

IT POLICY

State of Jharkhand

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a. THE VISION

The State of Jharkhand recognizes the strategic importance of Information and Communication Technology as a key component of its development agenda. The Vision of the State for the IT sector is embodied in the following statement:

“To ensure large scale socio-economic development, sustained growth, transparency in government policies & decisions, and enhanced service delivery by effective use of Information Technology.”

IT is increasingly permeating every facet of human endeavor and has radically transformed the way societies work, play, gather and access knowledge and govern themselves. Apart from the enormous benefits accruing from usage of information technology, it is also universally well recognized now, that India enjoys a unique comparative advantage globally as a natural base for the information technology industry. In order to build on these strong fundamentals, the state has set out the following objectives to foster rapid growth of IT industry and realize the above vision.

b. THE OBJECTIVES

IT policy of the State of Jharkhand will provide guidance to all agencies involved in the goal of overall development of the state using IT as the enabler. Agencies in the state who are likely to use the IT policy are Citizens, various ministries, legislative, IT entrepreneurs, business & professional associations and other stakeholders.

The State has developed the IT policy keeping in mind the enhanced opportunities that IT will unleash over the next decade. These opportunities will allow corporates to create immense value, provide significant opportunities for talent development and employment, and enhance efficiencies in governance and social service. Therefore, the core objective of the new IT policy is to allow different constituents within the State to leverage this opportunity.

The aspirations of the State's IT objectives are comprehensive and aimed towards achieving the vision of the policy. The focus will not be limited only to making the State the most attractive destination for IT investments. In addition, the State will leverage the IT opportunity for upliftment of the quality of life within the State.

b.1. Improved Communications & Infrastructure:

- Implement a state-wide high speed communication backbone, ensure voice & data connectivity at all blocks & villages, and high speed international gateway by year 2006
- Ensure best in class social & physical infrastructure to attract leading companies to invest in IT & ITeS in Jharkhand,

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b.2. Education & Development of Human Resources:

Recognizing that human resource development is the key to sustained growth in the sector, the state government has identified the following as its Human Resources (HR) objectives

- Ensure significant growth in Job Potential in IT sector
- Improve, accelerate & spread education to achieve 10% computer Literacy in the state in 10 years & 30% in 20 years
- Develop IT skills and capabilities to meet most of the IT resource demand in the state (that will arise out of the targeted investment & increased job potential) by the year 2010.

b.3. Effective Governance:

The state government will computerise and network all major departments over the next five years and ensure that information and services are delivered through electronic media to achieve speedy, transparent & accountable governance.

c. INITIATIVES

The state government has recognized that a comprehensive set of initiatives will be required to reach the objectives of the IT Policy as defined earlier in this document. Accordingly the state has embarked upon the following initiatives. These initiatives have been grouped against the respective objectives.

c.1 Initiatives for “Improved Communications & Infrastructure”

- **JharNet**

State wide High Speed, Reliable & Scalable Communication links will be set up by the state government.

- **Internet connectivity across the state**

Measures would be taken to provide strong basic Internet infrastructural support to increase Internet penetration in the State of Jharkhand. The Government will, in co-ordination with the Central Government and private vendors, expand the Internet network to all the districts, towns and villages of the State.

- **Seamless connectivity among various govt. organisations**

Development of Wide Area Network in the state to connect all districts HQ with State HQ. To provide Internet connectivity, e-mail facility and other value added services in this area in every part of the state.

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- **Setting up IT Parks**

A well planned Satellite Township or IT Park as it is now being called will be setup. The town-ship will have the facilities like Office Complex and Residence Blocks covering Schools, Hospitals, Recreation Centers and will be well connected to the main city for other services. IT Park will have its own convention centre for International seminars, conferences and exhibitions. The habitat will also have its own captive power generation.

The IT Complex will be equipped with High Speed Links to International Gateways to take care of Software Export, Internet Pipe, good quality voice lines to support software development, training, and IT enabled remote services.

- **International Airport**

Air services are essential in IT business to facilitate travel of foreign experts, funding agencies, clients and cargo movement.

The Government of Jharkhand will promote an International Airport at Ranchi for the following essential services:

- Travel of IT professionals
- Import of IT equipment
- Cargo movement- products of local IT industry

- **Rural Telephony**

Appropriate telecom infrastructure will be created in the private/joint sector to provide connectivity to all the villages of the State.

