

No. 11(24)/2014-IP: S&ITS  
Government of India  
Ministry of Electronics and Information Technology (MeitY)  
Industry Promotion: Software & IT Services Division  
Electronics Niketan, 6, CGO Complex

New Delhi-110003  
Date: 9<sup>th</sup> March, 2018


**Subject: Consolidated Administrative Approval of India BPO Promotion Scheme (IBPS) dated 9<sup>th</sup> March, 2018.**

- Ref:**
- 1. Administrative Approval No. 11(24)/2014-IP: S&ITS dated 28<sup>th</sup> December, 2015.**
  - 2. Consolidated Administrative Approval of India BPO Promotion Scheme (IBPS) dated 2<sup>nd</sup> January, 2017.**
  - 3. Consolidated Administrative Approval of India BPO Promotion Scheme (IBPS) dated 22<sup>nd</sup> March, 2017.**
  - 4. Consolidated Administrative Approval of India BPO Promotion Scheme (IBPS) dated 16<sup>th</sup> August, 2017.**

**Implementing Agency: Software Technology Parks of India (STPI).**

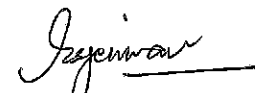
The undersigned is directed to convey the approval of the Competent Authority to amend certain existing provisions of the above referred Administrative Approval for implementation of India BPO Promotion Scheme (IBPS) outlined in Annexure.

2. This issues with concurrence of IFD vide OPA No. 3066151 dated 24.01.2018 and the approval of Secretary, MeitY vide Diary No. 3 dated 29.01.2018.

  
(Rajeshwar Singh Janwar)  
Scientist 'D'

Copy to:

1. Pay & Accounts Officer, Ministry of Electronics & Information Technology, New Delhi.
2. Office of Director General of Audit, Post & Telecommunication, Shammath Marg, Civil Lines, Delhi – 110 054
3. Drawing & Disbursing Section, MeitY
4. DFA, IFD, MeitY
5. All GCs, MeitY
6. Chief Executive Officers of all autonomous bodies under MeitY
7. DG(STPI)
8. Sanction Folder

  
(Rajeshwar Singh Janwar)  
Scientist 'D'

**Annexure to the Administrative Approval No. 11(24)/2014-IPS&ITS dated 9<sup>th</sup> March, 2018**

**India BPO Promotion Scheme (IBPS)**

**1. Summary**

The India BPO Promotion Scheme (IBPS), envisaged under **Digital India Programme**, seeks to incentivize establishment of 48,300 seats in respect of BPO/ITES operations across the country [excluding certain Cities as in *Annexure-I* and the States in North East Region (NER)], distributed among each State in proportion of State's population as in *Annexure-III*, at an outlay of Rs. 493 Crore up to 31.03.2019, for creating employment opportunities and balanced regional growth of Information Technology and IT Enabled Services (IT/ITES) Sector in each State. IBPS provides the following financial supports with overall cap of Rs. 1 Lakh/seat in the form of Viability Gap Funding (VGF) to eligible Companies based on performance, i.e. generation of new employment and new economic activity in IT/ITES sector, through BPO/ITES operations:

- (i) **Financial Support:** Up to 50% of expenditure incurred on BPO/ITES operations towards capital expenditure (CAPEX) and/or operational expenditure (OPEX) on admissible items as per Annexure-II, subject to an upper ceiling of ₹ 1 Lakh/Seat.
- (ii) **Special Incentives:** The following special incentives will be provided within overall ceiling of total financial support i.e. Rs. 1 Lakh/seat:
- a. **Incentive for diversity & inclusion:** Special incentive (% of eligible financial support) for Units providing employment to women and persons with disability will be provided as under:

<b>Inclusion &amp; Diversity</b>	<b>Special Incentive (% of eligible financial support)</b>
50% women employment	5%
4% Employment of persons with Disability	2%

- b. **Incentive for providing employment beyond target:** Special incentive (% of eligible financial support) for units providing employment beyond employment target (1.5 times the number of seats) will be provided as under:

<b>Employment generation</b>	<b>Special Incentive (% of eligible financial support)</b>
2 X no. of seats	5%
2.5 X no. of seats	7.5%
3 X no. of seats	10%

- c. **Incentive for wider dispersal within State including rural areas:** Special Incentive (5% of eligible financial support) for units setting up BPO/ITES operations at locations other than the State Capital.
- d. **Incentive for promoting local entrepreneur:** Special Incentive (5% of eligible financial support) for units setting up BPO/ITES operations as a consortium with local entrepreneur (Domicile of State/UT).
- e. **Special Package for Hilly Region (Himachal Pradesh, Uttarakhand and Jammu & Kashmir):** The eligible entities can participate in the scheme with minimum 50 seats with average annual turnover of last 3 FYs as Rs. 1 Crore instead of minimum 100 seats with average annual turnover of last 3 FYs as Rs. 2 Crore.

