

IT Vision @ UP 2012



Table of Contents

1. PREAMBLE.....	4
2. VISION, MISSION and OBJECTIVE.....	6
2.1. Vision.....	6
2.2. Mission.....	6
2.3. Objective.....	6
3. STRATEGIC THRUST.....	7
4. IMPLEMENTATION STRATEGY.....	9
4.1. Economic Transformation.....	9
4.1.1. Conducive environment for business.....	9
4.1.2. Public Private Partnership (PPP).....	9
4.1.3. Single window clearance.....	9
4.2. People Engagement and Empowerment.....	10
4.2.1. Ensure affordable and seamless e-services, content and applications.....	10
4.2.2. Digitization of Government information.....	10
4.2.3. Use of Hindi and Urdu.....	10
4.2.4. Cyber Security.....	10
4.3. Innovation.....	11
4.3.1. Create Centers of Excellence (COE) for Innovation and R&D of IT Services.....	11
4.3.2. IPR (Intellectual property rights).....	11
4.3.3. Government Process Reengineering (GPR).....	11
4.3.4. Adopting new technologies.....	11
4.4. Infrastructure Development.....	12
4.4.1. Promotion of IT Cities / IT Parks.....	12
4.4.2. Establishment of IT Corpus.....	13
4.4.3. Central Data Repository.....	14
4.4.4. UPSWAN.....	14
4.4.5.USOF.....	14
4.5. Human Capital Development.....	14
4.5.1. Capacity building.....	15
4.5.2. Skills upgrading and certification.....	15
4.6. Bridging the Digital Divide.....	16

4.6.1.	Facilitate collaboration between IT and education sector.....	17
4.6.2.	IT Literacy in Government.....	17
4.6.3.	SMART Cards	17
4.7.	Policy Implementation Unit	17
5.	INCENTIVES.....	18
5.1.	Fiscal Incentives	18
5.1.1.	Interest Subsidy.....	18
5.1.2.	Stamp Duty	18
5.1.3.	VAT (Commercial Tax).....	18
5.2.	Other Incentives	18
5.2.1.	Provision for Land.....	18
5.2.2.	Single Window Clearance and Facilitation.....	19
5.2.3.	Industrial Promotion Subsidy	19
5.2.4.	Uninterrupted Power Supply	20
5.2.5.	Plant and machinery for captive power generation.....	20
5.2.6.	Employment generation	20
5.2.7.	Incentives on Case to Case Basis	21
5.2.8.	24x7 Operations	20
6.	Marketing and Branding Strategy.....	20
7.	ANNEXURE	21
7.1.	Empowered Committee	21
8.	Glossary.....	21

1. PREAMBLE

India's success in the export of Information Technology (IT) Software and Related Services over the past decade has been acknowledged globally. India now accounts for 65 percent of the global market in IT off shoring and 46 percent of the ITES market. The growth of the sector has led to tremendous pay-offs in terms of wealth creation and generation of high quality employment. IT/ITeS industry has been one of the key driving forces fuelling India's economic growth. As a proportion of national GDP, IT/ITeS sector's contributions have risen from 1.2% in 1997-98 to an estimated 7.5% in 2011-12. As per NASSCOM estimates, IT/ITeS sector (excluding hardware) revenues are estimated at US\$ 87.6 billion in FY 2011-12. The IT/ITeS industry is expected to grow by 19% during FY 2012-13.

According to a recent study, the domestic IT Services and IT-enabled Services markets are expected to grow at a CAGR of 21.1% to touch Rs 98,188 Crores by 2014. IT Services alone is growing at 16.7% CAGR over 2010-2014, while domestic ITeS spending will grow at a CAGR of 30.2% over the same period.

The State Government intends to encourage investment in IT/ITeS industries and skill enhancement of the youth specializing in IT/ITeS and allied fields to improve their employability so that the citizens of Uttar Pradesh reap the benefits of development.

Lucknow is ranked among the TOP 10 cities among all the cities in India for fastest job-creation. It has also emerged as a "Science City", and numerous national level laboratories, premier medical colleges, universities along with engineering and management institutes. Agra also has emerged as preferred investment location by leading industrial houses recently. It has stood apart as premier tourist destination with its world class infrastructure and proximity to IT hubs e.g. Noida and Gurgaon.

Uttar Pradesh has immense potential to emerge as one of the most economically developed states in India. Uttar Pradesh is currently focusing on developing necessary infrastructure, development of human capital, proactive engagement with investors and effective policy implementation so as to create a conducive ambience for IT industry. Uttar Pradesh government is encouraging and inviting private investments in knowledge based industries. The availability of numerous technical and manpower centers of excellence makes the state ideally suitable for setting up of IT industry.

