सत्यमेव जयते

GOVERNMENT OF GUJARAT

IT / ITeS
Sector Profile

Sector segmentation - India

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	IT services	Business Process Management (BPM)	Software products and engineering services	Hardware
Market size	• Market Size: US$ 80.08 billion during FY17E.	• Market size: US$ 29.26 billion during FY17E.	• Market size: US$ 29.26 billion during FY17E.	• Market size: US$ 14 billion in FY17E.
Sector Share	• IT services had 52 per cent share in total Indian IT sector revenues in 2017.	• BPM segment had 19 per cent share in Indian IT sector revenues in 2017.	• It had 19 per cent share in Indian IT sector revenues in 2017.	• The segment had 9 per cent share in Indian IT sector revenues in 2017.
Share of exports	• Over 81 per cent of revenue comes from the export market.	• Around 87 per cent of revenue comes from the export market.	• Over 83.9 per cent of revenue comes from exports.	• The domestic market accounts for a significant share.
Key Trends	• BFSI continues to be the major vertical of the IT sector.	• Market size of BPM industry to reach US$ 54 billion by FY25.	• The software products and engineering services segment grew 10.5 per cent in FY17.	• Total exports from the IT-BPM sector (including hardware) were estimated to have been US$ 117 billion during FY17; rose at a CAGR of 12.84 % during FY09–17.

Source: NASSCOM; Ministry of Electronics and Information Technology, Govt. of India; DIPP

India Scenario

Growing IT Market Size

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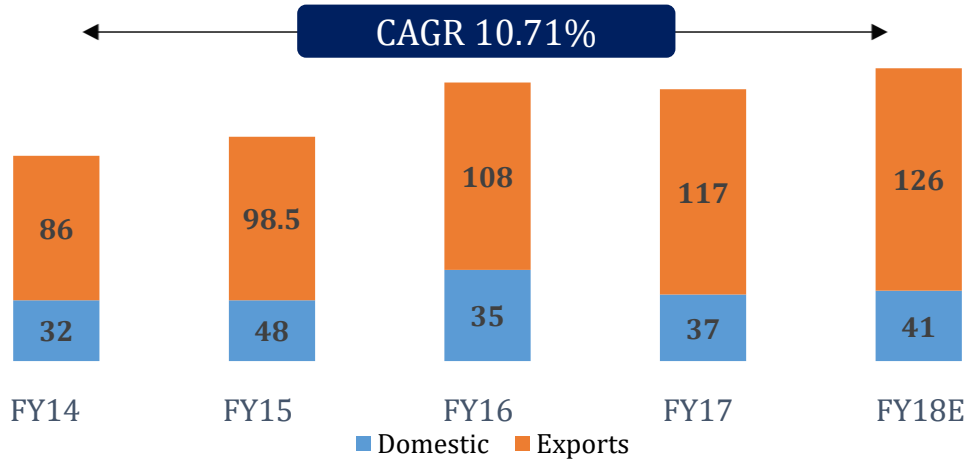
Sector expected to grow at a **~8 percent to $167 billion in FY18** from $154 billion in FY17 **and further expected** to reach **$350 billion by 2025**

7.7% share in GDP in 2016-17

37% share in FDI inflow into India

US$ 29.825 bn between April 2000 and December 2017

Market size of IT industry ($ billion)



Sector among the leading employment generators with **3.97 million people in FY17, 105,000 added in FY18**

India is the world's top sourcing destination in 2017-18 with a share of **~55 percent**

Sector acts as a backbone to 5200+ startups in the country

India has **1000+ global delivery centres** in 80 countries

Source: NASSCOM; Ministry of Electronics and Information Technology, Govt. of India; DIPP

