Government of Maharashtra
Department of Industries

॥ उद्यमात् सकल समृद्धिः ॥
MIDC

MAGNETIC MAHARASHTRA
#MadeForBusiness

IT Sector in Maharashtra

Sector Profile

Agenda

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Maharashtra's Remarkable Role in India's IT Industry Evolution

Government of Maharashtra

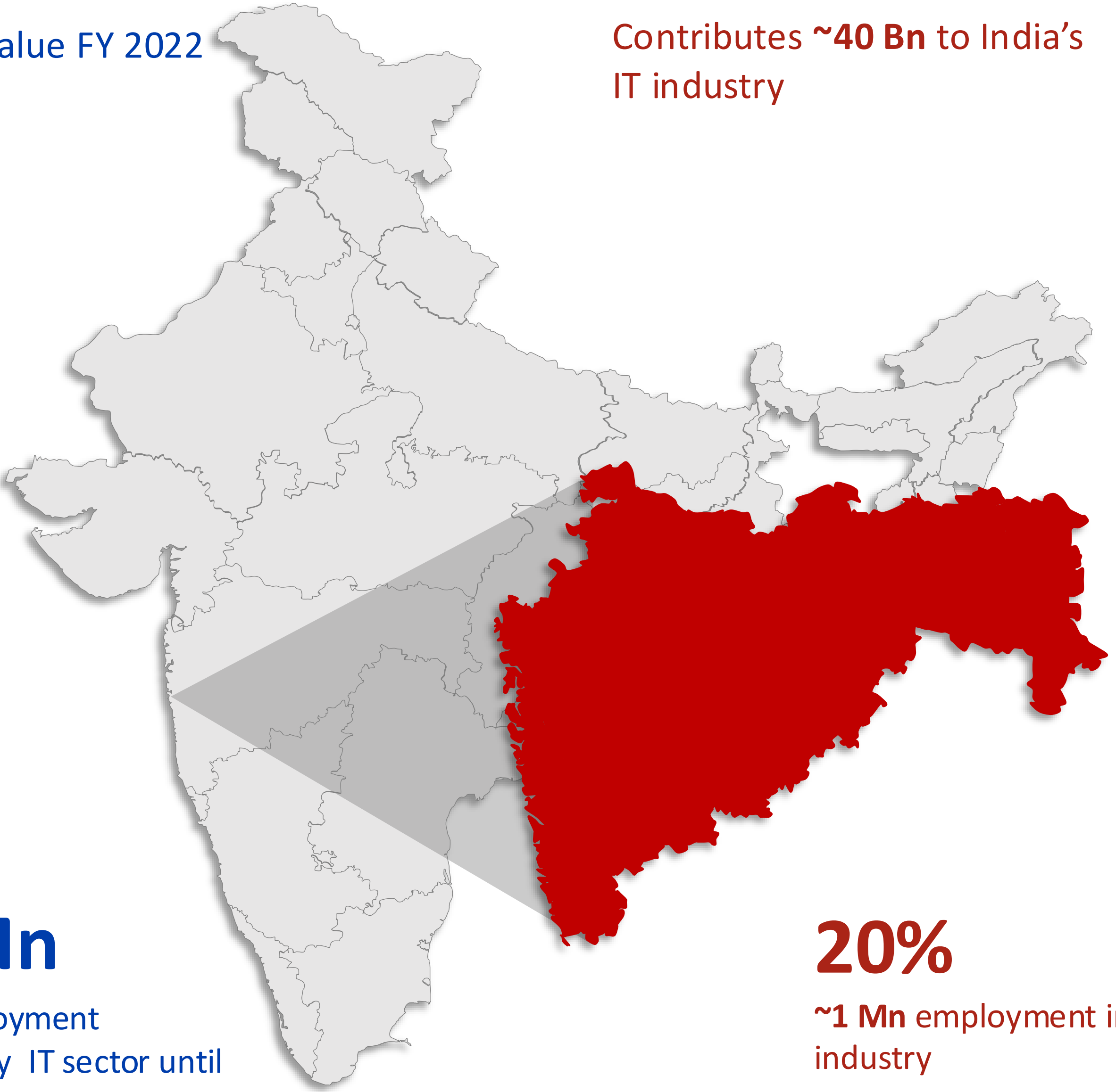
$ 210 Bn
IT Industry value FY 2022

$ 194 Bn
IT Exports in FY 2023

$ 4.5 Bn
India's Data Center Market Value

1580+
GCC centers

5.1 Mn
Direct Employment generated by IT sector until FY22