State has large base of skilled manpower graduating from 700 professional institutions half of which imparting engineering and management courses both at graduate and postgraduate level, making it an ideal destination for knowledge-based sectors. Due to the

substantially lower costs of skilled manpower, facilities and infrastructure as compared to similar resources in other developed states of India, it is poised to become a challenger to other IT hubs. Under the Central Government scheme for promotion of exports two EPIPs are developed by UPSIDC on 200 acres at Gautam Budh Nagar and at Agra on 100 acres land, where high standard infrastructure facilities have been provided including cement concrete road, integrated security system, earth station etc.

This policy is aimed to reinforce the position of Uttar Pradesh as an attractive destination for the I.T industry by providing conducive business environment and policy instruments for industry to survive and flourish in the State. The state intends to promote Tier-II cities like Lucknow and Agra as next generation IT hubs which can facilitate a holistic development of Uttar Pradesh and its people.

2. VISION, MISSION and OBJECTIVE

2.1.Vision

“To use I.T. as a vehicle for economic development of Uttar Pradesh with inclusive growth to create a vibrant society with a high quality of life”

2.2.Mission

The mission of the State is to:

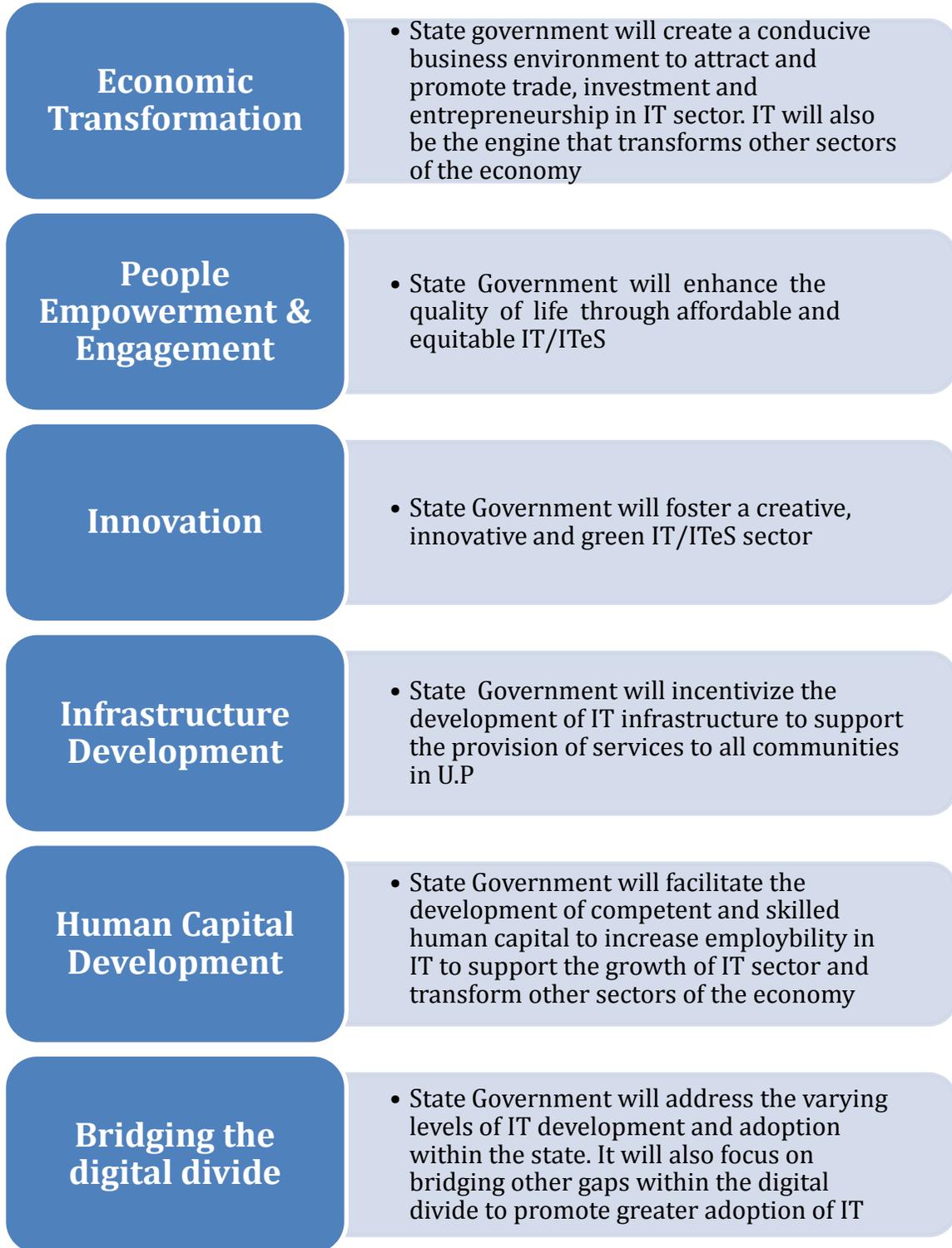
- To position Uttar Pradesh as the preferred IT/ITES investment destination in India
- To leverage IT as an engine of growth for UP
- To transform physical communities into connected communities that can help to realize sustainable economic growth and enhance the quality of life.

