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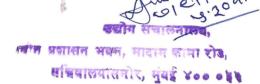
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Ref. No. MCHI/GEN/12-13/087

September 7, 2012

To,
The Development Commissioner - IT
Directorate of Industries
New Administrative Building
Opp. Mantralaya
Mumbai 400032



Kind Attention: Shri. Sanjay Sethi

Subject: Suggestion for IT&ITeS Policy of the State of Maharashtra.

Dear Sir,

MCHI-CREDAI is the premier organization representing the Developers and Builders of Maharashtra.

We have always believed in the fact that, the IT & ITeS Policy of Maharashtra is the dynamic Policy of India. The policy has readily responded to the needs and requirements of the specific sector and has been in tune with the emerging trends.

As you may see from the attached RTI Information received from Government of Maharashtra, Directorate of Industries, the statement of year-wise breakup of IT Parks applications received from 2001 to 2011 clearly shows that demand surged between 2005 to 2008, when LOIs received were 90 in 2008. Thereafter, in 2009 it came down to only 12, and in 2011, it touched to only 15 LOIs.

The Maharashtra IT & ITeS Policy should immediately respond to this fluctuating scenario and accept the challenges faced by the developers of IT Parks and take concrete steps to revive IT Parks and thus fresh investments in an IT Park across the State of Maharashtra.

Hence we propose the following:

1. Re-introduction of the earlier 60/40 from the present 80/20, (60% earmarked for the IT, ITeS, Corporate/MNC/SME front and Back office work, all types of Services, Communications and Telecom and 40% earmarked for shopping or retail or hotel and or residential, as viable at a

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particular location, which can cross subsidise the 60%/80% BUA of an IT Park as the case in SEZ.

- 2. A large Corporate/MNC/SME company should be able to occupy space in an IT Park into 60%/80% Built-up Area as the pre-dominant office activity is an IT activity as elaborated and explained in *Annexure1*.
- 3. Reduce additional premium by 50% and introduction to give the payments in 4 installments, as per the progress of work till receiving of the Occupation Certificate.
- 4. There should be an Exit Term in the policy, which should allow the possibility of conversion of any IT buildings to any other users on payment of 10 % premium after 5 years and 25 % premium amount after 3 years.

We request a thought to the above suggestions and thus steps to incorporate them in the IT&ITeS Policy thus enabling revival of IT Parks and fresh investments in an IT Parks across the State of Maharashtra.

Thanking you.

Yours truly, For MCHI-CREDAI

Mayul Shah Vice President



Annexure 1.

Why a large Corporate/MNC/SME company can occupy space in TT Park into 60%/ 80% Built-up Area as per the IT & ITeS Policy of the Government of Maharashtra.

Corporate, Indian and Multi-nationals, SMEs from across sectors are looking towards Mumbai, for their office space requirements. This space usage they seek is for their Corporate Office, Head Quarters etc.

Mumbai is already projected on the global platform of being an International Financial Centre. And Mumbai is undoubtedly the undisputed Financial Capital of India. As more offices look towards Mumbai from within India and MNCs, Mumbai is gaining prominence on the services sector. This in turn is helping generate huge employment in Mumbai.

The activities in a corporate office or headquarters of a large corporate house, Indian or MNC and SME, include corporate finance, telecommunications, software publishing, consultancy, data processing, database activities and distribution of electronic content, other computer-related activities, research and experimental development, business and management consultancy activities and architectural, engineering and other technical activities.

A large corporate office has many departments depending on the sectors it operates in. The activities in the corporate office are primarily IT platform based with a centralized back-end driven platform using database servers and the front end using various IT platforms like B2B, CRM, ERP etc. Thus a typical corporate office is high on IT based activity using various IT peripherals. Some departments and the IT/Financial activities associated with them are as follows:

- 1. A Human Resource involves use of database processing, data-mining and uses data servers.
- 2. The financial/accounting in a corporate office involves investments, corporate finance and other financial activities.
- 3. Marketing involves online marketing activities, consultancy, research which involves data-processing and data mining.
- 4. Product development department in some corporate company involves research and consultancy.



- 5. IT Department involves usage of data-servers, data processing of the highest order, and database management.
- 6. Logistics and supply chain departments involve high computer related activity, tracking, back-end support platforms, ERP and GPS technology.
- 7. Customer service, legal departments involve high-level of research, data-mining, database management, analytics, consultancy, research.
- 8. Architectural, engineering and planning involves data exchange using data servers, data-processing, imaging technology.

Mumbai is the first home to Corporate houses and MNCs from the world. And their activities definitely should be considered as pre-dominantly IT and IT enabled and thus the Corporate/ MNCs/SME can occupy space in the 60%/ 80% allocated space in an IT Park.