19%
Contributes **~40 Bn** to India's IT industry

20%
Contribution to India's IT exports
2nd Highest in India

65%
Share in India's Data center Capacity

20%
India's GCC in Mumbai and Pune

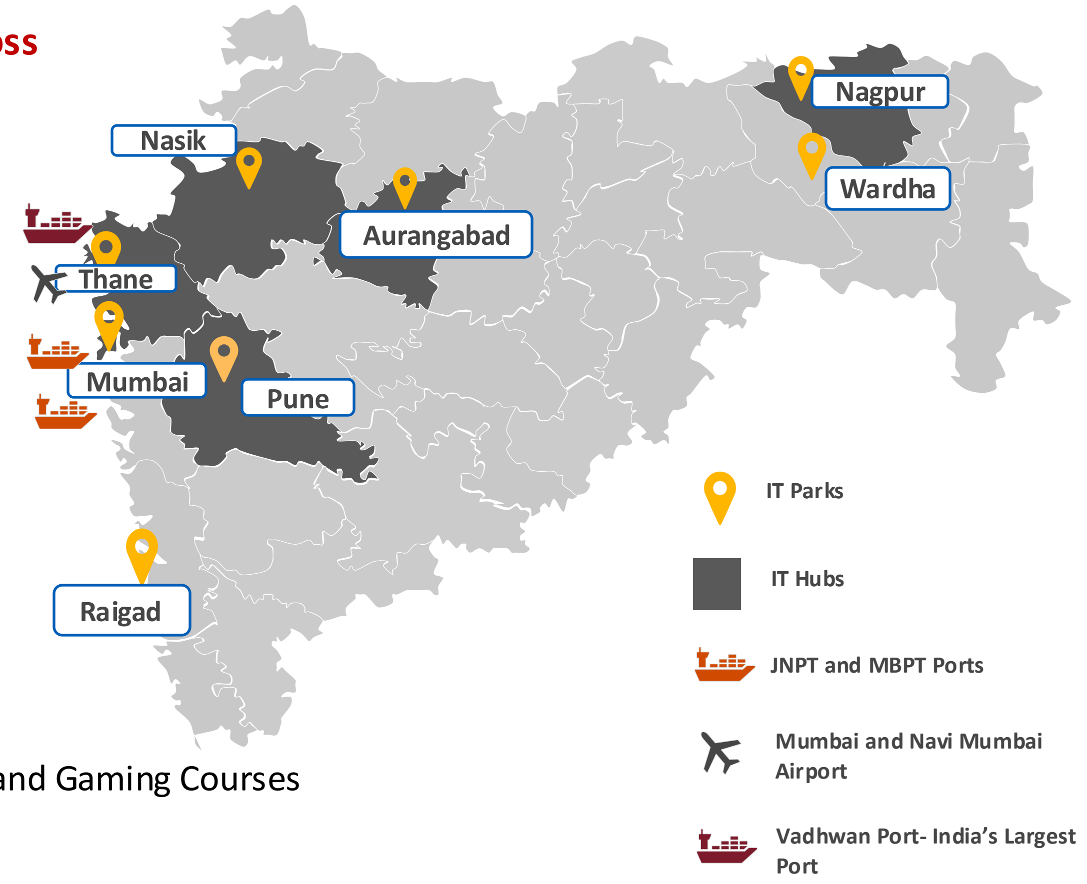
20%
~1 Mn employment in IT industry

Source: PIB, Maha DSP, ET, Outlook

Maharashtra's Supportive Ecosystem Driving Industry Growth

Robust Infrastructure across the state

1200+ Software Units
37 Public IT Parks
577 Approved IT Parks
600+ AVGC Studios, Highest in India



