhand BPO/BPM policy can be claimed or vice-versa.

- ii. Capital subsidy reimbursement/ benefit from both Jharkhand BPO/ BPM policy and Central Government scheme/ policy can't be claimed together or Rental reimbursement/ benefit from both Jharkhand BPO/ BPM policy and Central Government scheme/ policy can't be claimed together.
- e. This policy will be valid for 5 years from the day of notification.

### 1.1 Land Subsidiary:

- a. **Land cost:** Reimbursement on the cost of the land will be provided at the rate of INR. 30,000/-(Thirty Thousand) per employee who are resident of Jharkhand or have passed class 10th studies from Jharkhand after Commencement of Operations. The reimbursement will be subject to a minimum of 100 employees and also subject to total maximum of 50% of the land cost as per circle rate.
- b. **Registration charges:** 100% reimbursement of stamp duty, transfer duty and registration fee paid by BPO/BPM companies on sale/lease deeds on the first transaction only. This incentive shall not be provided in case of Government Land.

### 1.2 Capital Incentives:

50% of one time expenditure incurred on admissible items (Appendix-B) shall be reimbursed subject to an upper ceiling of INR 1, 00,000/- (Rupees One lakh only) per Seat.

### 1.3 Reimbursement of GST:

IT/ ITeS/ESDM units shall be eligible for reimbursement of **100% of NET SGST** per annum for 5 years up to a maximum of 50% of the total fixed capital investment.

### 1.3 Operating Expenses

#### a. Rent Reimbursement:

An incentive as reimbursement on lease rentals up to INR15000/- (Rupees Fifteen Thousand only) per seat per annum for a maximum period of 3 (three) years for built up or plug-and-play type or any other built up office space subject to a maximum of 40 Sq. ft./employee built area as indicated in Table 2 below shall be applicable:

Sl. No.	Rent Reimbursement	Year of BPO/BPM Operation
1.	100%	1 <sup>st</sup> year of operation
2.	75%	2 <sup>nd</sup> year of operation
3.	50%	3 <sup>rd</sup> year of operation

Table 2: Rent Reimbursement Table

- b. Reimbursement for Telecom facilities:** 50% reimbursement on telephone charges subject to maximum of INR 30,000/- (Rupees Thirty thousand only) per seat per annum for 3 (three) years to the BPO/BPM units shall be available on duly self-certified bills of the BPO/BPM units.
- c. Reimbursement on bandwidth for Connectivity:** 50% reimbursement of internet bandwidth/lease line charges subject to maximum of INR 30,000/- (Rupees Thirty Thousand only) per seat, shall be paid on duly self-certified bills of the BPO/BPM units.
- d. Electricity / Power:**
- i. BPO/BPM industry shall be classified as industrial unit for the purpose of levying the industrial power tariff category.
  - ii. **Electricity Duty:** 100% Electricity Duty will be reimbursed to BPO/BPM units covered under this policy from the date of commencement of operation for a period of 3(three) years.
  - iii. **Renewable Energy Support on Solar Power:** 15% additional one time reimbursement, over and above the prevailing subsidy by Central Government schemes on capital costs of captive Solar PV Systems, for self-use shall be provided. The subsidy shall be in the form of reimbursement provided after commissioning and inspection of Solar PV systems installed.
- e. Skill Development and Employment generation incentive:**
- i. **Training reimbursement:** One-time training reimbursement of INR 12,000/- (Rupees Twelve Thousand only) for each employee of BPO unit who is/ are resident of Jharkhand or have done class 10th standard studies from Jharkhand. For Divyang/ Scheduled Caste/ Scheduled Tribe and Women employees, the reimbursement is INR 15,000/- (Rupees Fifteen Thousand only) per employee. The trained person must be employed and retained in the BPO/ BPM unit for at least 6 months as a full-time employee for claiming this reimbursement. This reimbursement can be applied after Six month of commencement of operations.
  - ii. **Employment generation incentive:** Reimbursement of Rs 5,000 (Five Thousand) per month or 50% of Gross Wages (Whichever is less) per employee (who is/ are

residents of Jharkhand or have done class 10th standard studies from Jharkhand) for 24 months for capacity building of employees will be given under this policy. For Divyan/SC/ST/women, this subsidy will be Rs 6,000 per month or 50% of Gross Wages (Whichever is less) per employee for 24 months.

