

Industry status to IT Cos to boost sector beyond NCR rgn, create jobs

To Bring Down Operational Cost By 20%

TIMES NEWS NETWORK

Lucknow: Awarding industry status to information technology and IT-enabled services (IT & ITes) sector companies has been a long-pending demand of IT companies as well as it will boost the state's IT sector in areas beyond the NCR region and create more jobs. "A delegation from Nasscom (National Association of Software and Service Companies), the not-for-profit industry association of IT and business process management players, had officially voiced this demand before the state govt recently," an insider said.

An official associated with the proposal said: "Like all businesses, IT/ITes units want to bring their oper-

Catalyzing IT Boom

WHAT DOES INDUSTRY STATUS MEAN FOR IT SECTOR?

Currently grouped under 'services', categorization of IT/ITes units as industry will have the following benefits:

- Access to wider industrial land bank
- **Cheaper power tariff. Industrial tariff is 20-30% cheaper than commercial**
- Reduced property tax rate
- **Inclusion as an essential service**
- Permission to run ops in three shifts

WHY IS UP KEEN ON THIS?

- To make UP a lucrative investment destination for IT/ITes. Attract new players to cities beyond NCR
- To increase overall share of IT/ITes in state economy, especially vis-à-vis one trillion-dollar economy goal
- **To boost STPI (Software Technology Parks of India) exports. UP ranks sixth on the count**
- It's a long-pending demand of IT/ITes sector. Industry status would bring down operational costs by about 20%
- **UP IT and Startup Policy 2017-2022 (clause 4.2) had provided for industrial power tariff to all IT/ITes units. The promise still remains unfulfilled**

WHAT ABOUT EXISTING UNITS?

The new policy draft is forward looking and is silent on the fate of existing units. Experts believe once the policy is in place, existing units may feel left out and ask govt to address their needs. Sooner or later, govt will have to include them in larger plan

(Source: GoUP)



WHO WILL BENEFIT & HOW?

- **New or expanding IT/ITes units, according to Uttar Pradesh IT Policy, 2022**
- Startups will be registered under UP Startup Policy
- **IT/ITes units may be asked to furnish certain documents such as memorandum of association, GST registration certificate, software export licence, SEZ licence**

ational cost down and industry status would be instrumental in making this happen. It would allow units to procure electricity at an industrial rate which is about 20-30% cheaper than the commercial rate which translates into a hefty sum considering its power-intensive nature."

In UP, it is estimated that the change would help in bringing down the operational cost by about 20% besides allowing the new players to choose land from the landbank of UP State Industrial Development Authority (UPSIDA). Sources said that the proposal would be placed before the state cabinet soon and the draft is being examined by the finance department. If approved, the draft would lead to a change in the UP IT and Startup Policy 2022 and then pave the way for relevant official orders and rules.