Growing IT Market Size

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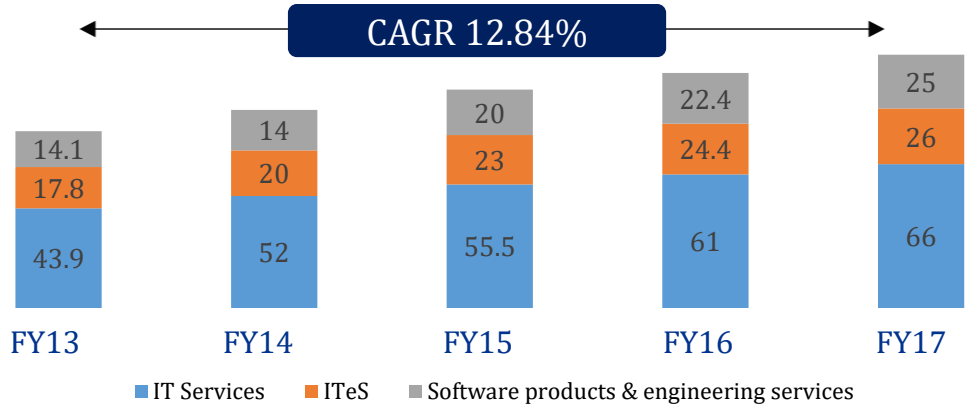
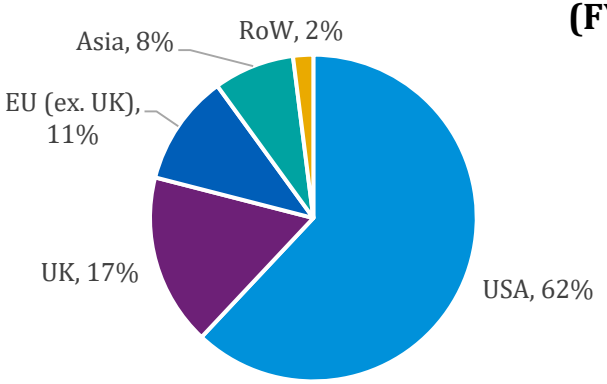
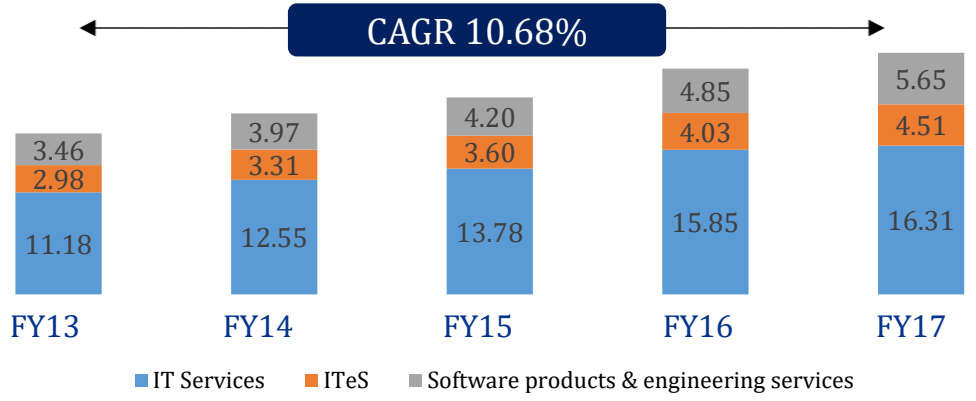
Growth in Exports Revenues ($ billion)



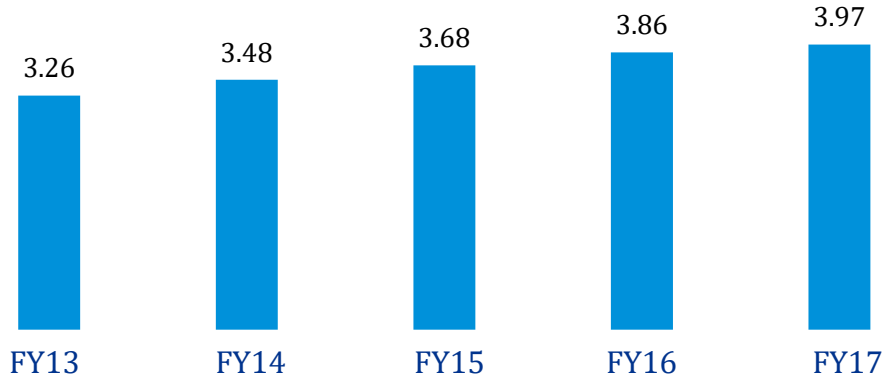
Share of IT/ITeS exports across geographies (FY17)