- iii. Reimbursement of EPF & ESIC:** Units established in the state shall be reimbursed EPF & ESIC amount paid by the employer (employer's share) for its BPO/BPM professional for a period of 3 (three) years.

## **f. Special Incentives:**

Apart from the above-mentioned benefits, the Government of Jharkhand shall provide certain one-time special incentives to the BPO/BPM unit(s). Total incentives under “**Special Incentives**” and “**Capital Incentives**” shall not exceed INR 1,00,000/- (Rupees One lakh only) per seat.

- i. Quality certifications:** The State Government shall reimburse only once for any one certification, the cost incurred by a BPO/BPM unit operating in the State on securing relevant national/international quality certification like ISO 9001, Capability Maturity Model (CMM/CMMi), Peoples Capability Maturity Model, others, subject to a maximum ceiling of INR 7,00,000/- (Rupees Seven lakhs only).
- ii. Employment beyond number of seats:** Special incentive of additional 5% on admissible items (Appendix-B) shall be provided for units providing employment to 2 (two) times the number of seats per unit or more resources.
- iii. Incentive for diversity, inclusion and wider spread:**
- a) Special incentive (additional 5% of admissible items (Appendix-B)) shall be applicable to unit(s) providing 40% of employment to women/ST/SC.
  - b) Special incentive (additional 5% of capital cost) will be provided if unit(s) of BPO/BPM operations are setup at locations underdistricts other than Type A (as per Appendix A).
  - c) Incentive for promoting local entrepreneur: Special incentive (additional 5% of capital cost) will be provided if a BPO/BPM unit registered outside Jharkhand, partners with a unit registered in Jharkhand for setting up BPO/BPM operations. This incentive shall also be applicable, if any unit registered or local entrepreneur in Jharkhand wants to start BPO/BPM operations in Jharhand.

## **2. Non-Fiscal Incentive**

- i) All Non- Fiscal incentives applicable for IT/ITeS/ESDM Industry will be applicable for BPO/BPM Industry also.

## ii) Large BPO Units

For unit(s) employing 2000 (Two Thousand) or more BPO/BPM employees in their first 6 (six) months of operation, the government may consider a special package of incentives on a case to case basis. Empower Committee under the chairmanship of Chief Secretary will take decision in this regard.

## 3. Breach of Teams and Conditions

The applicant availing benefits under the policy shall comply with all statutory laws and regulations of the State of Jharkhand and compliances as mentioned in this policy. In case of breach of any of the conditions mentioned anywhere in the Policy, the benefits availed under the Policy, shall be withdrawn and recovered along with interest @ 18% per annum from the date from which the benefits have been availed. The applicant availing benefits under the Policy shall be subject to the conditions, procedures, instructions, clarifications or amendments issued, from time to time, for this policy and other applicable policies issued by Government of Jharkhand.

## Appendices

### Appendix-A: Classification of Districts in Jharkhand for BPO/BPM setup

Tier II and Tier III (including semi-urban and rural areas) locations are areas as classified by the Govt. of India and which have good connectivity among State towns and National capital, lesser cost of living, lesser operational cost, availability of skilled human resources at lower cost, low commuting time, less costly commuting but a good standard of living etc. To promote Tier III and rural locations and to motivate IT, ITeS and Communication industry to set up their operations in these locations, below is the classification of districts as Type A,B and C in Jharkhand for BPO/BPM setup:

#	Type	District	Jharkhand Population <sup>1</sup>			Students/year <sup>2</sup> with Tech. Degree/Diplom a	BPO/BPM  (minimum no. of seats/Unit)
			Total Populatio n	Literac y Rate	Age group (15-35years)		
1	A	Ranchi	29,14,253	76%	3,40,926	2,526	20
2		Dhanbad	26,84,487	75%	2,78,138	910	20
3		Purbi Singhbhum (Jamshedpur)	22,93,919	75%	2,20,376	1,266	20
4		Bokaro	20,62,330	72%	2,16,584	823	20
5		Hazaribagh	17,34,495	70%	1,62,880	252	20
6		Deoghar	14,92,073	65%	98,103	-	20
7	B	Ramgarh	9,49,443	73%	1,10,010	189	20

<sup>1</sup>Census-2011

<sup>2</sup>Official Website of Government of Jharkhand- [jharkhand.gov.in/education](http://jharkhand.gov.in/education)