2.3.Objective

- Promoting UP as an attractive investment destination for IT/ITeS companies by providing congenial, industry friendly and proactive climate.
- Promote prominent cities/towns in the State as emerging Tier-II and Tier III IT destinations and providing assistance in setting up state of the art infrastructure like IT city, IT Parks etc in the state.
- To develop these investment nodes in UP as Intelligent and Smart Cities and creating a portfolio of IT enabled services (public and private) which will make the investment region an intelligent and smart region.
- To create world class ICT infrastructure as a platform to provide seamless connectivity for businesses and users, easy to use public and private services in a vibrant ecosystem consisting of ICT operators, Service Providers, Government, Regulators and end users.
- Enhancing the quality of talent pool and creation of additional employment opportunities, development of skilled IT manpower in the state for all sections of the society, across all regions, and to leverage IT as a tool for the socio-economic development of the State.
- Augmentation of Gross State Domestic Product (GSDP) of Uttar Pradesh.

3. STRATEGIC THRUST

There are six strategic thrust areas – 3 pillars supported by 3 foundations. All six thrust will lead to the achievement to the desired objectives



VISION: To use I.T. as a vehicle for economic development and inclusive growth to create a vibrant society with a high quality of life in Uttar Pradesh

PILLARS

Economic Transformation

- To promote trade, investment and entrepreneurship in IT Sector, and build an IT engine for trans-sector transformation.

People Engagement and Empowerment

- To enhance quality of life through affordable and equitable IT

Innovation

- To nurture a creative, innovative and green IT Sector

FOUNDATIONS

Infrastructure Development

-To provide next generation infrastructure backbone and enabling policies

Human Capital Development

-To develop a skilled workforce and knowledgeable community

Bridging the Digital Divide

-To elevate the State and people through IT capabilities.

KEY OUTCOME

- IT as an engine of growth for UP
- Recognition for UP as most preferred IT destination in India
- Enhanced quality of life for people of UP

4. IMPLEMENTATION STRATEGY

4.1. Economic Transformation

The focus of economic transformation includes creation of a conducive business environment that helps to attract and promote trade, investment and entrepreneurship in the IT sector. It also aims to leverage the investment in IT to create an IT engine that will transform the other sectors in the greater economy of the state.

4.1.1. Conducive environment for business

- Government of Uttar Pradesh will facilitate Business Community, IT/ITeS firms, entrepreneurs to do business and to invest in Uttar Pradesh.
- Leverage the existing initiatives and nurture the development of content and applications to facilitate information exchange and accessibility of data, harmonize regulatory practices and IT standards.

4.1.2. Public Private Partnership (PPP)

- The State shall leverage various PPP model like BOT(Build-operate-transfer), BOO(Build, own, operate), BOOT(Build, own, operate, transfer) etc for I.T. projects which will minimize the initial risks of introduction and subsequently the growth of an IT/ITeS project , thereby increasing the efficiency, optimal utilization of resources of the state and the private sector
- Encouraging development of supporting infrastructure will be aimed towards IT/ITeS. The Government will encourage investments in PPP projects for bringing world-class schools, hospitals and other facilities which can complement the efforts for attracting investments in IT sector.

4.1.3. Single window clearance

- A government agency to efficiently and smoothly handle statutory matters .The agency shall also be responsible for clearing roadblocks in a time bound manner.

4.2. People Engagement and Empowerment

State Government of Uttar Pradesh would focus on the enhancement of the quality of life of all the people of the state through affordable IT. This is especially true in areas with low standard of living.

