

Government of India
Ministry of Communication and Information Technology



Department of Electronics
and Information Technology,
Government of India

Invitation for Expression of Interest (EOI)
For
Implementation of India BPO Promotion Scheme (IBPS)

August 2015

(The Department of Electronics and Information Technology (DeitY), Ministry of Communication and Information Technology, reserves the right to cancel the request of EOI and/or invite afresh with or without amendments to this request for EOI, without liability or any obligation for such request for EOI and without assigning any reason. Information provided at this stage is indicative and DeitY reserves the right to amend/add further details in the RFP document.)

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India BPO Promotion Scheme (IBPS)

India BPO Promotion Scheme (IBPS) to incentivize setting up of BPO/ITES operations across the country, particularly in digitally deficit areas, for creating employment opportunities via Information Technology (IT) and balanced growth of IT and IT Enabled Services (IT/ITES) Sector in each State.

1. Summary

(i) The India BPO Promotion Scheme (IBPS) envisages to provide the following capital support in the form of Viability Gap Funding (VGF) to eligible Companies, to incentivize setting up of BPO/ITES operations across the country, particularly in digitally deficit areas [excluding certain Cities as in Annexure-I and the States in North East Region (NER)] for creating employment opportunities via IT and balanced growth of Information Technology and IT Enabled Services (IT/ITES) Sector in each State:

Capital Support:

(a) Upto 50% of one time expenditure incurred on admissible items (Annexure-II) subject to an upper ceiling of Rs. 1,00,000 per seat to incentivize setting up of BPO/ITES operations across the country, particularly in digitally deficit areas, [excluding certain Cities as in Annexure-I and the States in North East Region (NER)].

(ii) Initially, Expression of Interest (EoI) is to be invited from the interested companies, to assess the market potential and interest at various locations across the States [excluding the cities referred as in Annexure-I and NER], while tentatively distributing the total number of BPO seats (48,300) among each State, in proportion of State's population as in Annexure-III. Seat allocation for each State based on its population percentage should be available for a fixed time window. After the fixed time window is over, non-utilized seats may be re-distributed among States where there is market demand and it has utilized its allocated seats. The State Governments and other stakeholders would be separately consulted, as necessary, particularly in regard to the finalization of feasible locations and the corresponding number of BPO seats for the proposed incentives.

(iii) Subsequently, the quantum of capital support is proposed to be determined through an open bid system for each location, subject to overall ceiling referred at sub-para (i) above. Inter-alia, bids would be invited from eligible applicant companies, who are interested in setting up BPO operations, through a Request For Proposal (RFP), to determine the lowest amount of Capital Support to be provided as Viability Gap Funding.

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(iv) The above Scheme seeks to incentivize establishment of 48,300 seats in respect of BPO operations, at an outlay of Rs. 493 Crore during the remaining period of 12th Five Year Plan, thus generating direct employment to about 1,44,900 persons considering three shifts' operations.

(v) Company, seeking to avail capital support under this scheme, shall be under obligation not to claim the similar capital support under any other Scheme of the Central/State Government concerned.

2. Duration

Budgetary estimates have been projected for the balance period of the 12th Five Year Plan. The benefits would be available till the end of the 12th Five Year Plan i.e. 31.03.2017.

3. Location

The proposed scheme is proposed to be implemented to incentivize setting up of BPO operations across the country, particularly in digitally deficit areas [excluding certain Cities as in Annexure-I and the States in North East Region (NER)].

4. Objectives

- (i) Creation of employment opportunities for the youth, by promoting the IT/ITES Industry particularly by setting up the BPO/ITES operations.
- (ii) Promotion of investment in IT/ITES Sector in order to expand the base of IT Industry and secure balanced regional development.

