



## ABSTRACT

Information Technology Department – Setting-up of a Centre of Excellence for FinTech at Software Technology Parks of India (STPI), Chennai through Electronics Corporation of Tamil Nadu Limited (ELCOT) at an estimated cost of ₹ 23.00 crore – Administrative Approval and Financial Sanction – Orders – Issued.

### INFORMATION TECHNOLOGY (B3) DEPARTMENT

G.O.(Ms). No. 24

Dated: 27.11.2018

விளம்பி, கார்த்திகை – 11,  
திருவள்ளூர் ஆண்டு –2049.

Read:

1. From the Director, STPI, Ref: STPI-C/INC/SL-006/18-19/537, dated 03.05.2018
2. From the Director, STPI, Ref: STPI-C/INC/SL-006/18-19/1522, dated 03.08.2018 and 9.10.2018

### ORDER:

While moving the Demand No.31 relating to Information Technology for the year 2018-2019, the Hon'ble Minister for Information Technology, Tamil Nadu, among other things, has made the following announcement on the floor of the Tamil Nadu Legislative Assembly:-

“சென்னையில் நிதி தொழில்நுட்ப சிறப்பு மையம் (Centre of Excellence of FinTech in Chennai) அமைத்தல்

நிதி துறையில் போட்டி, புதுமை, உற்பத்தி திறன் உருவாக்கிடவும் மற்றும் பொருளாதாரத்தை மேம்படுத்திடவும் ஒரு நிதி தொழில்நுட்ப சிறப்பு மையம் சென்னையில் அமைக்கப்படும் (Centre of Excellence of FinTech in Chennai). இந்த நிதி தொழில்நுட்பம் பணம் இலக்கமாக்குதல் (Digitising money) மட்டுமல்லாமல் நாணய தரவையையும் (Monetising Data) ஏற்படுத்தும்.

இந்த நிதி தொழில்நுட்பம் அனைத்து வணிகத்தில் உதவிடும் வகையிலும் முக்கியமாக சிறு தொழில் வணிகத்திற்கு, சிறு மற்றும் குறு தொழில் நிறுவனங்களின் பொருளாதார வளர்ச்சிக்கு மற்றும் வேலை வாய்ப்பினை மேம்படுத்திடவும் நிதி உதவி அளிக்கும்.

மத்திய அரசு, தமிழக அரசு மற்றும் துணிகர மூலதன நிதியம் (Venture Capital Fund) ஆகியவைகள் இணைந்து முறையே ₹5.75 கோடி, ₹ 5.75 கோடி மற்றும் ₹ 11.50 கோடி முதலீட்டில் ஒரு நிதி தொழில்நுட்பம் முதன்முறையாக சென்னையில் அமைக்கப்படும்.”

2. In this regard, the Director, Software Technology Parks of India (STPI), has sent a comprehensive proposal to Government for setting up of a Centre of Excellence (CoE) for FinTech at Software Technology Parks of India, Chennai. The salient features of the proposal are as follows:

**i. The objective and benefit of Centre of Excellence in FinTech:**

- Make Tamil Nadu a leader in Financial Technology Research & Development
- Attract Research & Development and downstream investment in Tamil Nadu
- Employment Opportunities
- Financial inclusion
- Facilities & Services at Centre of Excellence in FinTech

**ii. CENTRE OF EXCELLENCE -Partners :**

- M/s. Intellect Design Arena Ltd,
- M/s. National Payment Corporation of India (NPCI)
- Unique Identification Authority of India
- Indian Institute of Technology – Madras
- TiE Chennai
- YES BANK
- Partner Banks
- AU Capital Partners Ltd–UK & Pontag-UK India Innovation Fund

**iii. Proposed Model of Centre of Excellence in FinTech**

- Identify start-ups who have potential to create disruptive products by way of comprehensive screening including Hackathons & BICs etc.
- Select start-ups based on the set criteria and enter into agreements for equity-stake and roles & responsibilities etc.
- Offer access to payment gateways & resources.
- Provide business/organizational support in the start-up phase.
- Provide Mentoring & Technical Support by the Industry Partners
- Provide access to financial resources (angel funding, seed funding, Venture Capital etc)
- Review Key Success factors
- Provide access to the networking activities, market etc.
- Enable smooth exit

**iv. Implementation & Management**

The proposed Centre of Excellence in FinTech shall be implemented under the present Incubation Program "TechNEST" at Software Technology Parks of India (STPI), Chennai. The Centre of Excellence shall have a two tier mechanism for monitoring and operations. The Advisory Council of "TechNEST" shall overview the implementation of Centre of Excellence. The Advisory Council consisting of members



from industry, academia, Software Technology Parks of India, Government of Tamil Nadu and other stake holders in the Centre of Excellence have been approved by Government of India and has advised that the same shall be reconstituted in consultation with Government of Tamil Nadu.

