

Minutes of the Meeting On Look East Policy (LEAP)

Venue: NSL, Uppal

Date & Time: 26th April, 2018, 9:30 AM to Noon

Attendees:

1. Mr. Madhu Babu Yasangi, NSL
2. Mr. Manoj Agarwal, DSL
3. Mr. Suresh Madhala, TSIIC/ IALA, Govt of TS
4. Mr. Vinod Nathan, NSL
5. Mr. M. Prabhakar Rao, NSL
6. Mr. Amarnath Reddy Atmakuri, IT Department, Govt of TS
7. Ms. Madhavi, Zonal Manager, TSIIC
8. Mr. Rajkumar Dhrumataru, Surveyor
9. Mr. G. Narayana Rao, NSL
10. Mr. Gipson, CBRE

Agenda:

1. Policy and incentives for the Uppal/ Pocharam corridor leading to a draft policy
2. Infrastructure developments to be done in the Uppal/ Pocharam corridor
3. Branding and promotional activities
4. Identification of potential land parcels for IT
5. Establishment of social amenities
6. Strategy formulation for attracting anchor clients – roadshows, etc

SECTION ONE: POLICY AND INCENTIVES

(A) Incentives for Units

- I. A power subsidy of 25% will be passed on to the units with a cap of Rs. 25 lakhs per annum for a maximum period of 3 years from the start of operations.
- II. Recruitment assistance/ grant of Rs. 50,000 per employee with a cap of Rs. 1 Cr per annum per unit for a maximum period of 3 years from start of operations.
- III. A rental subsidy of 25% with a cap of Rs. 50 lakhs per unit for a maximum period of 3 years from the start of operations.
- IV. A 20% discount on the Metro passes for all employees commuting to the Uppal/ Pocharam corridor on top of the discounts negotiated with the HMRL.

(B) Incentives for Developers

- I. Waiver of Impact fee for the developers.

- II. Waiver of stamp duty for lease or registration.
- III. Deferment of development fee for a period of 3 years.
- IV. Provide two conversion options for the existing industries in the Uppal IALA.
 - i. Up to 50% of the industrial land to permitted for non-IT use to facilitate development of adequate entertainment, hotels, malls, residential facilities, etc.

OR

- ii. If any of the sick or running industries want to surrender their land to the Government, they will provided with 30% of the land extent they have surrendered which can be used for any purpose – residential or commercial or sale.
- (C) The IT under this area to be brought under ESMA (Essential Services Maintenance Act) to ensure no disturbances for the units and developers.
 - (D) A special police station to be setup for the **Cyberupaal** corridor. Also, the Society for Cyberabad Security Council (SCSC) to have a dedicated and special wing for the Cyberuppal area. All units and developers to be made a part of it for security and safety of women employees, maintenance of traffic and other issues.

SECTION TWO: INFRASTRUCTURE DEVELOPMENTS

- (A) Road connecting Survey of India – from Inner Ring Road to the NH – 202
 - I. Letter from Principal Secretary, Govt of Telangana to the Survey of India for obtaining 100 feet. Reasons to cite include creation of the Cyberuppal corridor, facilitation of the walkover bridge from Metro, regulation of the stadium traffic, etc.
- (B) “U” turn on the NH – 202 adjacent to the NSL campus
 - I. A letter from the Principal Secretary, IT to the DCP Traffic to ensure a “U” turn is created at the right spot for smooth flow of employees into the NSL complex.
- (C) Road connecting Genpact campus – from Inner Ring Road to Minacto
 - I. 80 feet road to be created/ expanded.
 - II. This part is under the IALA and can be taken up by the TSIIC.
- (D) Proposal for an underpass on Inner Ring Road under the Uppal Junction (from Secunderabad side to Nagole side)
 - I. This needs to be taken up by the R&B department of the Govt of Telangana with coordination between GHMC, R&B, HMRL, HRDC, NHA, IALA and TSIIC.
- (E) Road from NH 202 to Musi bed road – widening to 36 m for an approximate 2.5 to 3 Km stretch.
 - I. This is under IALA and can be taken up TSIIC.