5. Bidding Process and Evaluation of Bids

- (i) The following two stages approach involving Expression of Interest (EoI) and open bid system using Request for Proposal (RFP) is proposed:

Stage 1: Invitation of Expression of Interest (EoI)

Stage 2: Invitation of Request for Proposal (RFP)

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5.1 Initial Eligibility Criteria for submitting Expression of Interest (EoI):

The bidder(s), who are willing to establish BPO/ITES Operations anywhere in the Country [excluding certain Cities as in Annexure-I and the States in North East Region (NER)] would be required to meet the following conditions for submitting the Expression of Interest (EoI):

- (i) The bidder must be registered in India under The Companies Act, 1956 or The Companies Act 2013 (as amended till date), as applicable.
- (ii) The bidder should have achieved a minimum average annual turnover of Rs. 5 Crore, during last 3 financial years.
- (iii) An entrepreneur can form a Consortium with an Indian Company which is able to fulfill above financial eligibility criteria. The eligible Indian Company must have at least 26 % equity shareholder in the Consortium and commit to maintain minimum equity shareholding (26%) for at least three years. The shareholder having the largest equity shareholding shall be the lead member of the Consortium.
- (iv) The bidder is neither allowed to expand operations at the same city nor shifting of operations of any kind. However, an established BPO Company at one city may establish its operation at another city under the IBPS.

5.2 A company expressing interest in setting up BPO/ITES operations would be required to indicate the following as per formats given in Annexure-V:

- (a) State Wise locations and location wise number of seats for establishment of BPO operations.
- (b) Detailed justification for selecting each location referred at sub-para (a) above, keeping in view various factors critical for BPO operations, such as availability of local talent pool, infrastructure availability, State Government support, etc.
- (c) Details of Core Business Activities and tentative plan for proposed BPO/ITES operations.
- (d) Annual Audited Financial Statements for the last 3 FYs.

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Thereafter, the RFP for inviting open bids would be finalized, indicating, inter-alia, eligibility conditions, number of BPO seats to be incentivized and the entire bidding process.

5.3 Last Date:

The last date for submission of EoI is 31st August 2015 upto 1700 hours IST at the following address:

Rajeshwar Singh Jenwar,
Joint Director / Scientist 'D',
Department of Electronics and Information Technology(DeitY)
Industry Promotion: Software and IT Services Division, Room No. 4099,
Electronics Niketan, 6, CGO Complex, New Delhi 110003
Ph: +91-11-24301499
Email : rsj@gov.in, raj.singh1@deity.gov.in

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Annexure-I

List of the Leader cities with significant level of IT-BPO activities (Excluded from IBPS)

1. Bengaluru
2. Chennai
3. Hyderabad
4. Kolkata
5. Mumbai
6. NCR (incl. Delhi, NOIDA, Gurgaon & Faridabad)
7. Pune

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Annexure-II

List of admissible items for Capital Support

| S. No. | <u>Item Description</u> |
|---------------|--|
| 1 | Servers with OS |
| 2 | Software and Hardware per license cost for BPO/Call Centre Business operations |
| 3 | Networking Equipments (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 , solar power / Non conventional Energy Generation Set (OPTIONAL)* |
| 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 |

** The unit may avail incentive on Generating Set from the State Govt., if needed.*

Note: Any item not covered above shall be decided by and permitted by IBPS Management Committee (IMC).