3. It has also been stated that separate Books of Accounts shall be maintained by Software Technology Parks of India (STPI) for this Purpose. The revenue generated from the Centre of Excellence for FinTech shall be re-deployed for self-sustainable operations after 5 years.

4. It has also been stated that a Project Management Group (PMG) shall be constituted which shall include the Chief Mentor, Chief Executive Officers and representative(s) of all stake-holders. Shri.Arun Jain, Chairman & Managing Director of M/s.Intellect Design Arena Limited has proposed to be the Chief mentor of the Centre of Excellence. The Project Management Group (PMG) shall invariably be part of all activities of the Centre of Excellence for FinTech and be responsible for overall execution, monitoring, management and success of it.

5. The Project Management Group (PMG) shall be empowered with all administrative & financial powers required for operation of Centre of Excellence for FinTech (including changes & modifications, if any, in order to meet the intended objectives) as per its mandate within the approved budgetary provisions.

6. The Total Budgetary outlay for setting up a Centre of Excellence in FinTech has been worked out to be of ₹ 23 Crore (Approximately) as per details given below:-

Sl. No.	Items	Amount (₹ Lakh)
<b>A.</b>	<b>Capital Expenditure</b>	
1	Software, Tools & Technologies (Sandbox environment for Bank, NPCI, Aadhaar)	135.80
	<b>Total A</b>	<b>135.80</b>
<b>B.</b>	<b>Recurring Expenditure: Operations &amp; Management</b>	
1	Marketing-Business Development	25.00
2	Mentoring & Workshops	25.00
3	CANVAS Tool and Cloud Services	659.20
4	Seed Fund from Venture Capitalist	1160.00
5	Branding/Outreach/Communications	50.00
6	Hackathon/Screening/BIC	50.00
8	Facility Maintenance Cost	138.19
9	Miscellaneous Expenses	25.00
	<b>Total B</b>	<b>2132.39</b>
	<b>Total (A+B)</b>	<b>2268.19</b>



7. It has also been stated that Sustainability & Revenue Generation Model of Centre of Excellence have been worked out in a way that the initial funding shall be provided by the stake holders and at the end of five years Centre of Excellence shall be self-sufficient. The revenue generated at the end of five years shall be redeployed for nurturing next round of Start-ups. It is intended to have 8 projects in the 1<sup>st</sup> year, 12 projects in the 2<sup>nd</sup> Year, 13 projects in the 3<sup>rd</sup> year, 12 projects in the 4<sup>th</sup> Year and 13 projects in the 5<sup>th</sup> year. It is assumed to make 3 times return of investment from the seed fund in the 5<sup>th</sup> year out of successful incubates. Hence, it is expected to generate revenue of ₹ 9.40 Crore (Approximately). Thus total revenue of ₹ 23 crore is realizable during 5 years. Further details are as given below:-

**Revenue :**

Sl. No.	Description	Amount in Crore
1	Revenue from equity	9.40
2	Revenue from services given at Centre of Excellence (Capital, Rentals, Service and Operations)	13.42
	<b>Total Revenue</b>	<b>22.82</b>

It has been also stated that the total cost of the project is proposed at ₹ 23 Crore. ₹ 11.5 Crore is envisaged as seed fund to the start-ups at the rate of ₹ 20 Lakh per start-up. Software Technology Parks of India (STPI) has already received Letter of Intent (LoI) from M/s. AU Capital Partners Limited – UK & M/s. Pontag – UK for 1 Million USD each (₹ 11.5 Crore Approximately). Hence the remaining cost of the project is ₹ 11.5 Crore. It has been also stated that the objective of FinTech CoE shall be to enable the start-ups to build the technologies and solutions that will help the Financial Institutions and the startups in CoE shall dwell upon to find out alternative mechanism for knowing their customer based on existing KYC documents. FinTech start-ups, shall focus on global opportunities and other area or layers where they will not be dependent on Aadhaar for KYC.

8. In view of the above, the Director, Software Technology Parks of India (STPI) has requested to provide grant-in-aid of ₹ 5.75 Crore from Government of Tamil Nadu as well as Tamil Nadu Government's decision on the reconstitution of Advisory Council for FinTech Chennai proposed to be established at STPI Chennai.

9. The Government, after careful examination of the above proposal, accord administrative approval to Software Technology Parks of India (STPI) for setting-up a Centre of Excellence for FinTech at STPI, Chennai at an estimated cost of ₹ 23.00 crore in which State Government's share, Government of India share and the Venture Capital Fund would be ₹ 5.75 crore, ₹ 5.75 crore and ₹ 11.5 crore respectively and hereby sanction and release a sum of ₹ 5.75 crore as Grant-in-aid to Software Technology Parks of India (STPI) through ELCOT towards State Government's share for the project.

