

# **Maharashtra Information technology/ Information technology Enabled Services (IT/ ITES) Policy – 2015 AT A GLANCE**

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## **➤ OBJECTIVES :**

1. To retain Maharashtra's leadership position in IT/ ITES Sector.
2. To further accelerate investment flow to industrially underdeveloped regions of the State.
3. To create more employment opportunities for educated youths of all sections of the society across all regions.
4. Achieving higher level of export turnover resulting in enhanced productivity and augmentation of Gross State Domestic Product (GSDP).
5. Leveraging Information Technology as a tool for the socio-economical development of the state.
6. To promote Intellectual Property creation along with original content creation for new product and unique services offering for B to B & B to C.

## **➤ TARGETS :**

- A. To attract an investment of Rs.50,000/- crores by the private IT parks and the IT/ ITES/ AVGC units in the State.
- B. To Create new jobs for 1 million persons.
- C. To raise annual exports from IT/ ITES/ AVGC sector for the State upto Rs. 1,00,000/- crores.

## **➤ STRATEGIC DRIVERS :**

- i. Dispersal of IT Industry to all parts of the State.
- ii. Promotion of Focus Sectors.
- iii. Promotion of 'Green IT'.
- iv. Promotion of Entrepreneurship and Innovation.
- v. Promotion of Brand Maharashtra
- vi. Promotion of BPO's in Rural & Semi-Urban Areas.
- vii. Promotion of Data Centres.

➤ **SALIENT FEATURES :**

- a. A Hike in floor space Index (up to 200% of the base FSI) for IT & IT enabled services (IT/ITES).
- b. FSI of 2.5 for the Integrated Information Technology Townships that are coming up on a minimum of 25 acre plots in the state also enjoy global FSI up to 8 or even 9 in some cases.
- c. The Townships and other IT/ITES units have also been offered exemptions from stamp duty, electricity duty, property tax, octroi or LBT, VAT and works contract taxes.
- d. Capital subsidy of 20% on capital investment, subsidy for training of employees and exemption from payments of security deposits or earnest money.
- e. Compulsory to put up all the information about the units online. While allowing 20% of the built-up area for support services in the IT Parks in big cities such as Mumbai, Navi Mumbai, Thane, Pune and Pimpri-Chinchwad. Commercial Activities such as malls, theatres, residential apartments for sale to avoid the exploitation & misuse of the incentive FSI.
- f. These cities, 40% of the build-up area has been permitted for support services.

➤ **DEFINITIONS :**

- a. **IT SOFTWARE** : is defines as any representation of instruction, data, sound or image, including source code or object code, recorded in machine readable form and capable of being manipulated to providing interactivity to a user with the means of a computer.
- b. **IT HARDWARE** : covers products as notified by Directorate of Industries from time to time.
- c. **IT ENABLES SERVICES (ITES)**: will be as specified by the Central Board of Direct Taxes (CBDT) under Section 10A of the Income Tax Act from time to time and are as below:
  - ❖ Back-office Operations
  - ❖ Call Centres
  - ❖ Content Development or Animation
  - ❖ Data Processing
  - ❖ Engineering & Design
  - ❖ Geographic Information System Services
  - ❖ Human Resources Services
  - ❖ Insurance Claim Processing
  - ❖ Legal Databases
  - ❖ Medical Transcription
  - ❖ Payroll
  - ❖ Remote Maintenance
  - ❖ Revenue Accounting Support Centres
  - ❖ Website Services

d. **SUPPORT SERVICES/ FACILITIES :** means services provided in relation to conduct of IT/ITES business, which shall exclude :-

- Malls
- Cinema Theatres, Public Auditoriums & Multiplexes
- Residential apartments for sale to public
- Showrooms for all types of merchandize except computers & IT related hardware & software
- Hospital, nursing homes more than 10 beds
- Schools, colleges, training institutes (except IT/ITES training institutes) and hostels related to them.

e. **ANIMATION, VISUAL EFFECTS, GAMING & COMICS (AVGC):**

f. **DATA CENTRE :** is a facility used to house computer systems and associated components, such as telecommunication and storage system.

➤ **POLICY INITIATIVES:**

**1. Incentives & Provisions for IT Parks/ IT SEZs/ AVGC Parks**

- Additional FSI & Space Utilization of IT Parks.
- Upto 100% additional FSI
- Above 100% & upto 200% additional FSI
- Establishment of Integrated IT Township (IITT)
- Electricity Tariff
- Electricity Power/ Sub Station
- Incentives for Development of Infrastructures
- Penalty for use of built-up space for non-IT use in IT Park

**2. Incentives & provisions for IT/ITES Units - (Items, Details are in the Policy Paper)**

- Stamp Duty Exemption
- Electricity Duty
- Electricity Tariff
- Power Tariff Subsidy
- Property Tax
- Entry Tax
- Works Contract Tax
- Setting-up IT/ITES units in any zone
- VAT at floor rate
- Continuous Industry Status

### **3. Promotion of Audio-Visuals-Gaming and Comics(AVGC)**

- Establishment of Private AVGC Park in Maharashtra
- Establishment of AVGC Centres
- Establishment of Fine Art School/ College i.e. Digital Art Centre
- Centre of Excellence
- Venture Capital Fund
- **Fiscal Incentives & Concessions for AVGC units**
  - ✓ Refund of Certification charges
  - ✓ Capital Subsidy
  - ✓ Exemption from payment of Entertainment Tax in the State for animation films
  - ✓ Capital Subsidy for production of animation films
  - ✓ Maharashtra Government will be a host state for the following annual events
  - ✓ Non-fiscal Support

### **4. Promotion of Business Process Outsourcing (BPO) ventures in rural & Semi-urban areas**

- Capital Subsidy
- Training Subsidy
- Training content to be developed by recognised institutions
- Transport Facility
- Exemption from Payments of Security Deposit/ Earnest Money Deposit

### **5. Promotion of Data Centres**

### **6. IT Incubation Facility**

### **7. Promotion of Green IT**

### **8. Initiatives related to Laws for ease of doing business**

### **9. Human Resource Development**

### **10. Administrative Measures**