Global Connectivity

12 out of 20 highest number of undersea data-cable landing stations in Mumbai connecting the Eastern and the Western regions of the globe

Skill Development

700+ Engineering Colleges
900+ Industrial Training Institutes
~20 Universities with Animation, VFX and Gaming Courses

Major R&D Institutes
Centre for Development of Advanced Computing, Mumbai
CSIR Unit for Research & Development of Information Products, Pune
Indian Institute of Technology, Mumbai

Growing Digitization and Potential Users

100.55 Mn Internet Subscribers

79.82% Internet penetration, Ranks **1st** in India

2nd Highest Number of Mobile Gamers in India

Source: IT Policy 2023, https://www.submarinenetworks.com/en/stations/asia/india,TheHinduBusinessLine,https://www.ffo.gov.in

Maharashtra is a key leader in the IT industry, with a strong presence across the entire value chain

Research and Development	Hardware and Software Product	Consulting	Outsourcing
Mumbai, Pune	Mumbai, Pune, Nagpur, Nashik	Mumbai, Pune, Nagpur, Thane, Nashik	Mumbai, Pune, Nashik, Nagpur, Thane

Key Growth Drivers and Enablers

PCs and Desktops: **2nd highest GVA** contributing state in India with respect to computer and peripheral equipment manufacturing

Industrial & Automation: State is home to the **largest manufacturing base** and smart cities such as **AURIC** which will drive the need for this segment to scale domestic manufacturing.

AVGC Growth: **Largest** Hollywood and Bollywood **VFX** studios present in Mumbai & Pune

Govt Support and Incentives: Fiscal and non fiscal incentives are offered for promotion of **IT software & ITES**, **Data centers**, **AVGC** and **emerging technologies**.

Data Centre Hub: **Mumbai** is known as the **Data Centre Capital** of India with a capacity of **2337 MW.**

M Hub for Innovation: **M- Hub** to head initiatives to support tech startups at **subsidized costs.**

A **fund** of **INR 500Cr**. will be set up to support MSMEs, startups, incubation centers, M-Hub and emerging technologies.

Source: TOI, IT Policy

Package Scheme of Incentives – 2019, for Large Scale, Ultra Mega and Mega Projects

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Industrial Promotion Subsidy

1

- LSI- 50% Gross SGST payable
- Special LSI- Except for zone A & B 40% net SGST payable

Stamp Duty Exemption

2

- Zones A & B - 75% exemption in private IT/BT parks & for others 50%
- 100% exemption for other zones (except zones A & B)

Electricity Duty Exemption

3

- Zone A & B - 100% exemption for manufacturing units for 7 years
- 100% exemption for other zones

Access document

Ultra Mega & Mega Projects

4

- Tailor made incentives: HPC to recommend customized Package of Incentives on case-to-case basis
- Projects of Special Importance may get customized package of incentives on case-to-case basis via HPC

For expansion or diversifications Units

5

- Expansion or diversification units qualify for incentives equivalent to 80% of those available to new units

Additional Benefits - Incentives to promote quality competitiveness, R&D, technology up-gradation, water & energy conservation, cleaner production and credit rating

Qualification Criteria LSI

Area Classification	Min FCI (INR crore)	Min Direct Employment	Max as % of FCI	Incentive period (Yr)
A & B	750	1000	25%	7
C	500	750	40%	7
D	250	500	60%	7
D+	150	400	70%	7
VMRS D#	100	300	80%	9
NIA, NAA, AD	100	250	100%	9

Qualification Criteria Ultra Mega & Mega

Project Classification	Area	FCI (INR Cr.)	Min Direct Employment
Ultra Mega Industrial Unit	Entire State	4000	4000
Mega Industrial Unit	A & B	1500	2000
	C	1000	1500
	D	750	1000
	D+	500	750
	VMRSD#	350	500
	NID, NAA, AD	200	350

Maharashtra IT Policy - Incentivizing Investors for greater growth

Operating period – 27th June 2023 - 27th June 2028

Electricity Exemption

Zone 1 - 100% exemption for Public or private IT Parks for **10 years**
Other than Zone 1 - 100% exemption for Public or private IT Parks for **15 years**
IT SEZs – **Permanent** 100% exemption

Power Tariff

Power will be supplied at **industrial rates** applicable under Maharashtra Electricity Regulatory Commission's tariff orders

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Power Rationalization Benefit

Cost reimbursement of up to **25%** of retrofitting cost or **INR 10 lakhs**

Property Tax

Property tax shall be levied at par with residential rates as applicable in the relevant jurisdictions.