4.2.1. Ensure affordable and seamless e-services, content and applications

- The state Government shall identify relevant e-services to be developed.
- Nurture an environment to facilitate the development of affordable e-services.
- Promote e-services that can be adopted for local usage.
- Provision of e-services would be made available through Common Service Centres and e-Suvidha Kendra's.
- Government of Uttar Pradesh will facilitate time bound implementation of various MMP's (Mission Mode Projects) like e-Districts, CCTNS (Crime and Criminal Tracking Network and Systems) and projects of Panchayati Raj, Commercial taxes, Food & Civil Supplies and other departments.

4.2.2. Digitization of Government information

- All public domain information like official gazette notifications, Government Orders, acts, rules regulations, circulars, policies and programme documents would be digitized and made available for electronic access on the web in a phased and time bound manner.

4.2.3. Use of Hindi and Urdu

- The State Government shall promote use of Hindi and Urdu along with English in IT to increase the outreach to the common man. For this purpose specific initiative will be taken for use of Devnagari/Urdu in Computers and developing Web Applications.

4.2.4. Cyber Security

- Crimes and offences pertaining to confidentiality, integrity, data security and non disclosure of agreements shall be viewed and scrutinized as per law.
- Government of UP would create awareness about online security.
- Government of UP would forge joint collaboration with industry and other stakeholders for outreach campaign to promote awareness about cyber-crime.

4.3. Innovation

4.3.1. Create Centers of Excellence (COE) for Innovation and R&D of IT Services

- Government of UP will encourage establishment of COE across UP to promote R&D, Innovation and transfer of technology by prominent IT industry experts or in collaboration with leading institutions like IIM Lucknow, IIT Kanpur, IIIT Allahabad, IT-BHU and other reputed and prominent institutions. It would connect COEs to facilitate exchange of ideas and promote greater collaboration among IT experts.

4.3.2. IPR (Intellectual property rights)

- Government of UP will promote IPR enforcement through sharing of best practices, guidelines and framework across UP to safeguard innovation. It will provide incentives for R&D efforts as well as to acknowledge recognize and reward IT experts.

4.3.3. Government Process Reengineering (GPR)

- The Policy aims at radical redesign of Government processes to achieve path breaking improvements in efficiency of governance. Focus will be on GPR and change management for the effective implementation of citizen centric (G2C) services.
- Use of Bio-metric Devices shall be encouraged in Government Processes

4.3.4. Adopting new technologies

- The Government plans to deliver new generation enhanced mobile services to its citizens enabling ubiquitous access by utilizing new wireless technologies and tools to ride the Next Generation Networks viz. 4G (Fourth Generation), BWA (Broadband Wireless Access), NFC (Near Field Communication), LTE (Long Term Evolution) etc.
- Emerging technologies such as Mobile Technology, Localization, Virtualization, and Cloud Computing provide Indian IT/ITES industry a major opportunity to become partners in value creation and drive transformation domestically.

4.4. Infrastructure Development

4.4.1. Promotion of IT Cities / IT Parks

- Thrust will be given for the creation and improvement of world class civil infrastructure like roads between IT Hubs, cities, airports and transportation networks on a continuous basis, comparable with other Tier II and Tier III cities of the country which are necessary for attracting IT investments.
- IT Hubs are cities like Bangalore, Pune and Chennai, which are preferred IT destinations for major IT companies. Favorable investment climate, availability of IT Talent pool, connectivity to major cities, top class infrastructure etc are some of the factors responsible for their emergence as IT Hubs. These IT Hubs contain IT cities and IT parks. Software development, web site development, web application development, Product development, Hardware, R&D etc is the kind of companies that set up their base in the Hubs.
- An IT City requires 100 to 500 acres of land which will be used in the ratio of 60:40 approximately as processing and non processing area. It is a self-contained satellite township. The processing area would consist of only IT units like IT companies, BPO's, KPO's etc. The non processing area would include residential facilities, public utility offices/facilities/commercial area, Education, Healthcare and open spaces. IT City is equipped with sophisticated telephone exchanges with optical fibre connectivity and requires strategic alliances with Telecom companies for their ISP facilities, large Bandwidth options, Broadband & Wi-Fi connectivity. For enterprise communication, there are dedicated earth stations that offer satellite and terrestrial links for voice-data, video-conferencing and connectivity with worldwide customer workstations.
- An IT park is constructed with minimum floor area of approximately 15000 square meters. It may or may not include public utility offices/facilities in the said premises. The area allotted for IT activities should be 75% of the allocatable area. An IT park contains most of the technological infrastructure similar to an IT city like optic fibre connectivity, Broad band connectivity, Wi-Fi access, Video conferencing facilities etc. IT Park is a subset of an IT City with entire area dedicated majorly on IT activities.