- (F) Lights, pavements and Greenery all around the area.
 - I. TSIIC to take it up.
- (G) Adequate water and power supply to be ensured to the area considering the growth potential.
- (H) Other Infrastructural developments will be necessitated upon resuming the land from the sick industries and creating a contiguous block of land for IT allocations.

SECTION THREE: BRANDING AND PROMOTIONAL ACTIVITIES

- (A) It was proposed to have a review meeting of all the Policy and Incentives and Infrastructural developments – the holistic plan for LEAP under the supervision of the Honourable Minister and the Principal Secretary, IT/ Industries.
- (B) The Honourable Chief Minister as part of his vision to promote clusters around the ORR and the city can do the formal announcement of the LEAP in a major event to be held in the Uppal IALA.

SECTION FOUR: IDENTIFY LANDS

- (A) A facilitation cell will be setup for engaging in discussions with the various sick units and other industrial units who are interested in parting their land. The idea is to create a 150 acre contiguous block to promote IT and ITeS aggressively.

SECTION FIVE: SOCIAL AMENITIES

- (A) Government by allowing the conversion options for the Industrial units will create enough land for the developers to construct star hotels and other social amenities.
- (B) Special incentives should be given for creation of star hotels and other social amenities in this area.

SECTION SIX: STRATEGY FOR ATTRACTING ANCHOR CLIENTS

- (A) The Government should aggressively promote the area through its network, engage with IPCs, and make the Cyberuppal a part of the brochures and other promotional material.

Next Step:

The team has proposed a review meeting on the draft policy above. The review meeting will be headed by the **Honourable Minister for IT & Industries** and the proposed location will be one of the Cyberuppal campuses.

APPENDIX - A
Financial Impact of the Policy

Assumptions Made on Growth Potential

| Description | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|--|------|------|------|------|------|-------|
| 1 Annual space addition (in lakh sft) | 10 | 15 | 20 | 25 | 30 | 100 |
| Annual employment addition (in lakhs) | 0.10 | 0.15 | 0.20 | 0.25 | 0.30 | 1.00 |
| 2 Number of employees taking Metro (in lakhs) (@ 40% strength) | 0.04 | 0.06 | 0.08 | 0.10 | 0.12 | |
| 3 Average cost of Metro travel (per month in Rs) | | | | | | |
| 4 Per sft rental value per month | 40 | 42 | 42 | 44 | 46 | |

Other assumptions

| | | |
|-------------------------------------|---|------------|
| 1 Average Unit Size | = | 40,000 sft |
| 2 Cost of power consumption per sft | = | Rs. 120 |
| 3 Sft requirement per employee | = | 100 |

Value of incentives (for which budget provision required)

| Description | Rs in cr | | | | | | | Total |
|------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | |
| 1 Power subsidy | 6.25 | 15.63 | 28.13 | 37.50 | 46.88 | 96.88 | 81.25 | 312.50 |
| 2 Recruitment | 25.00 | 37.50 | 50.00 | 62.50 | 75.00 | 0.00 | 0.00 | 250.00 |
| 3 Rent subsidy - | 12.00 | 30.90 | 56.10 | 77.10 | 99.60 | 74.40 | 40.20 | 390.30 |
| 4 Metro pass | 1.15 | 2.88 | 5.18 | 8.06 | 11.52 | | | 28.80 |
| Total | 44.40 | 86.91 | 139.41 | 185.16 | 233.00 | 171.28 | 121.45 | 981.60 |

* The amount of power subsidy in years past 2023 may be subject to how long the Government wants to extend the benefits as part of LEAP Policy.

Value of Incentives (for which there is no budget provision needed)

| Description | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|------------------------|-------------|--------------|--------------|--------------|--------------|--------------|
| 1 Waiver of Impact fee | 6.00 | 9.00 | 12.00 | 15.00 | 18.00 | 60.00 |
| 2 Waiver of Stamp Duty | 1.01 | 1.59 | 2.12 | 2.77 | 3.48 | 10.96 |
| Total | 7.01 | 10.59 | 14.12 | 17.77 | 21.48 | 70.96 |