

# From the Desk



T.K. Ramachandran, IAS

Principal Secretary, Information
Technology Department

I am glad to be a part of this August edition of Tamil Nadu Global Investors Meet Newsletter, and to share the State's key strengths, achievements and way forward for the IT/ITeS sector. Through this edition of the newsletter, I intend to acquaint the readers about the strength of the IT/ITeS sector in Tamil Nadu, and some recent schemes and initiatives that support the growth of this industry in the State.

The Service Sector alone has been contributing to >60% of the State's GSDP since past decade. IT/ITeS industry is the major contributor to the services sector in the State. According to Software Technology Parks of India (STPI), Chennai, the number of registered software units in Tamil Nadu has increased from 1114 in 2004-05 to 1780 currently, providing employment to more than 3.75 lakh professionals. The presence of major IT giants in Tamil Nadu reiterates the fact that it is one of the most preferred destinations in India. Some of the opportunities which Tamil Nadu offers are in the areas

#### indicated below:

- Cloud based services and solutions
- · Hardware manufacturing
- Urban & Rural Planning- using GIS, remote sensing
- Knowledge process outsourcing
- Data/computer centers
- E-governance initiatives
- IT-based education & trainings

The State Government has taken several measures to attract investments in to the state with a view to support the growth of IT, ITeS sector. The Government is establishing an IT Investment Region near Chennai covering an area of 1600 sq. km with a total investment of USD 1.7 billion. Land acquisition has been initiated. The State has one of the best communication infrastructure in the Country offering the largest bandwidth and a high tele-density. It also has the presence of all major service providers and an extensive fibre network. Chennai also houses one of the earliest IT Parks (Tidel Park) developed in India, by the State Government.

The State has presence of STPI multi Fiber backbone and State of art infrastructure facility for the IT industries and has 28 operational Special Economic Zones in State with another 234 being in the pipeline.

Extensive availability of Manpower at competitive rates when compared to developed economies and even other States makes Tamil Nadu a well-positioned State for IT and ITeS industry. Tamil Nadu offers one of largest pool of technically qualified professionals. The annual intake of 620 Engineering institutes at under graduate level is 2.5 lakh students. Out of this around 37% students (~90,000) specialize in IT, Computer Science & Electronics Telecommunication. Post graduate courses like MCA (Master of Computer Application) specially designed to suit the needs of IT-BPO industry have an intake of around 18,000 students.

ICT Academy of Tamil Nadu (ICTACT) is a joint initiative of Government of India, Government of Tamil Nadu and Industries. Its prime focus is to improve the quality of students graduating from various institutions in the State, to make them industry ready and immediately employable in the ICT industry.

Tamil Nadu's IT/ITeS sector is at a crucial juncture today with several investments being made in the sector promising a significant transformation. New business opportunities are emerging and proactive policies have been initiated by Government of Tamil Nadu – these have helped the sector experience sustained growth. The State Government's Rural BPO Policy 2012 and ICT policy offer interest subsidy, capital subsidy, training subsidy, relaxation of FSI, reduction in power tariffs, structured package of incentives etc and assistance in various areas to enable industries to be globally competitive.

I am sure you would like to read more about various schemes and support mechanisms for IT and ITeS industries. Further details are featured in the subsequent sections of the Newsletter.

Wish you all a happy reading!!!

For further information on the current status of IT/ITeS industry, as well as to have an overview about competitive strengths of Tamil Nadu and investment opportunities, refer to http://www.tamilnadugim.com

I would also like to invite all the readers to the Global Investors Meet and to the "IT and ITeS Seminar" planned on 10th September, 2015 at Chennai Trade Centre, Chennai and request them to register at the following link:

http://tamilnadugim.com/event-registration/

Vanakkam. Welcome to Tamil Nadu Global Investors Meet.

### IT and ITeS sector in Tamil Nadu

The Service Sector has undergone a major transformation due to economic liberalization introduced by the government in past few years. The role of IT-ITeS sector in the overall Service sector cannot be undermined as it forms the main pillar of a developing economy. Since the economy is transitioning from an agricultural-based into a knowledge-based one, IT-ITeS Sector has the tremendous potential of becoming an engine of accelerated economic growth, productivity improvement for all sectors of the economy and means of efficient governance.

Major Players in Tamil Nadu: The presence of IT giants like TCS, Wipro, HCL, Cognizant, Hexaware, Honeywell, Tech Mahindra, Syntel, Capgemini, in Tamil Nadu reiterates the fact that the State is one of the most preferred destination in India.







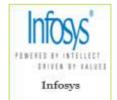
























World Bank and Standard Chartered Bank - back offices

The State offers the right business environment and support for IT/ITeS units through a robust policy framework, as summarized below:

## **Rural BPO Policy 2012**

- Capital subsidy of 20% on Capital Investments subject to employment of atleast 50 trained people in that unit
- Training subsidy of INR 1500 per person per month
- Transport facility for the BPO
- · Exemption from payment of SD/EMD and cost of tender

## **ICT Policy**

- Structured package of incentives for IT/ITes facilities being set up/expanded in Chennai, Tiruvallur, Kancheepuram with a minimum investment of INR 250 crores (INR 150 crores for other districts) in a span of 3 years.
- Special Incentives for facilities in TIER II & III Locations: Backended Capital subsidy and Electricity Tax exemptions based on investment pattern and measure.
- Relaxation of FSI: Upto 100% FSI Relaxation for IT-ITes Parks
- · Exemptions in Stamp Duty and registration fee
- · Reduction in Power tariffs
- Administrative Incentives
- Physical Incentives
- Singlw Window Clearance Mechanism
- Others like Data Security policy, augemnting Civic Infrastructure, etc.

The State Government has identified the following investment opportunities for investment in the IT/ITeS sector:

Cloud based services and solutions

Hardware manufacturing

Urban and rural planning - using GIS, remote sensing

Knowledge process outsourcing

Data/computer centers

E-Governance initiatives

IT based education and training



### Contact information:

Additional Chief Secretary to Government of Tamil Nadu Industries Department Phone: 91-44-25671383 Fax: 91-44-25670822

Email: indsec@tn.gov.in, indjsgim@tn.gov.in

## **Nodal Agency**

Tamil Nadu Industrial Guidance and Export Promotion Bureau 19-A, Rukmini Lakshmipathy Road, Egmore, Chennai-600 008

Phone: 91-44-2855 3118 Fax : 91-44-2858 8364 Email: directorguidance@gmail.com

Visit us at www.tamilnadugim.com

In case of any queries related to the Global Investors Meet, please write to support@tamilnadugim.com

Helpline number: +91 80562 02050, +91 99529 44630, +91 99942 12176



www.tamilnadugim.com