

# **Uttar Pradesh Information Technology & Start-Up Policy 2017-2022**

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## Introduction

India's success in the area of Information Technology (IT) Software and related services has been acknowledged globally. IT-BPM Industry is contributing highest relative share in national GDP, at around 9.3%. Globally, India has become the third largest start-up hub, with more than 4750 start-ups. India continues to take big strides to propel the IT-BPM and start-up environment. Towards this direction, Uttar Pradesh has been consistently focusing on **developing infrastructure, human capital development and effective policy measures to create conducive environment for the growth of IT-BPM industry and start-up ecosystem.** The Uttar Pradesh IT & Start-up Policy aims to tap in the potential of technology sector as a great harbinger of change, **reaping in benefits of job creation, innovation and holistic socio-economic development.**

The State Government has heralded tremendous transformation by creating an enabling policy environment, in tandem with undertaking proactive initiatives for translating these policies on ground. Uttar Pradesh has developed the twin cities of Noida and Greater Noida as leading software and start-up hubs. Spreading the growth in an equitable and balanced manner, Tier-II and Tier-III cities stand to benefit immensely from all round development initiatives. A state of the art **IT City is being established on PPP model in Lucknow.** Further, **IT Parks are being set up in cities like Agra, Meerut, Kanpur, Gorakhpur, Varanasi, Bareilly** etc.

With the goal of nurturing innovation and entrepreneurship and **encouraging youth in Uttar Pradesh to become "Job creators" instead of "Job seekers,"** the State is taking laud worthy efforts. An INR 1000 Crore **Uttar Pradesh Start-up Fund** is being established to provide access to finance, exclusively to UP based start-ups. **Incubators have been developed at premier institutes** like IIT-Kanpur, IIT-BHU, IIM-Lucknow (Noida), KNIT

Sultanpur to inculcate start-up culture among young entrepreneurs and innovators. The **country's biggest Incubator** is envisioned to be established in Uttar Pradesh to galvanize start-up revolution in India.

In congruence with Digital India vision, the State Government has made **quantum leaps in the areas of governance and service delivery** with the introduction of single window for all the citizen centric government services under e-District. **More than 60,000 CSCs** are delivering G2C/B2C services to citizens. Ushering in digital transparency in procurement process, **path-breaking initiative of e-tendering** has been implemented across all Government departments. Under Bharat Net, all villages across Uttar Pradesh are set to be connected through optical fibre connectivity by 2018.

To ensure **creation of friendly business climate through ease of doing business** reforms, single window clearance mechanism has been instituted at Udyog Bandhu. Further, for guiding and facilitating investors, entrepreneurs and start-ups under UP IT & Start-up Policy, a **dedicated policy implementation unit** has been established at UP Electronics Corporation Limited. The best of industry consultants – KPMG has been roped in as the policy implementation unit partner.

## Vision, Mission & Objective

### Vision

"To develop IT as a vehicle for holistic socio-economic development of Uttar Pradesh with a focus on creating employment, promoting entrepreneurship, innovation and enhanced quality of life"

## Mission

The mission of the State is to:

- To develop Uttar Pradesh as a leading IT/ITeS investment destination
- To create a conducive environment for the growth of investors, entrepreneurs and start-ups
- To generate employment opportunities and nurture entrepreneurship among the youths in Uttar Pradesh
- To create equitable and balanced growth across the state by enabling effective use of technology

## Objectives

- To develop and promote attractive business ecosystem in UP by offering congenial, business friendly and progressive reforms, initiatives and unique value propositions
- To promote human development and infrastructure development by means of IT Cities, IT Parks, IT-BPM units
- To instill and nourish entrepreneurship and innovation by providing impetus to Start-ups, Incubators, Centers of Excellence
- To lead digital empowerment through creation of citizen centric services, whereby welfare is generated across all sections of the society

## Recent Initiatives

**CM Helpline:** CM Helpline is an effort to reach out to citizens proactively to address their concerns, issues and grievances in the shortest time possible. Further, the helpline will ensure transparency for the services provided by the different government departments to the citizens of the state.