Growth in Domestic Revenues ($ million)



Direct Employment in IT/ITeS (millions)



Source: NASSCOM, Ministry of Electronics and Information Technology, Govt. of India

Digital India initiative

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The initiative of the Government of India envisions transforming India into a digitally empowered society and knowledge economy

Impact of Digital India by 2019

- Broadband in 250,000 villages, universal phone connectivity
- Net Zero Imports by 2020
- 400,000 Public Internet Access Points
- Wi-Fi in 250,000 schools, all universities; Public Wi-Fi hotspots for citizens
- Digital Inclusion: 17 million trained for IT, Telecom and Electronics Jobs
- Job creation: Direct 17 million & Indirect at least 85 million
- e-Governance & e-Services: Across government
- Digitally empowered citizens – public cloud, internet access

India BPO Promotion Scheme (IBPS) for employment generation & balanced growth of IT/ITeS in each state

- Direct Employment to more than 140,000 people
- Capital Support up to 50% of One – Time Expenditure incurred on admissible items subject to upper ceiling of INR 1 lakh per seat
- 48,300 seats in BPO Operations across the country

Gujarat Scenario

Overview

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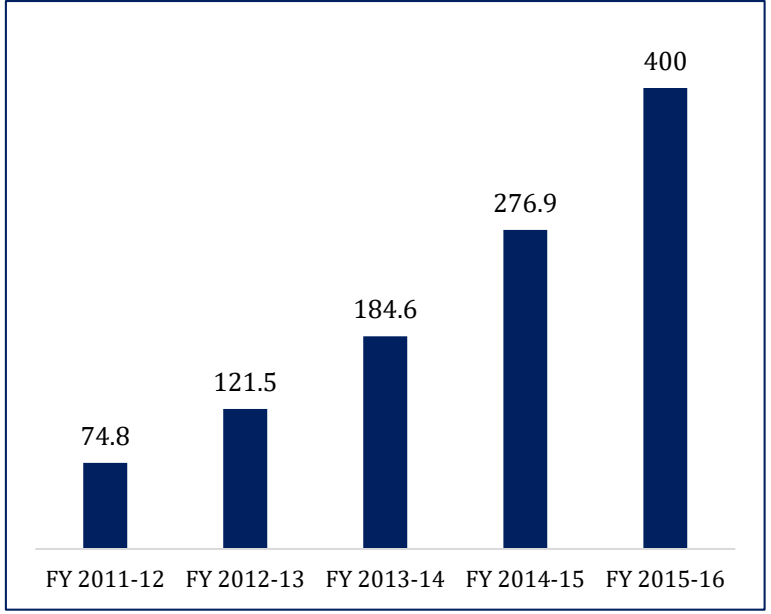
$1.1 billion	Size of ICT industry in Gujarat in FY2015-16
$5.4 billion	Investments attracted by IT sector in Gujarat in FY2015-16, according to a release by ASSOCHAM
$30 billion	Estimated total outstanding investments in IT sector in Gujarat by FY2020-21 :ASSOCHAM
$7 million	Computer hardware and peripherals exports from Gujarat in 2016

IT Exports from Gujarat ($ million)



1500+ companies registered with Gujarat Electronics & Software Industries Association (GESIA)

IT units in Gujarat are spreading their markets from the US to other regions like Europe, Middle East and Africa