8		Dumka	13,21,442	61%	78,317	317	20
9		Godda	13,13,551	56%	76,446	-	20
10		Saraikela Kharsawan	10,65,056	68%	84,584	192	20
12		Sahibganj	11,50,567	52%	64,923	-	20
13		Jamtara	7,91,042	65%	41,604	-	20
14		Kodarma	7,16,259	67%	57,089	443	20
15-24	<b>C</b>	Other*					20

Table 3: Classification of Districts in Jharkhand

\*Other districts of Jharkhand not mentioned above in Table 3 is categorized separately as “Other” and referred under Type C, shall also be considered for BPO/BPM setup based on own feasibility study/research.

## Appendix-B: List of admissible items under fixed capital investment

Sl. No	Item description
1	Servers with OS
2	Software and Hardware per license cost for BPO/ITES operations
3	Networking Equipment (Switches, Routers, Firewalls, Voice/Video Conferencing Gateways)
4	Workstations (Desktop, Laptop, Tablets, IP phones, Headsets)
5	Data storage
6	Structured cabling
7	UPS
8	Printer, Copier, Scanner & Projector
9	Refrigerator & Water Purifier
10	Fire & Security Items
11	Computer furniture
12	Electrical wiring & fittings
13	Central Air-conditioning equipment, air-conditioning System
14	Captive Diesel Generating Set and transformer of capacity commensurate with the actual requirement of the unit*
15	Fax machine
16	Private automatic branch exchange
17	Data Communication Equipment, Modem & VSA
18	Other misc. goods not exceeding 5 % of the total cost of above items including Tools, kits and spares
19	Fixtures & Furniture's

## Appendix-C: Definitions

- i. Business Process Outsourcing (BPO): means the transfer of an organization's entire non-core but critical business processes/functions to an external centre who uses an IT-based service delivery or as modified by Government of Jharkhand from time to time.
- ii. Business Process Management (BPM): The disciplined approach to identify, design, execute, document measure, monitor and control both automated and non-automated business processes to achieve consistent, targeted results aligned with an organization's strategic goals.
- iii. Business Process Outsourcing centre/unit: means a centre/unit that provides an IT (Information technology) based service delivery for BPO and is a registered organization/institution in India under The Companies Act, 1956 or The Companies Act 2013 (as amended till date) as applicable or The Society Registration Act - XXI, 1860 by IG Registration, Govt. of Jharkhand.
- iv. Employee(s): means a full time employee employed in a BPO/BPM unit.
- v. Existing centre: means a business process outsourcing centre engaged in providing training in soft skills or a knowledge process outsourcing centre providing domain expertise.
- vi. Expansion: means increase in operational capacity at the existing centre over the existing capacity.
- vii. Fixed Capital investment: means investment in- as defined in Appendix-B
- viii. Information Technology Enabled Services (ITeS) : means service rendering through application of Information Technology (IT) and shall include the following:
  - Call centres
  - Medical transcriptions
  - Back Office Operation/Business Process Outsourcing or Management (BPO/BPM)
  - Knowledge Process Outsourcing (KPO)
  - Insurance claim processing
  - Web/Digital content development
  - ERP / Software and application development
  - Financial and Accounting processing
  - HR & Payroll Processing
  - IT enabled banking, non-banking services including insurance, pension, Asset Management and market related services
  - Depository and Security registration and dematerialization services
  - Any other services as defined by Government of India from time to time
- ix. Knowledge Process Outsourcing (KPO): means allocation of relatively high-level tasks to an outside organisation or a different group (possibly in a different location) within the same organization. KPO is essentially, high end business process outsourcing (BPO).
- x. Local Individual/person: who is a resident of Jharkhand as mentioned in Residential certificate for an individual issued by State Government or has done above class 10th standard studies from Jharkhand.

- xi. Rural Areas: as defined in Census 2011, Government of India.
- xii. Seat(s): means physical infrastructure (seating capacity for one shift of operation) for the BPO/BPM employee available in a BPO/BPM unit. For example, if a BPO/BPM unit operates in 2 (two) shifts then a BPO/BPM unit with full seating capacity of 20 seats, number of employees will be 2 (two) times the number of seats that is 40 employees.
- xiii. Shift: means an 8 (eight) hours duration in a day. 3 (Three) shifts will equal 24 hours operation.