**E-tendering:** The process of procurement has been made entirely transparent through implementation of e-tendering across all departments. This reform ushers in fairness, accountability and healthy competition for government and private players.

**IT City:** A state of the art IT City has been built over 100 acre of land at Lucknow. The project entails an envisaged investment worth INR1500 Crores and aims to provide employment to 75,000 people. It is based on Walk to Work Model. 60% of land is earmarked for core area activities and 40 % land has been designated for non-core activities.

**IT Parks:** IT Parks are being established at Agra, Meerut, Gorakhpur, Kanpur, Lucknow, Varanasi, Bareilly etc for encouraging employment avenues in Tier-II and Tier-III cities. They contribute towards significantly boosting the IT exports of the state. Separate guidelines will be released to promote IT Parks in Uttar Pradesh.

**Incubators:** With the goal of breeding innovation and entrepreneurship, the state government has collaborated with premier institutes like IIT-Kanpur, IIT-BHU, IIM-Lucknow (Noida), KNIT Sultanpur to establish Incubators. The country's biggest Incubator is envisaged to be established in Uttar Pradesh.

**Citizen Service Delivery:** Provision of e-Services is being made through internet and Common Service Delivery outlets such as Jan Seva Kendra, Lokvani, e-Suvidha etc

**MMPs:** MMPs (Mission Mode Projects) like e-Districts, CCTNS (Crime and Criminal Tracking Network and Systems) and projects of Department of Panchayati Raj, Commercial taxes, Food & Civil Supplies have been implemented successfully.

**BharatNet:** State Government is playing a proactive role in improving the communication and connectivity across the state by leveraging BharatNet in addition to

National Knowledge Network (NKN) framework. Existing UPSWAN connectivity would be extended to Gram Panchayats through BharatNet.

**SDC2.0:** ISO 27001 certified UPSDC (state data center) has been established as central data repository to which state departments are linked for 24x7 public domain information usage. A centralized green data centre (SDC 2.0) is planned, which would be cloud ready and based on "Pay as per Use" Model.

**E-office:** For improving the operational efficiency, reduce turnaround time, enhance transparency and accountability of State Departments, e-Office is being implemented across the state departments.

**Center for e-Governance:** Centre for e-Governance (CeG)/State e-Governance Mission Team (SeMT) is the nodal body for implementation of IT/e-Governance initiatives in state. CeG/SeMT in collaboration with different departments shall take up new initiatives in line with the vision of Government of Uttar Pradesh.

**India BPO Promotion Scheme:** The government promotes establishment of BPO units under India BPO Promotion Scheme. The state government extends additional capital support and incentives under this scheme to BPOs in UP

**m-governance:** Government shall promote m-Governance across government services through building mobile based applications and citizen services. Various mobile applications such as m-Sehat, m-Swasthya, UPOne, UP-BUS etc have been developed and implemented by the state departments

**Wi-Fi:** The state government shall ensure that specified Public Places, Educational Institutes, Tourist Places, Business Hubs etc. be made Wi-Fi enabled in a phased manner across the State.

# Incentives for IT/ITeS Sector

## Incentives for IT/ITeS Sector

The following incentives are offered to IT/ITeS units across the state of Uttar Pradesh

### 1: Fiscal Incentives

#### 1.1: Interest Subsidy

- An **interest subsidy of 5% per annum** on the rate of interest paid on the loans obtained from Scheduled Banks/ Financial Institutions for a period of 7 years shall be reimbursed subject to a maximum of INR 1 crore per annum per unit

#### 1.2: Stamp Duty

- **100% exemption of stamp duty** on purchase/lease of land/office space/buildings for IT/ITeS use with condition of commencing operations within 3 years