Source: Department of Science & Technology, Government of Gujarat

1 USD = 65 INR

Infrastructure

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GIFT city, with its World Class infrastructure, offers an excellent platform for setting up of export oriented IT/ ITeS units

Infrastructure also developed at Garima Park - Gandhinagar, Astron IT Tech Park – Ahmedabad and L&T Technology Park in Vadodara

Gujarat has a Software Technology Park in Gandhinagar with a sub–center in Surat. Services offered

- Connectivity solutions from 64kbps to n*64Kbps capacity and above
- OSS Solutions with complete SLA
- End to End link monitoring backed by a strong Network Management Center
- Web Hosting Service and FTP Facility
- Space for Startups, R&D, MSMEs, and Incubation

Gujarat International Finance Tech City - GIFT City

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GIFT City

- Globally benchmarked International Finance Services Centre (IFSC)
- Strategically located with state-of-the-art infrastructure
- Targeting IT/ ITeS sector
- Offers an excellent platform for setting up of export oriented IT/ ITeS units
- First of it's kind development in scale, scope & quality

GIFT ICT advantage
• High speed IP-based network
• Infinite bandwidth
• Robust data centre with disaster recovery sites
• Intelligent building services
• Shared market infrastructure

Special Economic Zones

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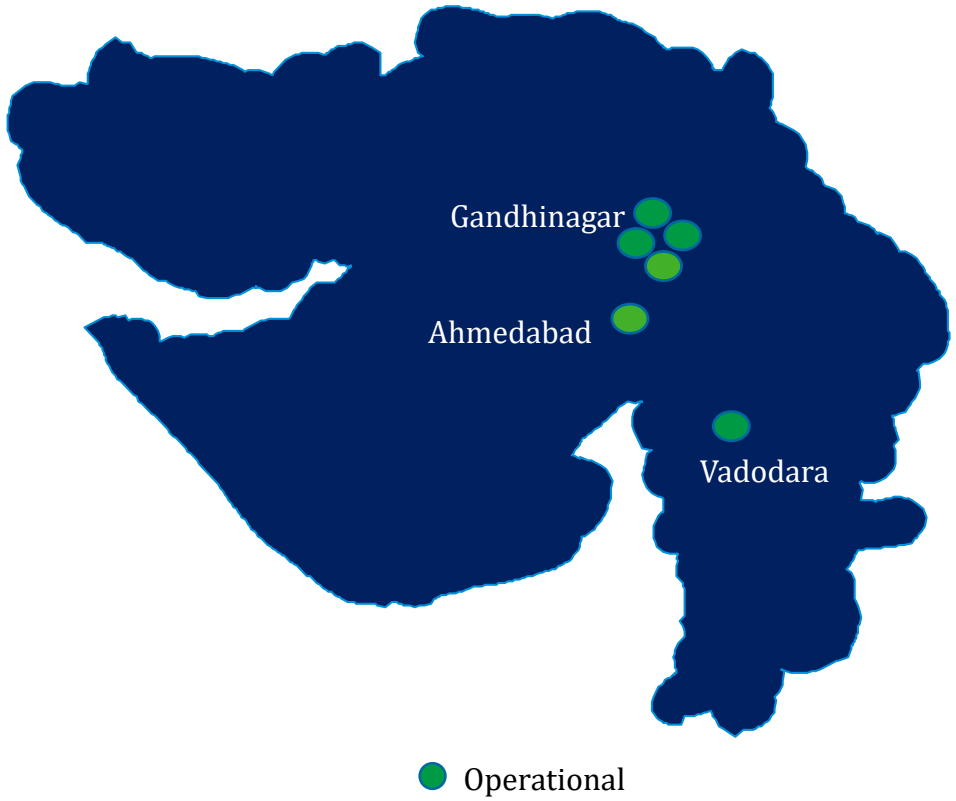
6 SEZs are fully operational