(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/UTs based on demand.

(iv) The quantum of financial support is proposed to be determined through an open bid system, subject to overall ceiling referred at sub-para (i) above. Inter-alia, bids would be invited from eligible companies, who are interested in setting up BPO/ITES operations, through open Request For Proposal (RFP), to determine the lowest amount of Financial Support to be provided as Viability Gap Funding.

(v) Company seeking to avail financial support under this scheme, shall be under obligation not to claim the similar financial support under any other Scheme of the Central/State Government concerned. However, other supports not claimed under IBPS, may be availed from other Scheme of the Central/State Government.

## 2. **Duration**

The duration of IBPS is up to 31.03.2019. The prospective units can apply under IBPS upto 31.03.2019, subject to availability of seats. However, considering disbursement schedule of the scheme, disbursement may go beyond 31.03.2019.

## 3. **Location**

The scheme would be implemented to incentivize setting up of BPO/ITES operations across the country [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 growth.

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## 5. Eligibility Criteria(s)


The bidder would be required to meet the following conditions:

- (i) The bidder must be registered in India under The Companies Act, 1956 or The Companies Act 2013 (as amended till date) or registered under The Limited Liability Partnership Act, 2008 (as amended till date), as applicable.
- (ii) The bidder would be at liberty to bid for minimum of 100 seats and maximum 5000 seats either (a) at one location (city/State) or (b) at multiple locations (city/States) across the country. However, minimum number of seats to setup operation at a location is 50 seats.

In order to give flexibility to the units, 100 seats bidder can split its BPO/ITES operations in 2 units with one of units having minimum 25 seats.

To facilitate setting up large BPO/ITES units, the existing units under the scheme can expand their operation at the same location also by participating in fresh round of bidding. However, Maximum seats to one bidder are limited to 5000 seats across all States including the seats already approved/allotted.

- (iii) The bidder must commit to operate for a minimum period of 3 years.
- (iv) The bidder should have achieved a minimum average annual turnover during last 3\* financial years, as per total number of seats applied under IBPS, detailed as follows:



Number of seats/bidder across States/UTs	Minimum Average Annual Turnover of last 3 FYs (Rs. in Crore)
50 [Available in HP, J&K, and UK only ]	1
100	2
101-500	5
501-1000	15
1001-2000	40
2001-5000	150

*\*To promote newly set up companies/entrepreneur, the average annual turnover criteria is relaxed from last 3 years to 1 completed audited financial year, with a condition that 100% Bank Guarantee is deposited against the disbursements of financial support.*

OR

An **entity** registered under Companies Act or Limited Liability Partnership Act, but not able to meet above financial criteria, can form a

Consortium with an Indian Company which is able to fulfill above financial eligibility criteria and other conditions. 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 from date of commencement of BPO/ITES operations. The eligible Indian company of the consortium will be considered as bidder and fulfill all the eligibility conditions including turnover criteria and positive net worth.

OR

An entrepreneur or a Society (registered under Societies Registration Act, 1860 or State Society Registration Act) can form a Consortium with an entity registered under Companies Act or Limited Liability Partnership Act which is able to fulfill above financial eligibility criteria and other conditions. The eligible entity must have at least 26 % equity shareholder in the Consortium and commit to maintain minimum equity shareholding (26%) for at least three years from date of commencement of BPO/ITES operations. The eligible Indian entity able to meet above financial criteria shall be the lead member of the Consortium or the bidder. (Criteria of Turnover and positive net worth of the eligible Indian entity will be considered.)