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Annexure-III

| IBPS BPO Seats Distribution across State(s)/UT(s) based on population % as per Census 2011 | | | | |
|--|---------------------|---------------------|------------------------------|---|
| State/UT | Population | Population % | Seats by population % | Seats Rounded-off to nearest hundred |
| Andhra Pradesh | 493,86,799 | 4.56 | 2,189 | 2200 |
| Bihar | 1040,99,452 | 9.61 | 4,615 | 4600 |
| Chhattisgarh | 255,45,198 | 2.36 | 1,132 | 1100 |
| Goa | 14,58,545 | 0.13 | 65 | 100 |
| Gujarat | 604,39,692 | 5.58 | 2,679 | 2700 |
| Haryana* | 230,44,841 | 2.13 | 1,022 | 1000 |
| Himachal Pradesh | 68,64,602 | 0.63 | 304 | 300 |
| Jammu & Kashmir | 125,41,302 | 1.16 | 556 | 600 |
| Jharkhand | 329,88,134 | 3.05 | 1,462 | 1500 |
| Karnataka* | 525,95,898 | 4.86 | 2,333 | 2300 |
| Kerala | 334,06,061 | 3.09 | 1,481 | 1500 |
| Madhya Pradesh | 726,26,809 | 6.71 | 3,219 | 3200 |
| Maharashtra* | 889,10,077 | 8.21 | 3,941 | 3900 |
| Orrisa | 419,74,218 | 3.88 | 1,861 | 1900 |
| Punjab | 277,43,338 | 2.56 | 1,230 | 1200 |
| Rajasthan | 685,48,437 | 6.33 | 3,039 | 3000 |
| Telangana* | 274,44,644 | 2.53 | 1,214 | 1200 |
| Tamilnadu* | 634,51,020 | 5.86 | 2,813 | 2800 |
| Uttar Pradesh* | 1991,69,960 | 18.39 | 8,827 | 8800 |
| Uttarakhand | 100,86,292 | 0.93 | 447 | 400 |
| West Bengal* | 771,63,579 | 7.13 | 3,422 | 3400 |
| Andaman & Nicobar | 3,80,581 | 0.04 | 17 | 100 |
| Chandigarh | 10,55,450 | 0.10 | 47 | 100 |
| Dadra & Nagar Haveli | 3,43,709 | 0.03 | 15 | 100 |
| Daman & Diu | 2,42,911 | 0.02 | 11 | 100 |
| Lakshadweep | 64,429 | 0.01 | 3 | 100 |
| Puducherry | 12,47,953 | 0.12 | 55 | 100 |
| Total | 10828,23,931 | 100.00 | 48,000 | 48,300 |
| Note: | | | | |
| 1. Total 48,000 seats have been distributed based on population percentage among States/UTsas per Census 2011, and then rounded-off to nearest 100. | | | | |
| 2. Minimum seats support for a State/UT = 100 | | | | |
| 3. *Population of all the States of North East Region and Urban Agglomeration Population of certain cities [Bengaluru, Chennai, Delhi-NCR (Gurgaon, Faridabad, Noida), Hyderabad, Kolkata, Mumbai, Pune] is subtracted from the respective State's Population and subsequently from overall population of Country. | | | | |

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Annexure-IV

State Govt. Schemes for BPO

| Department | Scheme | Salient Features |
|---|---|--|
| Government of Tamil Nadu (Electronics Corporation of Tamil Nadu) | Enhanced Rural BPO Policy-2012 | The policy aims to provide a conducive environment for the BPO industry to thrive in rural areas. The policy encourages BPOs to set up operations at the Village Panchayat Level by providing assistance such as capital subsidy, training subsidy, transport facility etc. |
| Government of Andhra Pradesh | Andhra Pradesh IT Policy 2014-2020 | The policy, although aimed at the larger IT sector, encourages BPOs to set up centres in Tier-2 and 3 cities by providing infrastructure support, creating IT hubs, Parks & IT Investment Regions. The policy also provides fiscal and non-fiscal incentives to attract the IT/ITES industry towards Andhra Pradesh. |
| Government of Maharashtra | Maharashtra IT/ITES Policy | The policy while promoting the existing centres of IT industry activity, aims at accelerating investment flow to underdeveloped regions of the State by creating new IT parks and hubs among others. The policy also has a special focus on attracting BPOs towards rural and semi-urban areas of the State by providing capital subsidy, training subsidy, transport facility and exemption from SD/EMD payments. |
| Government of Kerala | Kerala IT Policy, 2012 | The policy calls for creating rural IT hubs to attract the industry towards under-developed regions. IT/ITES industry including BPOs can get fiscal and non-fiscal incentives and assistance such as land from the government at concessional rates, special power tariffs, investment subsidy and fiscal exemptions. |
| Government of Karnataka | Karnataka I ⁴ (IT, ITES, Innovation Incentives) Policy | The I ⁴ policy focuses on the larger IT/ITES industry including the BPO segment. Employment linked incentivization of land allotment, relaxation of employment laws, reimbursement of PF/ESI. |
| Government of Uttar Pradesh | UP IT Policy, 2012 | The policy aims to shift the way daily lives are transacted using digital mediums, even in the remotest areas. The policy allows the government to use funds to improve telecom infrastructure and connectivity in rural areas in a bid to attract IT/ITES industries to these areas. |

Source-NASSCOM

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Annexure-V

Formats for Submission of EoI for India BPO Promotion Scheme (IBPS)

A. Format for Covering Letter

[On the Letter head of the applicant (in case of bidding company) or Lead member (in case of a bidding consortium)]

Date:

To,

Rajeshwar Singh Jenwar,
Joint Director / Scientist 'D',
Department of Electronics and Information Technology(DeitY)
Industry Promotion: Software and IT Services Division,
Room No. 4099, Electronics Niketan, 6, CGO Complex, New Delhi 110003
Ph: +91-11-24301499
Email : rsj@gov.in, raj.singh1@deity.gov.in

Ref: Implementation of India BPO Promotion Scheme

Sir,

Being duly authorized to represent and act on behalf of.....
(hereinafter referred to as "the Applicant"), and having reviewed and fully understood the evaluation criteria and information provided, the undersigned hereby apply in response to the EOI document for implementation of India BPO Promotion Scheme (IBPS).