Operational IT/ITeS SEZs in Gujarat as on 1st Dec 2017

Name of SEZ	Total Area (Ha)	Location
Ganesh Infrastructure Private Limited	32.71	Ahmedabad
Aqualine Properties Private Limited	27.83	Gandhinagar
GIDC Electronic Park SEZ	28	Gandhinagar
Larsen & Toubro Ltd.	5.11	Vadodara
Tata Consultancy Services Limited	10.32	Gandhinagar
GIFT SEZ Limited	105.44	Gandhinagar

Source: sezindia.nic.in

Educational facilities

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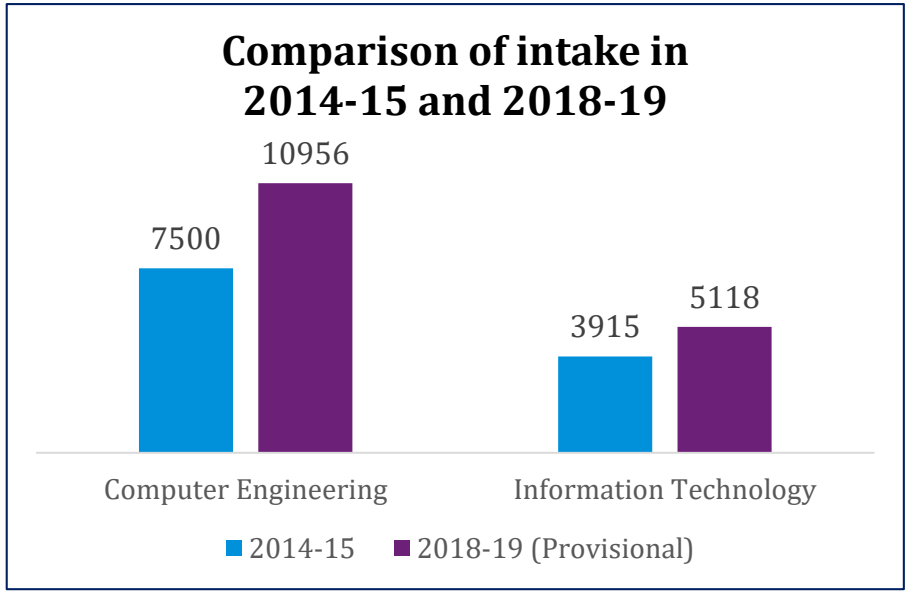
The stretch between Ahmedabad and Gandhinagar is being developed as a knowledge corridor with several Centres of Excellence (CoE) taking shape

Provisional intake for 2018-19		
Type of Institutes	**Computer Engineering**	**Information Technology**
Government	840	570
Grant-In Aid	165	0
Self-Financed Institutes affiliated with Gujarat Technical University	7026	2814
Self-Financed Institutes affiliated with Private University	2925	1734
Total	**10956**	**5118**



Source: Info Booklet-2018, Admission Committee for Professional Courses (ACPC), Directorate of Technical Education

IT/ITeS Policy (2016-2021)

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Incentives for Vertical & Horizontal IT/ITeS Parks

1. Capital Subsidy up to Rs. 25 Crore
2. Reimbursement of stamp Duty and Registration fee
3. Incentives on Power Tariff and Electricity Duty

Incentives for R&D Institutions

1. To setup - Assistance up to 60% of the project cost, excluding land, ceiling of Rs 50 lakhs.
2. For Contract/Sponsored research work - Assistance for 50% of the project cost, ceiling of Rs 50 lakhs.