OR

To facilitate setting up small BPO/ITES operations limited upto 100 seats only, an Entrepreneur or a Proprietary firm or an Entity registered under Companies Act or Limited Liability Partnership Act but not able to meet above financial criteria or a Society (registered under Societies Registration Act, 1860 or State Society Registration Act) can form a Consortium with an Indian Company registered under Companies Act 1956/2013 or Limited Liability Partnership Act fulfilling the above financial eligibility criteria together, subject to furnishing 100% Bank Guarantee. However, registered company under Companies Act 1956/2013 will be the prime bidder fulfilling all other terms & conditions. The **entity** registered under Companies Act or Limited Liability Partnership Act must have at least 26% equity shareholder in the Consortium and commit to maintain minimum equity shareholding (26%) for at least three years from date of commencement of BPO/ITES operations.

- (v) The bidder is neither allowed to expand BPO/ITES operations at the same city nor shifting of operations of any kind. However, an established BPO/ITES Company at one city may establish its operation at another city under the IBPS.
- (vi) The bidder must commit itself to employ at least 1.5 times the number of seats (**employment target**) for period of 3 years, for which the bid is submitted and claim for financial support is to be subsequently made, after the commencement of BPO/ITES operations.
- (vii) The bidder must furnish an undertaking to take either appropriate

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premises on lease for at least 3 years or produce the proof of ownership of the premises for setting up BPO/ITES operations at the location referred at (ii) above. [Minimum 40 Sq Ft per seat].

- (viii) The bidder should have positive net worth in the last audited financial year statement, duly certified by a Chartered Accountant. If bidder is not able to fulfill positive net worth criteria, bidder may form a consortium with an Indian Company able to fulfill positive net worth in the last audited FY statement and other criteria(s) to be eligible.
- (ix) The bidder should not be under a Declaration of Ineligibility for corrupt or fraudulent practices or blacklisted by any of the Government agencies. Self-Declaration should be given by authorized signatory.

## 6. Bidding Process and Evaluation of Bids

- (i) IBPS envisaged two stages approach involving Expression of Interest (EOI) and open bid system using Request for Proposal (RFP):

### **Stage 1: Invitation of Expression of Interest (EOI)**

### **Stage 2: Open Bidding through Request for Proposal (RFP)**

(ii) After Expression of Interest (EOI) stage, on behalf of the Ministry of Electronics & IT (MeitY), the implementing agency, Software Technology Parks of India (STPI), an autonomous society of MeitY will be responsible for bid management and consequential steps. The STPI will invite Bids from the eligible companies through Request for Proposal (RFP). The Bidders would be required to quote its most reasonable amount towards capital expenditure (CAPEX) and/or operational expenditure (OPEX) as Viability Gap Funding (VGF) as its bid, subject to the ceiling of Rs. 1 lakh per seat and other applicable terms and conditions along with Business Plan.

(iii) In order to facilitate companies to invest as per their business needs and to keep the scheme always open, companies which started their operations after bid closing for a particular round of IBPS are allowed to bid in the immediate next round of bidding, subject to other terms and conditions.

(iv) The RFP Document would indicate in adequate details various aspects of the bidding process, evaluation methodology, etc. and would inter-alia envisage the following:

- a) The Bidders interested in setting BPO/ITES Operations would be required to submit its bid in Two-Bid Format, viz. Technical and Financial Bids along with Bid Security [Bid Security would be Rs. 5,000 per seat], each sealed separately. The Bidder would be required to put these three sealed envelopes (Technical Bid, Financial Bid and Bid Security) in a big envelope duly sealed and send it to the STPI by or before the Due Date. The Formats for Technical and Financial Bids would be specified in the RFP Document.
- b) In order to allow flexibility to the bidder to choose any location within a State based on business needs and ensure dispersal among bidders comparing their

scale of operations, seats within a State has been categorized in Seat Slabs, detailed as under:

Seats Slab (SS) in a State	Number of Seats in a Slab
SS0 [Available in HP, J&K, and UK only ]	50
SS1	100
SS2	101-200
SS3	201-400
SS4	401-500
SS5	501-1000
SS6	1000+

- c) Based on above Seats-Slab based approach, the distribution of Seats-Slab among each State/UT would be as under, subject to availability of seats for State:

State/UTs	Total Seats in a State/UT	Eligible Seats Slabs available for bidding
Goa, Andaman & Nicobar, Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep, Puducherry	100 each	SS1
Himachal Pradesh	300	SS0, SS1, SS2, SS3
Uttarakhand	400	SS0, SS1, SS2, SS3
Jammu & Kashmir	600	
Haryana	1000	SS1, SS2, SS3, SS4, SS5, SS6
Chhattisgarh	1100	
Telangana	1200	
Punjab	1200	
Jharkhand	1500	SS1, SS2, SS3, SS4, SS5, SS6
Kerala	1500	
Odisha	1900	
AndhraPradesh	2200	SS1, SS2, SS3, SS4, SS5, SS6
Karnataka	2300	
Gujarat	2700	
Tamilnadu	2800	SS1, SS2, SS3, SS4, SS5, SS6
Rajasthan	3000	
Madhya Pradesh	3200	
West Bengal	3400	
Maharashtra	3900	
Bihar	4600	
UP	8800	

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- d) The bidder can make bid for a single State or Multiple States, subject to fulfilling turnover criteria as per 5(iv) and other terms and conditions.
- e) The bids under IBPS will be evaluated State-wise (separately for each State) in a Round Robin manner as per Seat Slabs.
- f) In a State, bidder will give single bid in single Seat-Slab only. However, bidder may choose to setup BPO/ITES operations at a particular location or multiple locations within the State (minimum 50 seats at one location).
- g) The lowest bidder (L1) for all Seat Slabs in a State will be determined, and bidder claiming the lowest among all Seat Slab will be declared successful.
- h) Subsequently, the lowest bidder in ascending order from the other Seat Slab in a State will be declared successful in a Round Robin manner, subject to availability of seats.
- i) If two or more bidders in a Seat Slab (L1 & L2 or L2 & L3 and so on) bid the same amount, then bidder quoting lesser number of seats will be considered first for ensuring wider dispersal. In case numbers of seats are also same for two or more bidders in a Seat Slab, then the bidder with higher net worth will be considered first.
- j) After completion of one round across Seat Slabs, the second lowest bidder(s) and other bidders of each Seat Slab in the same sequence as determined in first round would be asked to match the lowest bid for financial support and on its acceptance such bids would be treated as successful bids, subject to availability of seats.
- k) In case, there are less than three bids in a State, then these bidders may be offered to match L1 of the State having nearest lower match in terms of number of seats, seat slabs.
- l) The Successful Bidders will be conveyed In-Principle Approval (IPA) by STPI, enabling it to take consequential steps for starting BPO/ITES operations. These Successful Bidders would be required to enter into an Agreement, separately for each location, with the STPI-HQ, within a period of two weeks from the date of issue of the above In-Principle Approval.
- m) In the event of non-utilization of the projected 48,300 seats or failure of bidding process for whatever reasons in the first round of bidding or for any other bonafide reasons, STPI would be at liberty to go for fresh round of bidding.

*Signature*



## 7. IBPS Management Committee (IMC)

The IBPS Management Committee (IMC) has been constituted for monitoring and reviewing the scheme on a regular basis, comprising the following:

(i) Additional Secretary, e-Gov, MeitY	Chairperson
(ii) Joint Secretary/GC (ICIP Group), MeitY	Member
(iii) Representative, State Govt(s)	Member
(iv) Director General - STPI	Member
(v) Representative, IFD, MeitY	Member
(vi) HoD, IPS&ITS Division, MeitY	Member
(vii) JD, IPS&ITS Division, MeitY	Member-Convener

Role of IMC would be to oversee all aspects related to effective implementation of the Scheme, like finalization of Expression of Interest (EoI), Request For Proposal (RFP) document, bid management process, award of IPA, recommendation for VGF disbursement claims etc.

## 8. Terms & Conditions relating to Commencement of BPO/ITES Operations, Disbursement of financial support/incentives and procedure thereof

(i) The Successful bidder (BPO Unit) shall be under obligation to commence its BPO/ITES operations within 6 months, from the date of issue of In-Principle Approval (IPA) referred above. If the BPO Unit not able to commence its BPO/ITES operations within the 6 months from issuance of IPA, it can request to give extension not more than 3 months with penalty of 2% per month (for each completed month) of eligible financial support (on pro-rata basis for both installments) after expiry of 6 months duration. Failure to do so shall automatically result in cancellation/termination of IPA/Agreement and EMD will be forfeited.