#### 1.3: Exemption of Electricity Duty

- **100% exemption on Electricity duty** for new IT/ITeS units for a period of 10 years post commencement of commercial operations

#### 1.4: Incentives for Certifications

- Reimbursement of the cost incurred by an IT/ITeS Company operating in the State on successfully securing quality & IT related certifications such as Capability Maturity Model (CMM) level 2 upwards, ISO 27001 for security, ISO 20000 for service management terminology, COPC, eSCM certification with **maximum reimbursement of 3** certifications with total limit of **INR 25 lakhs per unit**. The similar certifications related to this sector shall be included from time to time

#### 1.5: Grant on EPF for Employment generation

- **100% reimbursement of the total EPF** amount paid for IT/ITeS Professionals of Uttar Pradesh domicile with employment for continuous 1 year, after start of

commercial operation, subject to the Maximum of INR 20 Lakhs per annum for 5 years for a unit.

### 1.6 Recruitment Assistance

- **Recruitment Assistance** to IT/ITeS units in Tier-II and Tier-III locations at the rate of **INR 20,000 per employee** (continuous employment of minimum 6 months) for annual recruitment of at least 50 new IT-BPM professionals from colleges located in Uttar Pradesh.

### 1.7 Patent Filing Cost

- The cost of filing patents will be reimbursed to the companies having their headquarters in Uttar Pradesh, subject to a limit of INR 5 Lakhs per domestic patent awarded and INR 10 Lakhs per International patent awarded

## 2: Other Incentives

### 2.1: Provision for Land

- **Reimbursement upto 25% of the cost of land** @INR 15,000 per employee, providing employment to minimum 200 people per acre of land. The employment should be for a continuous period of one year. This reimbursement shall be given to IT/ITeS units on purchase of land from state agencies at prevailing sector rates.
- **Floor Area Ratio(FAR):** FAR 3 and 1 (Purchasable, as per building by-laws prevalent at that time) applicable to IT/ITeS units including IT City and IT Park
- **IT/BPO units** which employ a minimum of 20 people and a maximum of 50 people shall be allowed to establish anywhere irrespective of the master plan or Land use classification, barring public places, semi-public facilities, traffic and transport, parks and open spaces, green belt and agricultural land usage.

### 3: Incentives on Case to Case Basis

- **For promoting 'Ready to Move In' facility:** Incentives on case to case basis shall be given to developers for establishing more than 5 acres IT Park in Tier-II & Tier-III cities.
- **For IT/ITeS Mega Unit investments:** The incentives offered on Case to Case basis shall be in the form of interest subsidy, stamp duty exemption, EPF reimbursement, training subsidy, land rebate etc. The maximum limit of financial incentives may be relaxed on the recommendation of the Empowered Committee, subject to the approval of State Cabinet.
- Incentives offered on Case to Case basis for Mega Projects, would be applicable under the following framework:

Minimum eligibility requirements		
Category	Tier-I	Tier-II / Tier -III
<b>Mega</b>	Investment in the range of Rs.100-Rs.200 Crore  Or  Employment of more than 2500 workers	Investment in the range of Rs.50-Rs.100 Crore  Or  Employment of more than 1000 workers
<b>Mega Plus</b>	Investment more than Rs. 200 Crore  Or  Employment of more than 5000 workers	Investment more than Rs. 100 Crore  Or  Employment of more than 2000 workers

### 4: Non-Fiscal Incentives

- Exemption from the purview of the UP Pollution Control Act, except in case of power generation sets of capacity of more than 25 KVA for IT/ITeS Industry.
- Exemption for IT/ITeS Industry from inspections under the following acts and rules framed there under, barring inspections arising out of specific complaints.
- The IT/ITeS industry are permitted to file self-certifications (may be amended from time to time), in the prescribed formats for:
  - I. The Factories Act
  - II. The Maternity Benefit Act
  - III. The Shops & Establishments Act
  - IV. The Contract Labour (Regulations & Abolition) Act
  - V. The Payment of Wages Act
  - VI. The Minimum Wages Act
  - VII. The Employment Exchanges (Compulsory Notification of Vacancies) Act