Incentives for IT/ITeS Units

1. Reimbursement on EPF for a period of 5 years
2. VAT/CST/GST Incentive for a period of 8 years
3. Capital Subsidy @25% up to a ceiling of Rs. 1 Crore
4. Incentives on Power Tariff and Electricity Duty for 5 years
5. Lease Rental Subsidy @Rs. 8/Sqft to Rs. 3/Sqft for 5 years
6. Interest Subsidy @ Rs. 25 to 50 Lakhs/Year for 5 years
7. 100% Reimbursement on Stamp Duty and Registration Fee
8. Skill Enhancement @Rs.1 Lakh/year/unit
9. Quality Certification @Rs. 6 Lakhs in 5 years
10. Patent Assistance up to Rs. 10-25 lakhs in 5 years

Startup/Innovation Policy (2016-21)

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Incentives for Incubators

1. Capital Assistance up to Rs. 50 Lakh
2. Operating Assistance up tp Rs. 1 Crore per annum
3. Assistance for procurement of software up to Rs. 1 crore per annum
4. 100% Reimbursement on Stamp Duty and Registration Fee
5. Mentoring assistance of Rs. 5 lakhs per annum
6. Power Tariff subsidy at the rate of Rs. 1 per unit in the billed amount
7. 100% reimbursement on eleccity duty paid for 5 years

Incentives for Startups

1. 100% Reimbursement on Stamp Duty and Registration Fee
2. Lease Rental Subsidy @Rs. 15/Sqft/month
3. Interest Subsidy @ 9% p.a. up to Rs. 2 lakhs/year
4. Patent Assistance @75% of cost up to Rs. 2 lakhs/patent for domestic & Rs. 5 lakhs/patent for international patent
5. Bandwidth subsidy @70% of annual bandwidth charges up Rs. 20000 for 2 years
6. Marketing assistance @ Rs. 1 lakh per startup
7. Matching Equity support from GVFL up to Rs. 5 Crore

In all e-Governance Project undertaken by Government of Gujarat, part of work of value range between 5% and 10% will be outsourced to startups and student of Technical colleges in Gujarat.

Electronics Policy (2016-21)

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Incentives for Electronics Manufacturing Clusters (EMCs)

1. Capital Assistance up to Rs. 100 Crore
2. 100% Reimbursement on Stamp Duty and Registration Fee
3. Uninterrupted availability of power and power tariff subsidy for 5 years
4. Assistance to EMCs up to Rs. 5 Crore for setting up feeder and sub-stations

Incentives for Electronic System Design Manufacturing Units(ESDMs)

1. Capital subsidy up to ceiling of Rs. 100 crore
2. Interest subsidy for up to Rs. 10 crore/annum for a period of 5 years
3. 100% Reimbursement on Stamp Duty and Registration Fee
4. VAT/CST/GST Incentive for a period of 10 years
5. Reimbursement on EPF for a period of 5 years
6. Patent assistance up to Rs. 10-25 lakhs in 5 years
7. Support to R&D institutions and Quality certifications

Prominent Players

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TATA CONSULTANCY SERVICES

- The leading IT services, consulting and business solutions firm, has a 10,000-seat campus, Garima Park, in Gandhinagar
- The campus, in an approved SEZ, serves global customers
- Led to the expansion of the IT industry in Gujarat

L&T Infotech

- The company operates its Technology services business from its campus at the L&T Knowledge City at Vadodara

ORACLE

- Commenced operations at its new product development centre (PDC) at GIFT City in Gandhinagar with 120 professionals

CISCO

- Started Cisco START, a product portfolio specifically designed to help SMBs in Gujarat build their digital foundation and become globally competitive
- Signed 2 MoUs - establishing an IoT Innovation hub to develop and customize digital technologies and solutions with iCreate and a Smart City project in GIFT City

Other key players

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Capgemini

CIGNEX DATAMATICS Making Open Source Work®

Atos

Tech Mahindra

ARROW

GIPL Guj Info Petro Limited

vodafone

MasterCard

Silver Touch TECHNOLOGIES

SIEMENS
Centre of Excellence

IBM
Centre of Excellence

DEV™ IT Simplified...