(ii) The disbursement will be made based on performance, i.e. generation of new employment and new economic activity in IT/ITES sector. To support overall objectives of the Scheme, successful bidder(s) may outsource the operations (Civil and IT infrastructure, employees) from other service provider(s), subject to conditions:


- (a) The service provider must be a registered company under The Companies Act, 1956/2013 or Limited Liability Partnership Act 2008.
- (b) All the obligations and liabilities of the RFP will remain with the prime bidder. Prime bidder will ensure to meet all the objectives like employment target, new economic activity in IT/ITES sector for that location and timelines of the scheme.
- (c) Detailed service/facilities agreement with the service provider needs to be submitted to STPI by the prime bidder at the time of reporting Commencement of Operation (COO).

(iii) Soon after the commencement of BPO/ITES Operations, the unit shall report the fact of commencement of its operations to STPI within a period of two weeks. The STPI should provide the report of commencement of operation after site visit to MeitY within two weeks from the intimation by the BPO unit. The BPO Unit can request for

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release of advance of 10% of approved financial support as per IPA, after verification of COO by STPI, subject to furnishing Bank Guarantee of 10 % of approved financial support as per IPA valid for 3 years from commencement of operation and its verification by STPI. The eligible support as per the agreed amount shall be released in 3 yearly installments, subject to fulfillment of all formalities and compliance with various conditions laid down in this scheme and submission of following documents:

- (a) Aadhaar number of regular employees recruited/joined the unit after the issuance of In Principle Approval (IPA).
- (b) PAN of regular employees recruited/joined the unit after the issuance of In-Principle Approval (IPA).
- (c) Provident fund account number and Aadhaar linked Universal Account Number (UAN) for the regular employees recruited/joined the unit after the issuance of In Principle Approval (IPA).
- (d) Proof of Employee State Insurance (ESI) contribution for the regular employees eligible under this scheme and recruited/joined the unit after the issuance of IPA.
- (e) Proof of State Professional Tax, wherever applicable.
- (f) Certificate of Disability issued by a Medical Authority (Notified by the State Govt.).
- (g) Any other relevant documents.

 (iv) **Disbursement of Financial Support:** The successful bidder needs to submit proof of expenditure at the time of claiming VGF. The approved amount of financial support will be disbursed in three installments as under:

**The first installment** shall be upto 40% of the total eligible VGF, to be calculated on pro-rata basis, subject to at least 50% of employment target from commencement of operation (one time waiver of up to first three months may be provided from commencement of operations in calculating employment target) and further subject to verification of required proofs/documents and site inspection by STPI. This installment shall be claimed anytime after one year from commencement of operation but not later than fifteen months from commencement of operation.

**The Second installment** shall be upto 70% of total eligible VGF, to be calculated on pro-rata basis, subject to meeting at least 50% of employment target from [waived] commencement of operation and further subject to verification of required proofs/documents and site inspection by STPI. This installment shall be claimed anytime after twenty four months from commencement of operation, but not later than twenty seven months from commencement of operation.

**The Third installment** shall be upto 100% of total eligible VGF, to be calculated on pro-rata basis, subject to meeting at least 50% of employment target from [waived] commencement of operation and further subject to verification of required proofs/documents and site inspection by STPI. This

installment shall be claimed anytime after thirty six months from commencement of operation, but not later than thirty nine months from commencement of operation.

- (v) **Procedure to calculate employment target for disbursement of financial support:** Average monthly employment for the duration from commencement of operation till the time of request for release of financial support will be considered to calculate the eligible financial support for each installment.  
*e.g. Assuming the estimated per seat expenditure for setting up BPO/ITES operations is Rs. 1,60,000/seat then the bid amount of the Unit shall be Rs. 80,000/seat. If the unit wins the bid for 100 seats BPO/ITES operation @ ₹ 80,000/seat and the actual expenditure by the unit is Rs. 1,60,000/seat or more, then the disbursement of financial support in different scenarios will be as under:*