IT & ITES, AVGC, Data Centre & Emerging Technology units will be entitled to stamp duty exemption

New units in Public/Private IT Parks & expansions of existing units in the areas other than zone-I	100%
New units in Public IT Parks and expansion of existing units in IT parks located in zone I	75%
New units in Private IT parks located in zone I	50%
New units & expansion of existing units in IT Parks for SEZ, STPI registered units	100%
New units and expansion of existing units for merger, demerger and reconstruction of register IT / ITEs units through out the state, leave and license agreement & public assignment of lease.	75%

Promotion of IT and ITES Infrastructure (Development Incentives)

Additional FSI and Space Utilization of IT Parks

Minimum Road Width	Maximum Permissible FSI Greater Mumbai Region	Maximum Permissible FSI Rest of Maharashtra
12 m	Up to 3	Up to 3
18 m	Up to 4	Up to 3.5
27 m	Up to 5	Up to 4

Land Use Percentage Required to be Permitted Mixed Use of IT Parks

In zone I (Municipal Corporations in MMR and PMR area)

- **60%** - IT and ITES units including 2% BUA for incubation centers
- **40%** - Allied services /support services including all commercial and residential activities except polluting activities.

In areas excluding zone I

- **50%** - IT and ITES Units including 2% BUA for incubation centers
- **50%** - Allied services/ support services. It will include all commercial and residential activities except polluting activities

Source: IT Policy 2023

Major IT Players in Maharashtra

Tech Mahindra
tcs
accenture
Capgemini
Honeywell

Microsoft
Reliance Jio Infocomm Limited
ORACLE
CtrlS
aws

redchillies.vfx
nxtra by airtel
STTelemedia Global Data Centres
IBM
adaniconnex Your Growth. Our Priority.

HCLTech
cognizant
Infosys
wipro
sify

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Government of Maharashtra

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Annexure

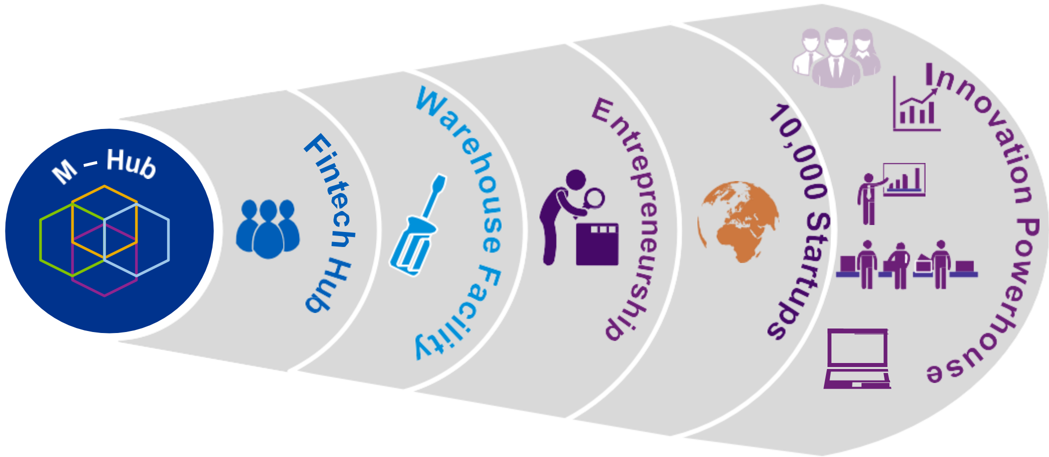
M-Hub for Innovation in Maharashtra

*CoEs – Centers of Ex

Governance & Vision

- **MIDC | COO | CoEs* | Self Sustenance**
- Focus on **Emerging Technologies**
- Position MH as a **AVGC hub**
- Support technology **Startups**
- Provide demand led **Infrastructure**
- CoE for Online Gaming