- In the first Phase IT cities at Lucknow and Agra shall be built with special facilities for I.T. and I.T enabled services. Land fashioned as an I.T. City will be identified in these two cities. IT Cities will be developed on PPP mode.
- These would create more innovative and competitive cities based on knowledge clusters, people-led innovation, and global networking; offering higher capacity of monitoring and management of environmental issues; improved city transportation and more secure urban spaces.
- These townships will have residential facilities with all essential services - water supply, power, civic amenities, health, education, transport and entertainment - to meet the civic and commercial needs of the workforce.
- Warm shelled (built up areas with all required physical facilities e.g. AC units, DG sets, UPS etc and communication/internet facilities) areas built for I.T. industry to move in and start operation.
- Incorporation of "Walk to Office" concept.
- IT Department of Government of Uttar Pradesh will come out with detailed order & guidelines for setting up IT cities keeping in view:
 - Capability to deliver international standards IT parks / IT cities
 - Long standing relationship with key service providers and IT industries thereby ability to pursue those organization in setting up units in its IT city / IT Park / hub
 - Strong relationship with funding agencies
 - Expertise to acquire and develop land

4.4.2. Establishment of IT Corpus

- Each Department shall earmark a minimum of 2% or as per directions of Government of Uttar Pradesh from time to time of its Plan budget for IT applications. This fund shall be pooled together under a separate budget head to be administered by the Department of IT under guidance and control of an Empowered Committee to be set up under the chairmanship of the Chief Secretary, Government of Uttar Pradesh.

- The individual Departments shall retain funds for their requirements of Maintenance of IT systems and Consumables. The Departments shall also earmark additional funds for their envisaged needs.
- The Pool fund shall be utilized for developing replicable and reusable models of e- Governance, IT innovations in administration; IT supported resource optimization, MMPs, decision support systems, MIS, intranets and other departmental applications and enabling technologies. Priority shall be given to units located in the State for award of software and skill development work.
- The fund requirements for Brand Promotion of Uttar Pradesh shall also be made available from the IT Corpus.

4.4.3. Central Data Repository

- A State Data Centre acting as the Central data Repository for all State Government Data has been established. The State Government Departments shall establish departmental intranets and local area networks, which will connect to the SDC for public domain information for 24x7 (24 hoursx7days) usage.

4.4.4. UPSWAN

- UPSWAN is one of the major Projects to boost IT/Network infrastructure in the state and has been implemented. The entire 885 centers with 2Mbps bandwidth up to block level have been established out of which 884 are fully operational. The Government of UTTAR PRADESH would leverage UPSWAN for connectivity and delivery of services. It would also encourage leading telecom and wireless players to establish network at remote location to enhance the reach of mobile/e-governance.

4.4.5. USOF

- The State shall leverage the USOF funds to improve telecom infrastructure and connectivity in the rural areas of the State.

4.5. Human Capital Development

Human Capital development is the foundation for enabling citizens in Uttar Pradesh to develop the skills necessary to leverage IT, being a part of a competent IT

workforce and a knowledgeable community. Government of Uttar Pradesh would focus on two main areas: Soft skilled IT training and IT Skill development and certification.

4.5.1.Capacity building

- Government of Uttar Pradesh will develop a database of IT experts and innovators in UP and forecast IT manpower demand
- Government of Uttar Pradesh will encourage existing skill development institutions like ITI's and Polytechnic to collaborate with IT majors to enhance and leverage their facilities on a PPP model.
- Collaboration with Renowned Indian and Foreign educational institutions to set up their campuses in UP. This will act as anchor to draw the talent pool and industry attention to hire and develop centers of excellence in and around UP and will facilitate the global standards of education with the help of exchange programs and conventions.
- Outsource the training of Government servants: This can be done by improving PPP framework for Government services and learning and development of Government officials. It will create a competitive advantage in integrating the various departments knowledge bureau at common platform shared with private sector players to leverage agile and modular approach of e-governance.
- **Change Management at all Operational/Management levels of Government hierarchy:** To facilitate the transition process from legacy /manual systems to new and automated ones that involves training and addressing the benefits of automation with the assurance that the new system will not replace any manpower/resources, but will rather smoothen their workflow mechanism.

4.5.2.Skills upgrading and certification

- Government of Uttar Pradesh will develop IT skills upgradation programmes and promote marketability of certified IT expert with the help of well known institutions
- **Registration with NASSCOM:** Tie up with NASSCOM for the TIER II/III IT cities like Lucknow and Agra for NASSCOM assessment mechanism to map the training needs and the industry requirements with the involvement of

SME's/professionals, both from Academic and Corporate areas. The State will also promote establishment of Captive centers for skilled manpower requirements. The NASSCOM link will provide fast access to quality manpower within minimum cost and time for BPOs/KPOs.