S. No	Achieved average monthly Employment Target (E.T.) at the time of claiming 1 <sup>st</sup> installment from commencement of operation	Disbursed amount of financial support in 1 <sup>st</sup> installment (X% of E.T. * 40% of Total financial support - advance amount)	Achieved average monthly Employment Target (E.T.) at the time of claiming 2 <sup>nd</sup> installment from commencement of operation	Disbursed amount of financial support in 2 <sup>nd</sup> installment (remarks) [(X% of E.T. * 70% of Total financial support) - disbursed amount till 1 <sup>st</sup> installment]	Achieved average monthly Employment Target (E.T.) at the time of claiming 3 <sup>rd</sup> installment from commencement of operation	Disbursed amount of financial support in 3 <sup>rd</sup> installment (remarks) [(X% of E.T. * Total financial support) - (disbursed amount till 2 <sup>nd</sup> installment)]
I	90% (135 persons against E.T. of 150)	₹ 20.8 Lakh [₹ 28.8Lakh - ₹ 8 Lakh]	80% (120 persons against E.T. of 150)	₹ 16 Lakh [₹ 44.8Lakh - ₹ 28.8 Lakh]	70% (105 persons against the target of 150)	₹ 11.2 Lakh [₹ 56Lakh - (₹ 28.8 Lakh+₹ 16 Lakh)]
II	90% (135 persons against E.T. of 150)	₹ 20.8 Lakh [₹ 28.8Lakh - ₹ 8 Lakh]	90% (135 persons against E.T. of 150)	₹ 21.6 Lakh [₹ 50.4Lakh - ₹ 28.8 Lakh]	90% (135 persons against E.T. of 150)	₹ 21.6 Lakh [₹ 72Lakh - (₹ 28.8 Lakh+₹ 21.6 Lakh)]
III	60% (90 persons against E.T. of 150)	₹ 11.2 Lakh [₹ 19.2Lakh - ₹ 8 Lakh]	90% (135 persons against E.T. of 150)	₹ 31.2Lakh [₹ 50.4 lakh - ₹ 19.2 Lakh )	80% (120 persons against E.T. of 150)	₹ 13.6 Lakh [₹ 64 lakh - (₹ 19.2 Lakh + (₹ 31.2 Lakh )
IV	60% (90 persons against E.T. of 150)	₹ 11.2 Lakh [₹ 19.2Lakh - ₹ 8 Lakh]	90% (135 persons against E.T. of 150)	₹ 31.2Lakh [₹ 50.4 lakh - ₹ 19.2 Lakh )	100% (150 persons against E.T. of 150)	₹ 29.6 Lakh [₹ 80 lakh - (₹ 19.2 Lakh + (₹ 31.2 Lakh )

*Signature*

- (vi) **Disbursement of Special Incentives:** The special incentives is to be provided with/after the disbursement of 1<sup>st</sup> installment of VGF on production of documentary proofs of employment as per Para 8(iii) above, subject to fulfillment of other terms and conditions:
- (a) **Incentive for diversity & inclusion:** This incentive will be provided on subject to fulfillment of at least 50% of employment target.
  - (b) **Incentive for providing employment beyond target:** This incentive will be provided to the units providing employment beyond employment target i.e. 1.5 times the number of seats as stated above.
  - (c) **Incentive for wider dispersal within State including rural areas.**
  - (d) **Incentive for promoting local entrepreneur.**
- (vii) The BPO Unit would be required to furnish a Bank Guarantee of 10% of the approved financial support as per IPA from a Public Sector bank or Scheduled Commercial Bank, valid for a period of 3 years before the release of 10% advance of the approved financial support as per IPA (excluding period of claim).
- Disbursement*
- (viii) **Change of location after signing the Agreement:** The successful bidder may request for change of location after signing the agreement with STPI for consideration of IMC with adequate justification. It should be noted that the change of location would be limited to non-Capital to non-Capital location or Capital to non-Capital location within the State. However, after the disbursement of financial support the change of location would not be permissible upto 1 year from date of last disbursement.
- (ix) STPI Hqrs shall timely recommend to the MeitY, the release of BPO Unit Wise financial Support, in respect of each installment, after completion of verification and other formalities, which shall be arranged to be released by IP: Software and ITS Division, MeitY, after securing the approval of the Competent Authority.

## 9. Implementation Timeline

Sl. No	Activity/Milestone	Time Periods
1	Award of In-Principle Approval (IPA) to the successful bidder	T0
2	Signing of Master Service Agreement (MSA)	T1 : T0 to T0+02 weeks
3	Commencement of BPO/ITES operations	T2: T0 to T0 + 06 months T2: T0 to T0 + 09 months [with penalty as per Para 8(i)]
4	Report to STPI about commencement of operation (COO)	T3 : T2 to T2 + 02 weeks
5	Verification of COO by STPI	T4: T3 + 02 weeks
6	Grant of advance	T5: T4 + 04 weeks, after furnishing Bank Guarantee for 10% of eligible bid amount and its verification by STPI.
7	Release of Bid Security Deposit (BSD)/Earnest Money Deposit (EMD)	T6: T5
8	Request for release of VGF1 and special incentives	T7 : T2 + 1 year to T2+ 1 year and 3 months
9	Request for release of VGF2	T8 : T2 + 2 year to T2+ 2 year and 3 months
10	Request for release of VGF3	T9 : T2 + 3 year to T2+ 3 year and 3 months
11	Release of BG	On disbursement of VGF3

