

## FAQ'S

## Sectoral

### IT and BPM

#### 1. What are the steps taken by Department of Electronics and Information Technology (DeitY) to support the growth of the sector?

The steps taken are as follows: a) Infrastructure support: The Department has set up Information Technology Investment Regions (ITIRs). These regions are supported equipped with excellent infrastructure. b) R&D promotion: 150% of expenditure incurred on in-house R&D is also available under the Income Tax Act. In addition to the existing scheme for funding R&D projects, the department has put in place the 2 key schemes: i) Support International Patent Protection in Electronics & IT (SIP-EIT). ii) Multiplier Grants Scheme (MGS). c) Tax incentives: Over the years, the Government has been taking steps to bring down the total taxation level on electronics hardware.

#### 2. What is the overview of the IT BPM sector in India and the performance of this sector in recent times?

India's IT BPM industry amounts for 56% of the global outsourcing market size. The sector has witnessed a series of investments in recent times. Ministry of Electronics and Information Technology (MEITY) has approved 67 proposals worth \$ 2.5 bn; 16 venture funds have been set up and equity inflow of \$ 1.8 bn in computer software and hardware sector. You can find details regarding reforms, information on sub-sectors and government targets and initiatives in the Achievement report at the link.

#### 3. Which IT Enabled Services are considered to be part of BPO operations?

As per Central Board of Direct Taxes (CBDT) notification No. 890E dated 26 September 2000, the list of eligible IT enabled services under BPO operations considered in IBPS are as under: i) Back office operations. ii) Call centres. iii) Content Development or Animation. iv) Data Processing. vi) Geographic information System Services. vii) Human Resource Services. viii) Insurance Claim processing. ix) Legal Databases. x) Medical Transcription. xi) Payroll. xii) Remote Maintenance. xiii) Revenue Accounting. xiv) Support Centres. xv) Website services. As per NASSCOM, BPO includes following processes that may be IT-enabled, do not necessitate on-shore presence and are hence, offshore-

able: 1) Customer Interaction & Support (CIS)- CIS includes all forms of IT-enabled customer contact, inbound or outbound, voice or non-voice based support used to provide customer services, sales and marketing, technical support and help desk services. 2) Finance & Accounting (F&A)- F&A includes activities such as general accounting, transaction management (account receivables and payables management), corporate finance (e.g. treasury and risk management, and tax management); compliance management and statutory reporting, etc. 3) Horizontal-specific BPM services- Services that are reasonably similar across industries. Horizontal BPM services include Customer Interaction and Support (CIS), Finance and Accounting (F&A) and other related processing services, Knowledge Services, Human Resource Management (HRM), Procurement BPM, etc. 4) Human Resources Processing- HR processing services includes services that support the core HR activities plus talent management activities and associated business processes such as benefits, payroll and talent management.

#### **4. What are the Export Promotion Schemes offered by the Ministry of Technology and Information Technology (MeITY)?**

The two major export promotion schemes launched under the Ministry of Electronics and Information Technology are: 1) Software Technology Parks (STPs): STP of India was set up as an autonomous body in 1991. Some of the benefits offered are: a) customs duty exemption. b) accelerated depreciation. c) 100% FDI permitted through automatic route. 2) Special Economic Zone (SEZ): They were set up with an objective of providing an international competitiveness. Some of the benefits are: a) 100% income tax exemption on export income. b) Duty free import. Please note that SEZ are for multiple sectors and these benefits extend to sectors other than IT BPM.

#### **5. How local entrepreneurs can participate in IBPS?**

An entrepreneur can form a Consortium with a Company registered anywhere under Companies Act 1956/2013 which is able to fulfil the other eligibility criteria(s). 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.

#### **6. What is PayGov?**

Dept. Of Electronics and Information Technology (DeitY), Govt. of India has collaborated with NSDL Database Management Limited (NDML) for providing a centralized platform for facilitating all Govt. departments and services to collect online payments from Citizens for Govt. services. This platform is

titled as 'PayGov'. PayGov is a ready infrastructure with approved transaction costs which can be used to provide online payment services to citizens. For more details on NDML please refer the link.

## 7. What is VPA?

A Virtual Payment Address (VPA) is an address which uniquely identifies a person's bank a/c. For instance, the Virtual Payment Address for BHIM customers is in the format xyz[at]upi. User can just share his VPA with anyone to receive payments (no need for bank account number/ IFSC code, etc.). User can also send money to anyone by using their Payment Address.

## 8. What is the objective of Cyber Surakshit Bharat Programme?

The objective of the programme is to educate & enable the Chief Information Security Officers(CISO) & broader IT community to address the challenges of cybersecurity. i)Create awareness on the emerging landscape of cyber threats. ii)Provide in-depth understanding on key activities,new initiatives,challenges and related solutions. iii)Applicable frame works,guidelines & policies related to the subject. iv)Share best practices to learn from success & failures. v)Provide key inputs to take informed decision on Cyber Security related issues in the irrespective functional area. For further details please access following link.

## 9. What is E-district?

The e-District Mission Mode Project (MMP) is envisaged to strengthen the district administration of the state by providing ICT support to the participating departments and district administration in terms of providing centralized software application for selected category of citizen services and training for staff of the departments with a view to improve delivery of the citizen services being rendered by these departments. Services developed under e-District project would be delivered through various delivery channels like: i) Direct access by Citizens through e-District portal as a registered user. ii) Existing Atal Jana Snehi Kendra's / B1 / K1 service centres. iii) Common Service Centres (To be established upto Grama Panchayat Level). For further details please access following link.

## 10. What is NeGP?

The Government approved the National e-Governance Plan (NeGP), comprising of 27 Mission Mode Projects and 8 components, on 18 May 2006. In the year 2011, 4 projects - Health, Education, PDS and Posts were introduced to make the list of 27 MMPs to 31 Mission Mode Projects (MMPs). The

Government has accorded approval to the vision, approach, strategy, key components, implementation methodology, and management structure for NeGP. However, the approval of NeGP does not constitute financial approval(s) for all the Mission Mode Projects (MMPs) and components under it. The existing or ongoing projects in the MMP category, being implemented by various Central Ministries, States, and State Departments would be suitably augmented and enhanced to align with the objectives of NeGP. For further details please access following link.