- **Establishment of Skill Development Centers:** The state will establish Skill Development Centres on a PPP model in and around Lucknow and Agra to encourage youth from UP to improve their capabilities and find employment.
- IT and ancillary activities. These centers will be established in collaboration with IT/ITeS industries, IT/ITeS educational institutions or with IT/ITeS Industry Associations. Soft skill and language Labs will also be promoted to increase the employability of the students in partnership with Institutions with proven track record in Soft skills and/or in English Language training for employment in BPO/KPO industries.
- **Introduction of a Knowledge Centre Program (KCP):** Government of Uttar Pradesh would facilitate tie-up with leading National and Global players to facilitate smooth transition of skilled resource to the industry. Government of Uttar Pradesh would set up a KCP board comprising of specialist recruiters / conglomerate of recruitment agencies and IT industry recruiters and experts that would tie-up with engineering and technical colleges and others to provide training of premium technology courses in the last year (last semester) of the graduate/post graduate career and then provide assistance for placement.
- **Tie-ups for Certifications:** State government shall promote tie-ups between Government Technical Institutes, engineering colleges, polytechnics etc and Leading Companies like Oracle, Microsoft, Cisco, Java and other famous OEM's for Professional Certifications to increase the market acceptability and readiness of students.

4.6. Bridging the Digital Divide

It is acknowledged that different strata of the society and different locations of UP are on different level of IT development. Government of Uttar Pradesh would focus on closing the IT development gaps within UP through a range of initiatives.

4.6.1. Facilitate collaboration between IT and education sector

- This includes providing comprehensive IT training to teachers to encourage the use of IT in education, establishment of IT exchange programmes for teachers and students, and promotion of joint collaboration activities to raise awareness of IT

4.6.2. IT Literacy in Government

- The Government shall implement an IT Literacy Enhancement Programme for its employees to achieve 100% IT literacy in the Government. IT literacy will have a minimum level of defined proficiency which will include word processing, e-mail, data entry, MS Office and access etc. Suitable incentive/disincentives shall be designed to achieve desired level of proficiency for Government servants.

4.6.3. SMART Cards

- SMART Card based citizens ID with multi-functions that enable citizens to interact with services, make payments, obtain ration card, passport, driving license and vehicle registration etc. shall be introduced by various departments.

4.7. Policy Implementation Unit

In the State, a PIU which will be established by the UPLC and comprise Consultants appointed on a outsourcing basis to support, monitor and provide feedback to the Empowered Committee on the Implementation of IT Policy for a period of **5 years**. UPLC shall provide Administrative and Manpower support to the PIU.

Key Activities of PIU shall be:

- A monthly review of the PIU progress will be held under the Chairmanship of the Chief Secretary
- Escort services to potential investors
- Consultation
- Single point of Contact for all IT investments/proposals and project proponents
- Marketing of IT Policy
- Liaison with Government functionaries
- Implementation of Single Window Clearances
- Assist in Policy Implementation Plan
- Engagement with Industries and Industry Associations
- Develop dashboard reporting for the Empowered Committee
- Decisions on outsourcing/deputation of functions as and when required

5. INCENTIVES

The following incentives are admissible to new IT/ITeS units in Tier II and Tier III cities of Uttar Pradesh for period ending on 31st March 2017.

5.1.Fiscal Incentives

5.1.1.Interest Subsidy

Interest Subsidy on term loan and working capital would be provided to small, medium and large companies over 5 years from the date of commencement of commercial operations i.e. when the first business transaction takes place, on the following basis:

- An interest subsidy of 5% per annum for a period of 5 years on the rate of interest paid on the loans obtained from Banks/ Financial Institutions would be reimbursed subject to a maximum of Rs 1.00 crore per annum per unit.
- The interest subsidy will be paid directly to the Nationalized Banks and Financial Institution that is approved by RBI with which the investor reaches financial closure.

5.1.2.Stamp Duty

100% exemption of stamp duty on purchase/lease of land/office space/buildings for IT/ITeS use with condition of commencing operations within 3 years in Tier II/Tier cities like Lucknow and Agra, against a Bank Guarantee in favour of IG Stamps and Registration valid for a period of 3 years.