10. The Government hereby constitute the Advisory Council and the Project Management Group with the following composition for monitoring the operation of the Centre of Excellence for FinTech:-

**(A). Advisory Council**

SL. No.	Members	Role
1.	Director General, STPI	Chairperson
2.	Secretary, Information Technology Department, Government of Tamil Nadu	Vice - Chairperson
3.	Managing Director, Electronics Corporation of Tamil Nadu Limited (ELCOT)	Member
4.	Director, Software Technology Parks of India (STPI)	Member
5.	Director, Indian Institute of Technology (IIT), Madras or his nominee	Member
6.	Chairman and Managing Director, Intellect Design Arena Limited	Member
7.	Chief Executive Officer, FinTech	Member

**(B). Project Management Group (PMG)**

SL. No.	Members	Role
1.	Thiru Arun Jain, Chairman & Managing Director of M/s.. Intellect Design Arena Ltd	Chairman & Chief Mentor
2.	Commissioner of e-Governance and Chief Executive Officer, Tamil Nadu e-Governance Agency	Vice-Chairman
3.	Managing Director, TACTV	Member
4.	Managing Director, TANFINET	Member
5.	Director, Software Technology Parks of India (STPI)	Member



6.	Representative from Indian Institute of Technology, Madras	Member
7.	Chief Executive Officer, FinTech	Member
8.	Representative of Venture Capital/ Angel Funds	Member
9.	Representative of partner bank	Member
10.	Officer from National Payment Corporation of India (NPCI)	Member
11.	Officer from Unique Identification Authority of India (UIDAI)	Member
12.	Representative from TIE, Chennai	Member

11. The expenditure sanctioned in paragraph 9 above shall be debited to the following head of account:-

“2852 Industries – 07 Telecommunication and Electronics Industries – 800 Other Expenditure State’s Expenditure JU - Setting up of a Centre of Excellence for Fintech at Software Technology Parks of India (STPI) – 09 Grants in aid – 03 Grants for specific schemes”. (DPC 2852 07 800 JU 0933)

12. The expenditure sanctioned in paragraph 9 above shall constitute an item of “**New Services**” and the approval of the Legislature shall be obtained in due course of time by an inclusion in the Supplementary Estimates for the year 2018-2019. Pending approval of the Legislature, the expenditure will be initially met by drawl of an advance from the Contingency fund. The Deputy Secretary to Government, Information Technology Department is directed to calculate the actual amount required for the period up to next Supplementary Estimates and apply for sanction of the same as advance from the contingency Fund to Finance (BG.I) Department directly in Form “A” appended to the Contingency Fund Rules, 1963 along with a copy of this order. Orders for sanction of an advance from the contingency Fund will be issued from Finance (BG.I) Department. The Deputy Secretary to Government to Government, Information Technology Department shall also send necessary draft explanatory notes for inclusion of this expenditure in the Supplementary Estimates for the year 2018-2019 at appropriate time without fail.

13. The Managing Director, ELCOT is requested to send the utilization certificate and he is also requested to remit the balance amount if any into the Government account.

14. This order issues with the concurrence of the Finance Department vide its U.O.No.58598 / Finance (Industries) / 2018, dated 26.11.2018. Additional Sanctioned Ledger No.2018 (Two thousand and Eighteen).

(By Order of the Governor)

**SANTHOSH BABU**  
Secretary to Government.

To  
The Managing Director,  
Electronics Corporation of Tamil Nadu Limited (ELCOT),  
No.692, Anna Salai, Nandanam, Chennai-35.  
The Director, Software Technology Parks of India, Chennai.  
The Commissioner of e-Governance / Chief Executive Officer, Chennai- 18.  
The Managing Director, TACTV, Chennai-8.  
The Managing Director, TANFINET, Chennai.  
The Director, Indian Institute of Technology Madras, Chennai-36.  
The Information Technology (OP/Bills) Department,  
Secretariat, Chennai -9.  
The Principal Accountant General (Accounts & Entitlements),  
Secretariat, Chennai-18.  
The Accountant General (Audit), Chennai-18.  
The Accountant General, Secretariat, Chennai-9.  
The Pay and Accounts Officer, Secretariat, Chennai-9. (2 copies)  
The Resident Audit Office, Secretariat, Chennai-9.

**Copy to:**

Office of Hon'ble Chief Minister, Secretariat, Chennai-9  
Office of Hon'ble Minister, Information Technology, Secretariat, Chennai-9  
The Senior Private Secretary to Chief Secretary to Government,  
Secretariat, Chennai-9  
The Senior Private Secretary to Secretary to Government,  
Information Technology Department, Secretariat, Chennai-9  
The Finance (Industries) Department, Secretariat, Chennai-9.  
The Content Creator (CMS) / Moderator (CMS) / Nodal Officer (CMS),  
Information Technology Department, Secretariat, Chennai-9.  
Sf/Sc.

// Forwarded / By Order //

  
Section Officer  
15/11/2018  
28/11/18