#### 4.1: 24x7 Operations

- Permission to IT and ITES companies to have 24x7 operations (to run in three shifts) and employment of women in all three shifts

#### 4.2: Applicability of Industrial Tariff

- Industrial Power tariff will be applicable to all IT/ITeS units

### 5: Additional Incentives to MSME IT/ITeS units

#### 5.1: Rebate on Lease/Rental Space

- Reimbursement up to 25% of lease /rental charges for the space for MSME IT/ITeS units established in the state operating from leased / rented space in IT cities/IT



Parks or any notified location, will be eligible with maximum limit of INR 10 lakhs per year, for a period of 3 years for MSME IT/ITeS units from the date of commencement of commercial operations.

#### **5.2: Power subsidy**

- MSME IT/ITeS units shall be eligible for 25% subsidy on power bills for a period of 3 years from the date of commencement of commercial operations, subject to a maximum limit of INR 30 lakhs

#### **6: Special Incentives for Bundelkhand/ Poorvanchal Region**

In addition to the incentives mentioned above, IT/ITeS units in Bundelkhand/ Poorvanchal region shall also be eligible for additional incentives, given below:

##### **6.1: Rebate on Lease/Rental Space**

- Reimbursement up to 50% of lease /rental charges on the space for IT/ITeS units established in the Bundelkhand/ Poorvanchal region operating from leased / rented space in IT cities/IT Parks or any notified location, will be eligible with maximum limit of INR 20 lakhs per year, for a period of 3 years from the date of commencement of commercial operations.

##### **6.2: Power subsidy**

- IT/ITeS/BPO units shall be eligible for 50% subsidy on power bills for a period of 3 years from the date of commencement of commercial operations, subject to a maximum limit of INR 50 lakhs

##### **6.3: India BPO Promotion Scheme**

- Capital Subsidy amounting to 50% of one time capital expenditure incurred on every seat under India BPO Promotion Scheme, shall be given to BPOs in Bundelkhand/ Poorvanchal region

#### **7: Digital Uttar Pradesh Summit**

- In order to build a robust ecosystem for IT/ITeS sector, an annual event “Digital Uttar Pradesh Summit” shall be organized. This shall be a platform for dialogue, deliberation and collaboration among important stakeholders for galvanizing digital ecosystem in the state. Government of Uttar Pradesh shall promote UP based IT/ITeS units for participation in Digital Uttar Pradesh Summit.

# Incentives for Start- ups

## Incentives for promoting Start-ups

### 8: "Start in Uttar Pradesh (START-IN-UP)" to promote startup culture & entrepreneurship in Uttar Pradesh

The Uttar Pradesh Start-up Policy gives thrust to "START IN UP", to nurture startup culture using INFUSE model (INcubators – FUnd of Funds – Startup ENtrepreneurs). Various incentives shall be provided by the Government to Incubators, Startups and Investors funding UP based startups

#### IN - Incubators

##### 8.1: Incentives for Incubators:

- State Government shall promote establishment of Incubators across Uttar Pradesh. It is envisaged that every district in Uttar Pradesh shall have an Incubator. Further, the country's largest Incubator is envisioned to be set up in Uttar Pradesh
- Host Institutes like Government and Private Technical, Management, R&D institutes, organizations / non-profit organization/ corporates / industry association or in PPP mode shall be encouraged to establish Incubators or Accelerators in Uttar Pradesh.
- The selection of Host Institutes shall be done after due diligence and on case to case basis.

##### The following incentives can be availed for establishing Incubators / Accelerators

- **Capital Grant:** Capital grant of max 75% in case of Government Host Institutes and 50% in case of other Host Institutes for technology infrastructure setup, subject to a maximum limit of 1 crore. The same limit shall be applicable to existing Incubator/Accelerator for scaling up
- **Operational Expenditure:** Financial support up to the tune of INR 5 Lakhs per

year for 5 years, covering the deficit of the operational expenditure in running the Incubator / Accelerator.