Investment Opportunities

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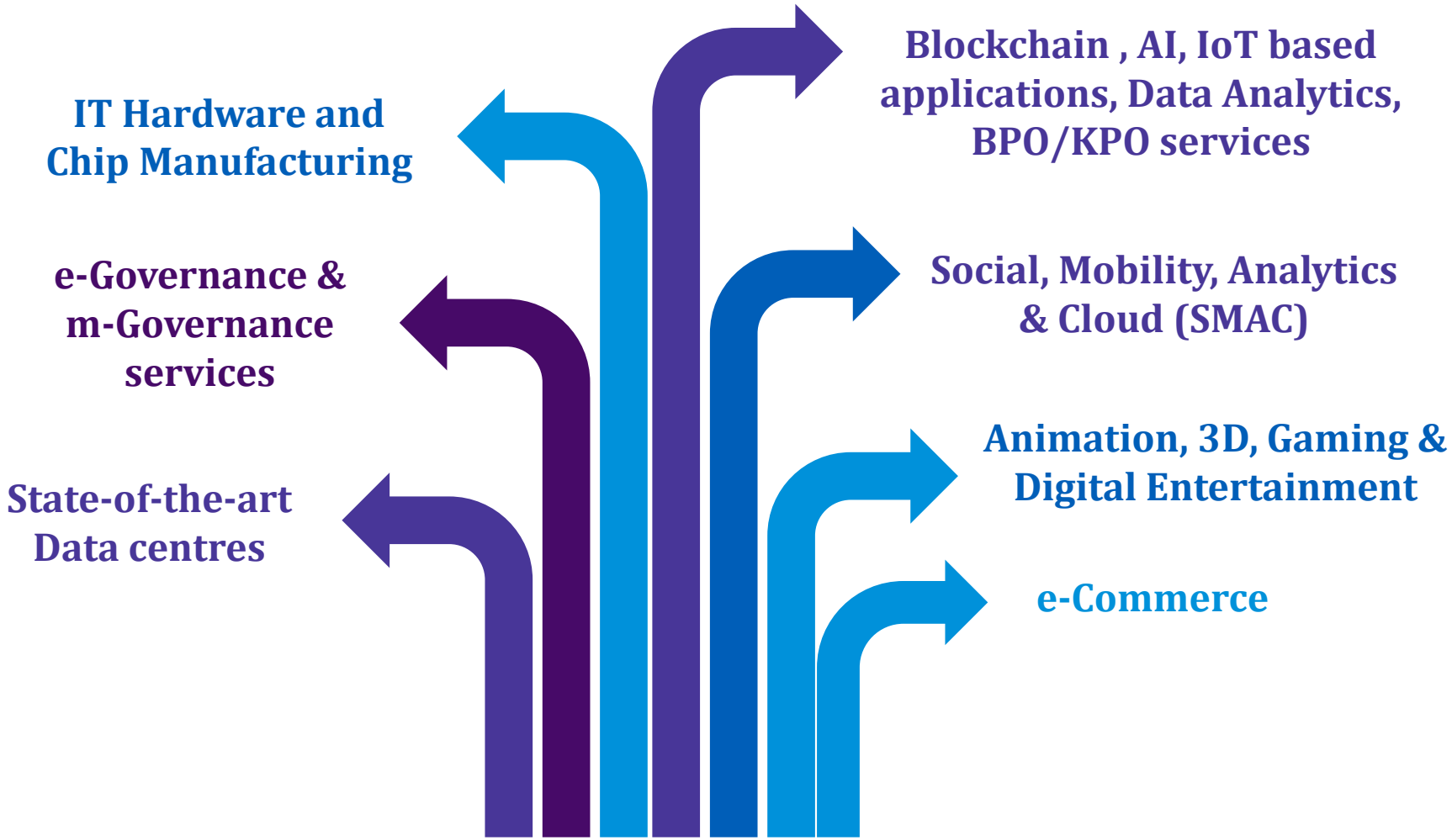

Details of Nodal Department / Agencies

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Department of Science & Technology	https://dst.gujarat.gov.in/
Gujarat Informatics Limited	https://gil.gujarat.gov.in/

Thank you