Key Offerings



Startup ecosystem

- MSInnS | Startup Policy
- 17 Incubators with 5 Cr funding
- Startup Yatra in Tier 2 & 3 Cities
- Intellectual Property Creation & Quality Testing Assistance
- Virtual Incubator

Execution Model

Comprehensive Digital Platform

- Digital platform along with mobile application for end-to-end management of the incubation program
- Integration with vast array of online solutions as well as third party licenses
- Ability to host live discussions, sessions, matchmaking and knowledge management

Mentoring

- Exploring the possibilities of on-boarding full-time mentors or empanelment of mentors
- On-boarding of subject matter experts and entrepreneurship champions as mentors
- A dedicated pool of corporate professionals as mentors

On-site Sessions & Workshops

- Periodic weekend sessions and workshops by domain experts
- Periodic community meet-ups (networking of cohort of startups and startups from other renowned incubators)
- Domain specific acceleration programs in collaboration with partner accelerators

Partnerships & Networking

- Curated access to various stakeholders for funding, collaboration and marketing linkages
- International exchange program and national knowledge exchange tours
- Periodic challenges and opportunities to commercially engage startups

Focus on Online Gaming CoE

CoE for Online Gaming will focus on **following 3 Pillars:**

- Promote & facilitate investment in the Gaming Sector
- Additional Revenue generation for the State & modalities
- Regulatory Framework to allow sustained growth

Maharashtra's Remarkable Role in India's IT Industry Evolution

The IT & BPM sector, a crucial growth catalyst for **India's** economy, accounted for **7.4%** of India's GDP in FY22

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Direct Employment generated by IT sector until FY22

Maharashtra's IT Industry contributes **~$35 Bn (~9% of GVA).**

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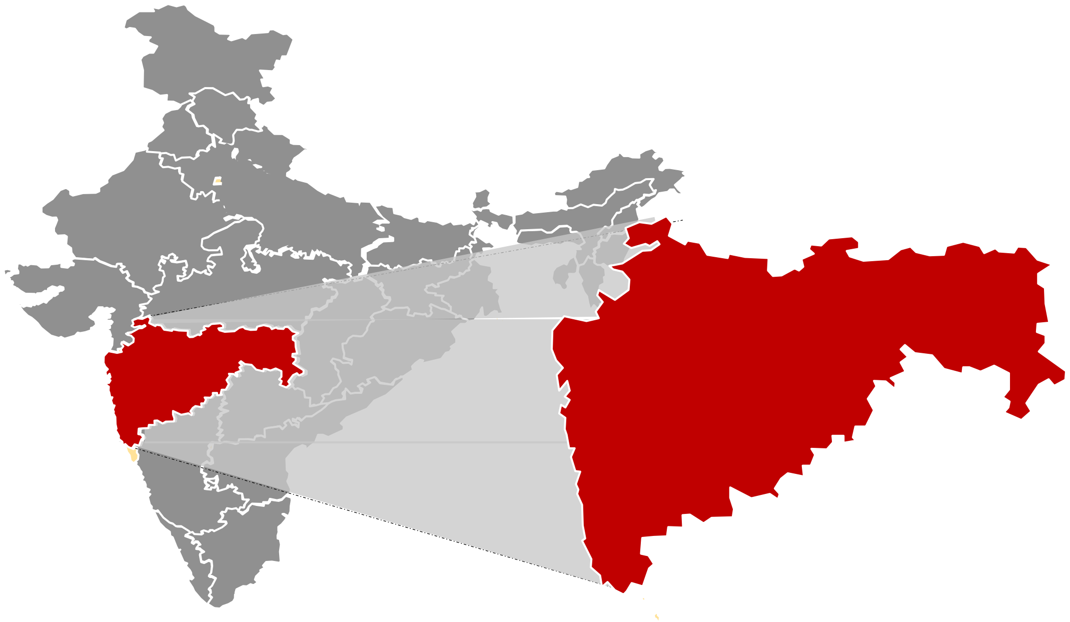

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