- **Rebate on Lease/ Rental Space:** Reimbursement up to 25% of lease /rental charges on the space in which Incubator / Accelerator operates, shall be eligible with maximum limit of INR 10 lakhs per year, for a period of 5 years or until the Incubator is self-sustainable, whichever is earlier.
- **Reimbursement of paid Stamp Duty and Registration Fee:** Incubators/Accelerator shall be eligible for 100% reimbursement of the Stamp Duty and Registration Fee paid on sale/ lease / transfer of land and office space for the first transaction
- **Electricity Duty Exemption:** Eligible Incubators/Accelerator will be given 100 % reimbursement for a period of 5 years
- **Mentors:** Honorarium of INR 2 Lakhs per mentor associated with Incubator / Accelerator. The honorarium amount shall be linked with start-ups being guided by each Mentors in the Incubator / Accelerator

#### Centers of Excellence

##### 8.2: Incentives for Incubators:

- To further propel the growth of start-up ecosystem, creation of world class infrastructure in the form of **Centers of Excellence (CoE)** is envisaged by the Government of Uttar Pradesh.
- CoE proposes to strengthen existing capacities of Incubators and **bring with them maturity and experience in incubation, exemplary standards of R&D, best practices for nurturing startups,** capability to accelerate businesses and provide global networks for startups to exploit
- The CoEs shall **be set up to promote focus areas** like Big Data, Cloud

Computing, Internet of Things (IoT), Machine Learning, Artificial Intelligence, Cyber Security, clean-tech, edu-tech, agri-tech, health-tech and other areas of social/national importance

- Host Institutes like Government and Private Technical, Management, R&D institutes, organizations / non-profit organization/ corporates / industry association or in PPP mode can establish CoEs
- The Government of Uttar Pradesh would provide financial support in the form of Grant-in-aid (covering capital and operational expenditure) of INR 10 crore to CoE for a maximum period of 5 years. It is expected that the CoE would become self-sustainable by the end of 5 years
- The approval for setting up CoEs shall be contingent upon Empowered Committee' decision. The release of funds / incentives by the Government shall depend upon their performance.

### 8.3 Collaborative Network of Incubators / Accelerators / CoE

- The Incubators / Accelerators / CoE supported by State Government under UP Start-up Policy shall form a collaborative network to propel the growth of start-up ecosystem.
- They shall be expected to work closely with each other to support start-ups. Suitable mechanisms may be devised by Incubator/ Accelerators / CoE to facilitate knowledge sharing and idea exchange among start-ups.
- This may be achieved through organization of bootcamps / workshops / start-up weekends / events / conclaves etc. Further, start-ups shall also be entitled to access common spaces like conference rooms/ meeting rooms / R&D facilities etc of Incubator/ Accelerators / CoE located across different locations in Uttar Pradesh

## FU - Fund of Funds

### 8.4: Access to Finance by UP Government

- The Government of Uttar Pradesh shall provide access to finance to start-ups in Uttar Pradesh by establishing an INR 1000 Crore UP Start-up Fund.
- The Fund shall be in the form of fund of funds. In this model, the Fund will not be invested directly into start-ups, rather, it shall participate in SEBI approved investors.
- Alternatively, the Fund shall not be invested directly into start-ups, rather it shall make investment in "Daughter Funds," which would invest in startups promoting innovative ideas across all sectors in Uttar Pradesh
- The Government of Uttar Pradesh would take minority participation in the Daughter Fund, by being a limited partner of upto 25%
- The Fund would be professionally managed and a Fund Manager shall be nominated/appointed to manage the UP Start-up Fund, granted by the State Government.