We are enclosing our Expression of Interest with the details as per the requirements of the EOI document, for your evaluation.

Yours faithfully,

(Signature of Authorised Signatory)

Name:

Designation:

Office Address:

Phone/Fax:

Mobile:

Email:

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E. Format for Description of the Applicant - Details of Core Business Activities and tentative plan for proposed BPO/ITES operations

1. Name, country of incorporation, address of the registered office, corporate headquarters, and its branch office(s), if any, in India and date of incorporation and/or commencement of business.
2. Brief description of the Applicant including details of its main lines of business and proposed role and responsibilities in this Project and tentative plan for proposed BPO/ITES operations.
3. Details of individual (s) who will serve as the point of contact / communication with Department of Electronics & Information Technology (DeitY), MoCIT:

| |
|------------------|
| Name |
| Designation |
| Company |
| Address |
| Telephone Number |
| E-mail Address |
| Fax Number |
| Mobile Number |

4. Name, Designation, Address and Phone Numbers of Authorized Signatory of the Applicant:

| |
|------------------|
| Name |
| Designation |
| Company |
| Address |
| Telephone Number |
| E-mail Address |
| Fax Number |
| Mobile Number |

5. In case of Consortium:

The information above (1-4) should be provided for all the Members of the Consortium. Information regarding role of each Member should be provided as per table below:

| S. No. | Name of Member | Role (Specify whether Lead Member / Consortium Member) |
|--------|----------------|--|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |

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F. Format for Minimum Financial Eligibility of the Applicant

The Applicants would be evaluated for meeting the Minimum Financial Eligibility Criteria of Minimum Rs. 5 crore average annual turnover for last 3 financial years. The Applicants should provide their annual turnover for last 3 financial years as indicated below. This is to be filled by the Applicant or Lead Member in case of Consortium and certified by the Statutory Auditor.

| Name of the Applicant (Lead Member) | Average Annual Turnover for last 3 financial years (Rs. Crore)* | | |
|--|--|----|----|
| | Y1 | Y2 | Y3 |
| | | | |

Average Annual Turnover for last 3 financial Year = Rs.Crore.

*As per audited annual financial statements of latest completed financial year.

Please attach the audited annual reports supporting the figures stated.

1. Notwithstanding anything to the contrary contained herein, in the event that the submission date of the EOI Application falls within three months of the closing of the latest financial year of an Applicant, it shall ignore such financial year for the purposes of its Application and furnish all its information and certification with reference to the 1 (one) year preceding its latest financial year. For the avoidance of doubt, financial year shall, for the purposes of an Application hereunder, mean the accounting year followed by the Applicant in the course of its normal business.
2. The Applicant shall provide the audited annual financial statements as required for this EOI. Failure to do so would be considered as a non-responsive bid.
3. The Applicant should clearly indicate the calculations and references in the financial statements in arriving at the above numbers in an attached worksheet.
4. This submission shall be certified by the statutory auditor. The independent auditor issuing the certificate should clearly indicate his/her membership number assigned by the Institute of Chartered Accountants of India (ICAI) or equivalent organization abroad.

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D. Format for EoI for setting up BPO/ITES operations in terms of location and seats

| State(s) | Name of the location(s) (City/Town) | Number of seats for each location | Preference of location(s) (if any) | Justification for selecting each location* |
|----------|--|-----------------------------------|------------------------------------|--|
| | | | | |

Note: *Please provide detailed justification for selecting each location referred above, keeping in view various factors critical for BPO operations, such as:

1. Availability of local talent pool

(Education facilities, communication skills)

2. Infrastructure

(Connectivity, 24X7 Power Supply, Broadband)

3. Government Support

(Government focus on IT-BPO sector, infrastructure)

4. Enabling Business Environment

(Business environment in State / location)

5. Social and Living Environment

(Quality and cost of living, Health and Entertainment facilities)

6. Any other parameters