5.1.3.VAT (Commercial Tax)

The IT/ITeS units having capital investment of Rs 5 crores or above would be allowed Interest free loan equivalent to the amount of VAT and Central Sales Tax deposited every year for a period of 10 years from the date of commencement of business or 10% of annual sales, whichever is lower. This loan would be repayable after 07 years from the date of loan disbursement.

5.2.Other Incentives

5.2.1.Provision for Land

- IT/ITes/Mega Investment Projects planning to establish industrial units at Tier II and Tier III Cities will be provided land at a rebate of 25% on the prevailing sector rates on purchase of land from State Agencies. The concerned Govt Agencies would arrange for this rebate through Cross Subsidisation.

- **Additional FSI(Floor Space Index):**Registered IT units established in IT cities, Technology parks, Software technology parks will be allowed 100% additional FSI on the allowable FSI up to a maximum of the FSI allowed for Residential/Office purposes (whichever is more) in TIER II/TIER III cities.
- Land Rebate and Additional FSI incentives will be applicable to both Infrastructure companies and IT/ITeS Organizations only after the IT City/IT Park is duly earmarked for the purposes mentioned by the State Agencies.
- IT/BPO units which employ a minimum of 20 people and a maximum of 50 people shall be allowed to establish anywhere irrespective of the master plan or Land use classification barring specified land usage.

5.2.2.Single Window Clearance and Facilitation

- A Government body(Policy Implementation Unit)under the chairmanship of Principal Secretary IT, Government of Uttar Pradesh, shall be formed to efficiently and smoothly assist the entrepreneurs and other IT units to facilitate statutory clearances like Pollution Control, The Factories Act, The Shops and Establishments Act, The Payment of Wages Act, Minimum Wages Act, Workmen’s Compensation Act, Contract Labour Act, Power allocation etc. The PIU(Policy Implementation Unit)shall also be responsible for clearing roadblocks in a time bound manner. In case timely clearance or removal of a roadblock, within the time frame does not take place, the issue shall automatically escalate to the Principal Secretary/ Secretary I.T. and thereafter (after a defined time interval) to the Empowered Committee. Periodic review at the level of Chief Secretary for clearances will be held.

5.2.3.Industrial Promotion Subsidy

- Industrial Promotion Subsidy equivalent to 50% of the incentives admissible for new units (except rebate on land purchased from State Agencies) would be admissible to the existing units, if additional capital investment for capacity enhancement to the extent of 50% or more on the existing capacities of IT units is made in a period of 3 years in Tier II and Tier III Cities. The existing units shall have furnished all required particulars pertaining to their status, details of tie-up with Banks/financial Institutions for Term Loan/Working Capital etc, for the proposed expansion, to the competent authority before undertaking the capacity expansion.

5.2.4.Uninterrupted Power Supply

- IT units setup in IT Cities / IT Parks on Independent Feeder shall be provided uninterrupted power supply from State Utility. The cost of provision of separate Feeder and separate Transmission Line will be borne by the developer.

5.2.5.Plant and machinery for captive power generation

- The IT Parks, IT Cities and Mega investment Unit desirous of establishing Captive Power Generation Plants having minimum capacity of 03 MW, and distributing the Power only within IT/ITeS/Mega Investment Unit zones, would be deemed to be Information Technology unit and the incentives as enumerated under Section-5 would be made admissible to them.

5.2.6.Employment generation

- 50% of incentive for five years on expenditure on account of contribution towards Employee Provident Fund and Employee State Insurance schemes to the units employing at least 100 employees and retaining at least 75% locals for a period of 3 years, subject to a maximum of 25% of Fixed Capital Investment.

5.2.7.Incentives on Case to Case Basis

- IT/ITeS/Mega Unit investments projects proposed above Rs. 200 crores shall be considered for special incentives over and above the incentives provided above, by the Empowered Committee along with the approval of the State Government.
- Investment projects above Rs.100 crores proposed on skill development, Innovation, Research and Development and employability of the resource pool in Uttar Pradesh may attract special incentives over and above the incentives provided, by the Empowered Committee along with the approval of the State Government.

5.2.8.24x7 Operations

- Permission to IT and ITES companies to have 24x7 operations (to run in three shifts) and employment of women in all three shifts.

6. Marketing & Branding Strategy

- The Department shall create a Brand Promotion Strategy to create a Brand Image for the State IT Department and its Policies and initiatives.
- The Department shall Organize Conferences, Summits, Road Shows and events at different states in association with NASSCOM, CII, FICCI etc to highlight the major features of the policy to the Investors, Business houses, Institutions & organizations.
- The Department shall tie up with the Tourism Department for promotion activities and its participation in various Road Shows.

