UP to set up IT SEZ in Lucknow

Virendra Singh Rawat / New Delhi/ Lucknow January 12, 2010, 0:00 IST

The Uttar Pradesh government will soon start the process of setting up an information technology special economic zone (SEZ) in Lucknow to stop the migration of state talent pool to other states. The SEZ would be set up in the public-private partnership (PPP) mode, where the developers and investors would be provided land on concessional rates.

The UP industry had long been demanding from the state government to facilitate the development of such an enclave around Lucknow to give a fillip to the economic development in the region.

According to industry sources, Lucknow has big potential to emerge as an IT hub, since around 12 per cent of India’s top-of-line IT professionals come from this part of the country. “The graduates from colleges affiliated to the UP Technical University and other institutes migrate to other states in search of IT jobs, since such employment avenues are not available in UP, except for areas falling under the National Capital Region (NCR),” UP IT and Electronics Principal Secretary Chandra Prakash told Business Standard.

He informed the state government would request the IT industry to open shops in the proposed SEZ, so that the state graduates can get jobs right here.

“Lucknow is an ideal place for setting up of the IT SEZ, since it is well connected to other areas and the cost of living is quite low compared to other metros and big cities,” he added.

He maintained the current IT Policy was adequate for the setting up of the SEZ and it would not need any fine-tuning or amendment. “We only need to ensure that we pursue the proposed project in a time bound manner,” he noted.

There are over 75 engineering colleges in and around Lucknow alone comprising the Lucknow-Kanpur-Allahabad-Varanasi belt. Tata Consultancy Services (TCS) already has a large global delivery centre in Lucknow, while the Essar Group has an Aegis BPO unit in the city.

UP to explore IT/ITeS SEZ in Lucknow

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The Uttar Pradesh government is keen on having an Information Technology/IT Enabled Services (IT/ITeS) Special Economic Zone (SEZ) in Lucknow to give a major boost to the sector.

While the government admitted that it acknowledged the potential of an IT/ITeS SEZ in the state capital, no timeline had so far been fixed. Besides, the government is also keen on the need to aggressively solicit some large anchor IT/ITeS investments in Lucknow, given that the city is an excellent hub of talent and offers an excellent quality of life. The anchor investments would propel the SEZ into fructification and a successful venture.

Addressing a CII interactive session on ‘IT-BPO Destination Lucknow’, UP industrial & infrastructure development commissioner (IIDC) Anoop Mishra agreed in-principle to the need for a large IT/ITeS SEZ. TCS, which has a good presence in UP, was a partner in the event.

Mishra also stressed the need to make the state workforce more employable. “Among the challenger locations listed in the Nasscom-AT Kearney Study, Lucknow has a huge opportunity to emerge as an IT-BPO hotspot,” TCS principal consultant Jayant Krishna said.
He shared his company’s excellent experience with their global delivery operations based in Lucknow. “TCS-Lucknow has low attrition, high employee satisfaction, strong process rigour and a high customer satisfaction. Talent availability is abundant in and around Lucknow, whereas space rentals are almost half compared to the NCR. All these factors make an excellent business case favouring Lucknow,” he underlined.

Meanwhile, UP IT & Electronics principal secretary Chandra Prakash told Business Standard the government would take definite steps in the direction of setting up an IT/ITeS SEZ in the city. “The idea of such an SEZ is very much viable and we will see how to proceed in this regard,” he said.


UP govt said coming soon, but has no proposal, no developer

In less than a month, the Uttar Pradesh government’s grand plan to set up an Information Technology (IT) Special Economic Zone (SEZ) in Lucknow has turned out to be a non-starter. Officials say the announcement on May 20 was made at a time when the authorities concerned did not have anything on their platter — a plan, a formal proposal or even a potential developer.

The idea of setting up an IT SEZ in Lucknow was long promoted by the industry as well as IT professionals in Lucknow. A few months ago, representatives from CII, along with TCS principal consultant Jayant Krishna met officials to push forward with the idea. Later, members of the Association of Knowledge Workers, Lucknow (AKWL) approached officials of the IT department and reportedly told them that about 25 small IT companies would like to buy land and start operations in Lucknow.

On May 20, the government made the announcement that an IT SEZ, spread over 25 acres, would be set up in Gomtinagar Extension in Lucknow and that several big companies were interested in starting units there.

Next, on May 25, members of the AKWL met the chief secretary for a detailed discussion. Senior officers of several other departments were present. It was here that the government realised that while there were people interested in starting IT operations, there was neither a formal proposal for setting up the IT SEZ nor any potential developer for the same.

Explaining the faux pas, an official said: “There has to be a proposal to develop an SEZ. It has to be sent to the Industrial Development department, which scrutinises it on the basis of the Uttar Pradesh SEZ (Amendment) Rules 2007. The proposal then goes to a committee headed by the chief secretary and is then forwarded to the Centre for approval.”

Interestingly, Chandra Prakash, Principal Secretary, Information Technology, now denies having any knowledge of the official press release issued in the matter.

“Way never finalised an SEZ here. We are still searching the possibilities of developing Lucknow as an IT hub. There are various options that we are looking into and SEZ is just one of them,” he said.

Prakash added: “Sometime ago, members of the Association of Knowledge Workers had come to me claiming that about 25 IT companies are willing to be part of developing Lucknow into an IT hub. We are looking into their proposal.”

Having attended the meeting with the chief secretary, Association of Knowledge Workers secretary Dileep Kumar said: “We are just facilitators. Being the Association of Knowledge Workers, we collected proposals from some small Lucknow-based companies who were interested in purchasing land in an IT SEZ. We communicated this to the government during the meeting with the chief secretary.”