## SE - Start-up Entrepreneurs

### 8.5: Incentives for Start-ups & Entrepreneurs

#### Definition of Start-up

An entity shall be considered a start-up, on fulfilling the following conditions:

- The entity should be **registered in Uttar Pradesh**
- The entity should fulfill the terms and conditions defining start-up as per the **Government of India definition**, vide notification no. G.S.R. 501 (E) dated May 23, 2017 and as amended from time to time

*Note: Any other condition as decided by Government of Uttar Pradesh*

## Domain of Start-up

Start-ups are entitled to **work across all sectors** (e.g agriculture, health, education, IoT, 3D printing, Bid Data etc) and they should be **supported by technology**

The start-ups fulfilling the above conditions and being incubated in UP based Incubators/ Accelerators / CoEs shall be eligible for following incentives:

- **At Idea Stage:** Startups shall be provided sustenance allowance of INR 15,000 per month for a period of 1 year at the idea stage
- **At Pilot stage:** Startups shall be provided marketing / commercialization assistance of upto INR 10 Lakhs to launch its prototype product /services in the market at Pilot stage.
- **Patent Filing Cost:** The cost of filing and prosecution of patent application will be reimbursed to the incubated startup companies subject to a limit of INR 2 lakh per Indian patent awarded and INR 10 lakh per Foreign awarded patents

*Note: The recommendation for start-ups to receive the above incentives shall be forwarded by the Incubator/Accelerator/CoE in which the start-up is being incubated in Uttar Pradesh*

### 8.6: Non-Fiscal Incentives for Start-ups and Incubators

Startups and incubators in the State will be permitted to file self-certifications, in the prescribed formats under the following acts and rules framed (may be amended from time to time) there under barring inspections arising out of specific complaints:

- i. The Factories Act
- ii. The Maternity Benefit Act
- iii. The Shops & Establishments Act
- iv. The Contract Labour (Regulations & Abolition) Act

- v. The Payment of Wages Act
- vi. The Minimum Wages Act
- vii. The Employment Exchanges (Compulsory Notification of Vacancies) Act

- Permission shall be available for **3-shift operations with women working** in the night for startups, subject to such units taking the prescribed precautions in respect of safety and security of employees in addition to providing the required welfare and health amenities as prescribed under applicable labour laws and obtaining the necessary approvals from the competent authority

### 8.7: Uttar Pradesh Start-up Mela and UP Aavishkaar Puraskar

- The Government of Uttar Pradesh shall organize **Start-up Mela** every quarter, wherein start-ups would be invited to offer innovative solutions for problem statements (challenges faced on a day-to-day basis) by State Government / Departments/ Agencies/ Organizations etc.
- The objective of Start-up Mela is to involve students and entrepreneurs in the development process of state and nation. Further, it aims to kindle and nurture the spirit of entrepreneurship among them.
- The selected start-ups would be awarded **UP Aavishkaar Puraskar**, along with a funding of upto INR 50 Lakhs to implement their solutions in a time bound manner
- Performance of selected start-ups shall be assessed by the concerned State Government / Departments/ Agencies/ Organizations on a continuous basis.
- The selected start-ups shall also be eligible to receive free incubation support for a period of 2 years in Incubator/Accelerator/CoE supported by

State Government under UP Start-up Policy

### 8.8: Other Promotional support

- Uttar Pradesh shall promote organization of **start-up challenges, Hackathons, bootcamps, workshops, business plan competitions, conclave, conferences** etc to boost the start-up environment.
- Uttar Pradesh shall be promoted as an entrepreneur friendly destination through participation in national and international events, sponsoring the participation of local startups in such events and various other means.
- The government shall provide sponsorship assistance, subject to a maximum of INR 50,000 per start-up for organization/participation in such forums

*Note: The UP Government shall adopt and notify changes in UP Start-up Policy to be in alignment with Central Government, from time to time*