- The department shall use the print, television & social media to create awareness about the policy & positioning of U.P as compared to other states.
- The department shall hire the services of a professional Advertising Agency or Public Relation Agency for promotion and brand building of Uttar Pradesh& the IT and ITES Policy of UP.
- Holding Panel Discussions by partnering with IT companies as Gold/Silver partners.

7. ANNEXURE

7.1. Empowered Committee

- A State Level Empowered Committee under the chairmanship of the Chief Secretary shall oversee the development of I.T. industry in the state. The Empowered Committee will at State level monitor the implementation of this Policy. This committee shall among others comprise APC, IIDC, and Principal Secretaries of Information Technology, Finance, Planning, Small Industries, Commercial Tax, Energy, Transport, Revenue, Housing and other departments as members.
- The Charter of the Empowered Committee shall be :
 - Monitor and ensure timely release of relevant orders/notifications and amendments required.
 - Approve the IT city/IT Parks/Mega Investment Units to be setup under the policy.
 - Approve the Projects, framework/modalities of implementation, and funding from central pool for projects proposed by the Departments.
 - Bring about inter-Departmental coordination in respect of matters related to this Policy.
 - Evaluation of IT Policy implementation on the basis of data on key indicators and resolve implementation issues at all levels.

8. Glossary

1. **“IT Industry”** includes IT Hardware and IT/ITES units/companies. Where IT units/ companies include IT Applications, software and IT services and IT Enabled Services includes BPO/ KPO/Consulting /Animation and Gaming and other Knowledge Industry units such as Nanotechnology, Telecommunications etc.

2. **Software services include:**
 - Application software
 - Operating system
 - Middleware/Firmware
 - Any component level development of the above software.
 - Design and Quality assurance work for these software.
 - System integration work/components for software.
 - Any localization and SCM work in the software.
 - Extension development (modules outside the main software).

3. **“IT services”** is defined as any service which results from the use of any IT software over a system of IT products for realizing value addition.
Information Technology services include:
 - Application software
 - Internet Service Provider
 - E-mail Service Provider
 - World wide web Service Provider
 - E-commerce and content development
 - Electronic Data Interchange (EDI) Services
 - Video conferencing
 - V-SAT, ISDN services
 - Electronic Data Centre activities

4. **“IT enabled Services** include processes and services that are delivered over telecom networks or the internet to a wide range of business segments such as Medical Transcription, Legal Database processing, IT Education and Training, Legal process outsourcing, IPR services, Digital content development / animation, Remote Maintenance, Back office operations – Accounts/Financial services, Electronic, Medical and Health consultancy ,Bio informatics , Data Processing and Call Centers etc

ITES include, but are not limited to:

- Customer interaction services, e.g., call/contact centers and email help desks
- Engineering and design
- Back office processing
- Finance and accounting (provided remotely)
- Insurance claims processing (provided remotely)
- HR services (provided remotely)
- Web site development and maintenance services
- Data search, integration and analysis o Network consulting and management
- Remote education
- Animation (provided remotely)
- Gaming
- Market research (provided remotely)
- Translation, transcription and localization (provided remotely)
- Consultancy (Provided remotely) for:
 - ✓ IT sector
 - ✓ ERP - Enterprise Resource Planning (e.g. SAP, Oracle etc)
 - ✓ CRM - Customer Relationship Management
 - ✓ MRM- Marketing Resource Management
 - ✓ Technical support
 - ✓ Business Systems and Processes
- Data Processing
- System Integration and customization.
- System Up gradation services
- Designing and designing systems
- Call centers:
 - ✓ Voice- Both inbound and outbound
 - ✓ Data- Both inbound and outbound
- Software Extension development
- IT Facilities management (including provided remotely)

5. Classification of Cities

- Tier I – Noida, GreaterNoida

- Tier II e.g. Lucknow, Agra, Kanpur, Allahabad, Meerut, Varanasi and other cities having population more than 20 lacs.

- Tier III- cities having population less than 20 lacs.

- **Mega Projects:** The projects having investment above Rs 200 crores would be considered as Mega Project.

6. Thrust Areas:

- IT Education and IT based education, technologies, systems and applications
- Emerging mobile and fixed wireless technologies
- Remote sensing and GIS based Decision Support Systems
- Smart cards, RFID based systems
- Convergence and multimedia technologies

7. State Agencies

- Development Authorities
- Housing Boards
- Lucknow Industrial Development Authority (LIDA)
- UPSIDC
- Other State Institutions notified by the Government

(Jiwesh Nandan)
Pr. Secretary
IT & Electronics
UP Government