

(o/c)

S. S. Hussain I.A.S. (Ex)
Chief Executive Officer

Ref. No. MCHI/CEO/15-16/181

January 11, 2016

Sub: Request for minor corrections in IT/ITeS Policy 2015 and its Expeditious Implementation.

Dear

Please recall our discussion today. I am sending the details of our proposal on the subject already submitted to Industry Department. We are thankful to Government of Maharashtra for releasing new IT/ITeS Policy, 2015 for State of Maharashtra. This is the Best Policy which has come out in two decades or so. This policy aims to attract an investment worth Rs. 50,000 crore and generate employment for 10 lakh people in the state of Maharashtra.

Maharashtra accounts for more than 30 percent of the country's software exports, with over 1,200 software units based in the State, thus providing a familiar and friendly environment for the IT companies. The Government of Maharashtra has recognized IT industry as an important thrust area in the State. It is largely focusing on providing IT related infrastructure, fiscal incentives to IT units, IT in governance and institutional framework for the IT sector. These initiatives have enabled the IT industry of the State to establish a firm foundation for itself in the country. The whole State has been connected through the most modern Optical Fiber Cable Network and a statewide network of competent training institutions have been established for building a pool of world-class IT professionals, in order to provide strength and support to the IT industry as a whole in the State. Besides, the State Government has framed an IT policy so as to make Maharashtra the most favoured destination for investments in the IT and ITeS industry and we hope to regain our lost glory and ground!

Our state has always led the country's industrial development scenario and continues to attract the largest quantum of investments, both domestic and foreign arrival & MOUs with the Companies like Foxconn and Blackstone. The State has established strengths in every sector including engineering, automobiles and auto components, chemicals, drugs and pharmaceuticals, textiles, information technology and biotechnology. It offers the finest infrastructure, excellent educational facilities, quality trained manpower, a professional work ethic and a conducive business environment. Prominent IT players present in the state include Tata Consultancy Services, Infosys Technologies, Wipro, Patni Computers, i-Flex Technologies, Veritas, Mahindra Satyam etc. BPO centers of large national and international players have also come up in a big way in the state. These include LG, HSBC, Aviva, Customer, Xansa, EDS and e-Gain, among others.

[Signature]
P. A. to Secretary
Chief Minister's Secretariat
Mantralaya, Mumbai-400 032.

[Signature]
Recd
Sameer Kalekar
15/1/16
7.10 Pm

However, to continue the Trend & the Welcome to Industry, some minor clarifications and additions are needed in this policy, which are as follows;

1. Kindly drop penalty of 0.3% per day and retrospectively, this will breed harassment & corruption. Maharashtra will loose the competitive advantage over other states as such harsh provisions are not in any other states policy, so MNC & world's best company will hesitate to come to our state.
2. Definition of "back office". All Corporate offices of any industry and all service sectors including Banking & Financial Service Institutions (BFSI), as long as it is not carrying out any retail sales transaction from the office premises.
3. Property Tax in IT building to be given 50 % discount & to be brought at par with competitive cities of Bangalore, Chennai & Hyderabad. Attached is a table of property rates for your perusal.
4. Government may allow the maximum cap of 4 FSI for City area under the jurisdiction of MCGM, which would definitely boost the development

In order to make MMR competitive so far as IT / ITeS Commercial Space is concerned, the Government is hereby strongly requested to cap the property tax at a maximum of Rs.5/- per sq.ft. As the key competition stems in from cities like Bangalore, Chennai, Hyderanad & Noida near NCR, it is indispensable that any taxation being proposed needs to be lower than the existing tax structure in these cities.

Therefore, before releasing the Government Resolution, from Industry Department, we wish these corrections may be reconsidered before finalizing and implementing this policy for State of Maharashtra, bring same old glory of Maharashtra to be the Business friendly state in India. May I also plead that, this new IT Policy may be brought to the execution stage expeditiously and at the earliest to reap it's Benefits faster.

Looking forward for the positive necessary action please.

Yours Sincerely



(S. S. Hussain)

To,
Shri Pravin C. Darade (I.A.S.)
Secretary to Chief Minister,
Government of Maharashtra
Mantralaya, Mumbai