### 9: Policy Implementation Unit

- In Uttar Pradesh, a **Policy Implementation Unit (PIU) shall be established under the chairmanship of Principal Secretary, Department of IT & Electronics.** The Policy Implementation Unit shall take decisions on matters pertaining to effective and successful implementation of IT & Start-up Policy, like those related to promotion of start-ups, Incubators, Venture Capitalists, Start-up Corpus Fund, IT/ITeS units. The PIU shall be responsible for providing recommendation and approval for incentives applicable to IT/ITeS units, Incubators/Accelerators/CoE and Startups etc in Uttar Pradesh. It shall provide timely redressal of their grievances and facilitate necessary guidance and support. In case, a decision is not being able to resolve at the level of PIU, it shall be taken up to the Empowered

Committee, chaired by the Chief Secretary.

- The PIU shall comprise of Consultants appointed on an outsourcing basis to implement, support, monitor and provide feedback to Policy Implementation Unit Committee/ Empowered Committee on the implementation of Uttar Pradesh IT & Start up policy for a period of 5 years. Other primary responsibilities of PIU include facilitation to potential investors, liaison with Government functionaries, engagement with Industry, Industry Associations, Entrepreneurs and Start-ups, Branding and Marketing of policy.

*Note: Department of IT & Electronics shall nominate its nodal agency to promote IT/ITeS units, Start-ups, Incubators/Accelerators/CoE & encourage Host Institutions in the state. It shall be the nodal agency for implementing UP IT & Start-up Policy*

### 10: Empowered Committee

- **State Level Empowered Committee under the chairmanship of the Chief Secretary** shall oversee the development of UP IT & Start-up Policy and monitor the implementation of the same. This committee shall among others comprise APC, IIDC, and Principal Secretaries of IT&E, Finance, Planning, MSME, Commercial Tax, Energy, Transport, Revenue, Housing and other departments as required
- The Empowered Committee shall provide approval for investment on case to case basis, for development of IT City/IT Park/Mega Investment/ Incubators / CoEs, to bring about inter-Departmental coordination, for establishment of Fund of Funds, for grievance redressal of investors, start-ups etc.
- The maximum limit of financial incentives under the UP IT & Start-up Policy, may be

relaxed on the recommendation of the Empowered Committee

### **Policy Duration**

This Policy is valid for a period of 5 years from the date of its notification. It supersedes the UP IT Policy 2012 and UP IT & Start-up Policy 2016

## Glossary

1. **“IT Industry”** includes IT Hardware and IT/ITES units/companies. Where IT units/companies include IT Applications, software and IT services and IT Enabled Services includes BPO/ KPO/Consulting /Animation and Gaming and other Knowledge Industry units.

2. **Software services** include:

- Application software
- Operating system
- Middleware/Firmware
- Any component level development of the above software.
- Design and Quality assurance work for these software.
- System integration work/components for software.
- Any localization and SCM work in the software.
- Extension development (modules outside the main software).

3. **“IT”** is defined as any service which results from the use of any IT software over a system of IT products for realizing value addition.

Information Technology services include:

- Application software
- Internet Service Provider
- E-mail Service Provider
- World wide web Service Provider
- E-commerce and content development
- Electronic Data Interchange (EDI) Services
- Video conferencing
- V-SAT, ISDN services
- Electronic Data Centre activities

4. **“IT enabled Services** include processes and services that are delivered over telecom networks or the internet to a wide range of business segments such as Medical Transcription, Legal Database processing, IT, Education and Training, Legal process outsourcing, IPR services, Digital content development / animation, Remote Maintenance, Back office operations – Accounts/Financial services, Electronic, Medical and Health consultancy, Bio informatics, Data Processing and Call Centers etc.