## 10. Performance and Exit Management

(i) The document inviting bids would spell out in detail the various aspects of Performance and Exit Management including the following:

(a) In the event of the BPO Unit not being able to claim VGF within stipulated timeframe from the date of commencement of its operations, the BPO Unit will not be eligible for any support whatsoever and the IPA/Agreement shall be deemed to have been cancelled/ terminated.

(b) In the event of the BPO Unit not being able to achieve minimum employment target of 50%, within stipulated timeframe from the date of commencement of its operations (one time waiver up to first three months waiver may be provided from commencement of operations in calculating

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employment target), the Unit shall not be eligible for any support whatsoever and the IPA/Agreement shall be deemed to have been cancelled/ terminated.

(c) The BPO Unit will be obligated to furnish quarterly performance report, inter-alia, indicating the average monthly employment in the Unit. At the stage of release of Bank Guarantee, average employment of last three years will be calculated. In the event of the BPO Unit not meeting the employment target (based on which the VGF amount was released), the STPI would be at liberty to invoke the Bank Guarantee.

(ii) The BPO Unit shall be under obligation to furnish any information sought by an authorized representative of MeitY/STPI, within a reasonable time frame and failure to do so may amount to Encashment of Bank Guarantee.

(iii) The MeitY shall be at liberty to relax any condition, for reasons to be recorded in writing, for achieving the larger objective of this Scheme and removal of difficulties.

#### 11. Financial Outlay

The overall financial outlay will be limited to Rs. 493.0 crore under "Promotion of IT/ITES Industry" Budget Head.

#### Year wise Phasing of the IBPS Cost Outlay

Budget Outlay of IBPS ( ₹ in Crore)							
Category	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Allotted Budget
Total Financial Support @ ₹ 1 lakh/seat (Including CAPEX, OPEX and Special Incentives)	0	0	33.0	120.0	150.0	180.0	483.0
Administrative expenses including Awareness & Communication, publicity for bidding process, PMU, Monitoring etc.	1.0	3.0	2.0	2.0	1.0	1.0	10.0
<b>Total</b>	<b>1.0</b>	<b>3.0</b>	<b>35.0</b>	<b>122.0</b>	<b>151.0</b>	<b>181.0</b>	<b>493.0</b>

#### 12. Nodal Agency for Implementation:

The Software Technology Parks of India (STPI) shall be the Nodal Agency for implementation of this Scheme.

**Annexure-I**

**List of the cities (including Urban Agglomeration) with significant level of IT-BPO activities – Excluded from India BPO Promotion Scheme (IBPS)**

- Bengaluru
- Chennai
- Hyderabad
- Kolkata
- Mumbai
- Delhi-NCR
- Pune

*Jayaram*

Annexure-II

**List of admissible items for Capital Expenditure (CAPEX) and  
Operational Expenditure (OPEX)**

<b>S. No.</b>	<b>Item Description</b>
1	Servers with OS
2	Software and Hardware per license cost for BPO/ITES 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 systems
11	Computer Furniture
12	Central Air-conditioning equipment, air-conditioning System
13	Captive Diesel Generating Set and transformer of capacity commensurate with the actual requirement of the unit , solar power / Non conventional Energy Generation Set ( <b>OPTIONAL</b> )*
14	Fax Machine
15	Private automatic branch exchange
16	Training
17	Data Communication
18	Premise Rental
19	Electricity Charges
20	Travelling Allowances for employees
21	Research and Innovation
22	Other misc. goods and services not exceeding 5 % of the total cost of above items including canteen setup, tools, kits and spares etc.

\* 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).



**Annexure-III**

<b>IBPS BPO Seats Distribution across State(s)/UT(s) based on population % as per Census 2011</b>				
<b>State/UT</b>	<b>Population</b>	<b>Population %</b>	<b>Seats by population %</b>	<b>Seats Rounded-off to nearest hundred</b>
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 Island	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
<b>Total</b>	<b>10828,23,931</b>	<b>100.00</b>	<b>48,000</b>	<b>48,300</b>

**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.