ITeS include, but are not limited to:

- BPM(Business Process Management)
- Customer interaction services, e.g., call/contact centers and email help desks
- Engineering and design
- Back office processing
- Finance and accounting (provided remotely)
- Insurance claims processing (provided remotely)
- HR services (provided remotely)
- Web site development and maintenance services
- Data search, integration and analysis
- Network consulting and management
- Remote education
- Animation (provided remotely)
- Gaming
- Market research (provided remotely)
- Translation, transcription and localization (provided remotely)
- Consultancy (Provided remotely) for:
  - IT sector
  - ERP – Enterprise Resource Planning (e.g. SAP, Oracle etc)
  - CRM – Customer Relationship Management
  - MRM- Marketing Resource Management
  - Technical support
  - Business Systems and Processes
- Data Processing
- System Integration and customization.
- System Upgradation services
- Designing and designing systems
- Call centers:
  - Voice- Both inbound and outbound
  - Data- Both inbound and outbound
- Software Extension development
- IT Facilities management (including provided remotely)

5. **Classification of Cities**

- Tier I – Noida, Greater Noida
- Tier II - Lucknow, Agra, Kanpur, Allahabad, Meerut, Varanasi and other cities having population more than INR 20



lakhs including Yamuna Expressway region in particular.

- Tier III- cities having population less than INR 20 lakhs.

6. **MSME-** Micro, Small & Medium Enterprises IT/ITeS units with an annual turnover of up to INR 25 Cr.

*The nature of an IT/ITES company is such that there is a relatively lower investment compared to other sectors. Hence the definition is changed from MSME, GoI definition, so that the scale of the company is determined by its revenues*

#### 7. **State Agencies**

- Development Authorities
- Housing Boards
- Lucknow Industrial Development Authority (LIDA)
- UPSIDC
- Other State Institutions notified by the Government

8. **Startup:** An entity shall be considered as a Startup on fulfilling the conditions defined by Government of India, vide notification no. G.S.R. 501 (E) dated May 23, 2017 (and as may be amended from time to time)

The conditions are as follows:

a) if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India; and

b) up to seven years from the date of its incorporation/ registration; however, in the case of Startups in the biotechnology sector, the period shall be up to ten years from the date of its incorporation/ registration; and

c) if its turnover for any of the financial years since incorporation/ registration has not exceeded Rupees 25 crores; and

d) if it is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation.

Provided that any such entity formed by splitting up or reconstruction of a business already in existence shall not be considered a 'Startup'

e) *The Start-up should be registered in Uttar Pradesh*

9. **Incubators:** The incubator shall be responsible to support startups by providing plug and play facilities, meeting/conference rooms/office space and shared administrative services, High-speed Internet access etc. The Incubators shall also provide services like mentors to start-ups, training, funding, legal services, accountancy services, technical assistance, networking activities, marketing assistance, links to higher education resources etc, in collaboration with State/Central Government, as possible

10. **IT City:** An IT City requires 100 to 500 acres of land which will be used in the ratio of 60:40 approximately as processing and non-processing area. The processing area would consist of only IT units like IT companies, BPO's, KPO's etc. The non-processing area would include residential facilities, public utility offices/facilities/commercial area, Education, Healthcare and open spaces

11. **IT Park:** An IT Park is constructed with minimum floor area of approximately 15000 square meters. It may or may not include public utility offices/ facilities in the said premises. The area allotted for IT activities should be 75% of the allocable area. An IT park contains most of the technological infrastructure similar to an IT city like optic fibre connectivity, Broad band connectivity, Wi-Fi access, Video conferencing facilities etc. IT Park is a subset of an IT City with entire area dedicated majorly on IT activities

**Department of Information Technology and  
Electronics, Government of Uttar Pradesh**  
with

UP Electronics Corporation as Nodal Agency  
for Policy Implementation Unit (PIU)

**Address:** 10-Ashok Marg, Lucknow-226001

**Phone no:** 0522-2286808, 2286809, 2286812

**Email:** [info@itpolicyup.gov.in](mailto:info@itpolicyup.gov.in)

**Website:** [itpolicyup.gov.in](http://itpolicyup.gov.in)

KPMG is the Policy Implementation Unit (PIU)  
Partner for UP IT & Start-up Policy