- **Multi-purpose Community & Service Delivery Centres**

The State will also promote provision of infrastructure for establishment of telecentres, kiosks, Internet and DTP booths for delivery of information & services to the common man. This will also ensure employment to large number of educated youth in the state.

c.1.1 Key Strategies to be followed to implement the above initiatives

- Involvement of private sector would be a key enabler for creation of infrastructure without the State having to make large up-front investments. Operating models such as BOOT (Build, Own, Operate and Transfer) and others will be adopted to invite private sector investments wherever applicable.
- The state will focus on creating Strategic alliances and partnerships with Global leaders in specific thrust areas of IT mainly on IT Infrastructure and IT Education.

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- The entire IT & communication architecture of the state will be based on Open & Inter-operable Standards to ensure seamless integration with applications across various platforms. The standards adopted will be reliable & scalable to cater to all IT security requirements and growth of the IT usage in the state.
- A single window service will be provided from State Government to all agencies willing to invest in infrastructure initiatives.

c.2 Initiatives for “Education & Human Resource Development”

The State recognises that expanding the talent base will be central to the success of its IT initiative. Accordingly, the state govt. has drawn up the following list of initiatives to aggressively ramp up the education & human resource development in the state.

- **Setting up virtual campuses of reputed overseas universities**

The state will set up virtual campuses of reputed overseas universities for I.T. education and establish suitable linkages between state universities and overseas reputed institutions/ universities to enable knowledge sharing and skills development.

- **Upgrade top engineering colleges to provide high standard IT education**

The state will identify the top three engineering colleges and upgrade all required facilities of the computer science departments to ensure high standards of IT education comparable to that of IITs.

- **Create specialized IT institutes**

The state will create special institutes for IT educations (similar to Indian Institute of Information Technology – IIIT). Besides regular Bachelor and Master level course, the Institutes would conduct research in software engineering and productivity and conduct short term courses for industry. All efforts shall be made this an institute of excellence, recognized internationally.

The state shall also create high standards institutes to promote knowledge building in the following areas

- Proper degree courses for IT Enabled Services
- Diploma & Certifications courses for Infrastructure Management in order to cater to management & operations of the growing IT infrastructure of the state.

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- **Link Institutions, E-learning & Distance Education**

The state will initially link the engineering colleges and later selected schools with specialized IT institutes for distance education. The state will make use of network of NIC/private VSAT networks/cable TV networks/wireless networks/internet/INET/SAT/JharNet to link all schools, colleges, universities, engineering colleges and research organizations to specialized IT institutes for this purpose.

- **Training for the Government employees**

State Government will take focused initiatives for Training of all Government employees in use of I.T. and its products. Special training institutes will be created to cater to such training of the Govt. employees.

- **Computer Literacy Programs**

The State will undertake programs to expand basic computer literacy among students in schools. In order to ensure this, the State will work with appropriate private partners. Such interactions will ensure that the content of IT education is aligned to the specific demands of the human resources market. Measures will be taken to include free for public use internet kiosks, public terminals in government schools and other public places and free IT literacy classes for the poor.

- **Common Knowledge Resource**

The state government will take measures to create electronic libraries which will be used by all appropriate agencies as a repository of information resources.

c.2.1 Key Strategies to be followed to implement initiatives

- **Encouraging private sector investment**

The state govt. will encourage private sector investments in building & running private institutes in I.T. education. The quality of such education will be monitored through a Board of Computer Education

- **Internet and TV to be used for spreading education to remote areas**

An Expert Advisory Group with leading experts from the IT industry and academic institutions will be formed under the aegis of the IT Department to recommend the enabling steps to accelerate the process of TV and Internet penetration in the State for spreading education to remote areas.

- **Outsource training and development in IT at selected schools and colleges**

In order to accelerate training and development in IT, it is necessary to involve private training agencies. They should be authorised to train people in IT as per an approved syllabus and public examinations. Diplomas awarded through these programs may be treated as equivalent to formal education.

c.3 Initiatives for “Effective governance”

Any Government exists for its people. All its activities and initiatives are directed to the goal of providing good governance. The aim of the government will be to institute a process of administration and reforms, which will reduce the controls and regulations to a bare minimum.

The state realises the important role of government initiatives that increase IT usage by creating internal demand and spurring growth in the industry during the formative years. It also realises that increased IT literacy improves both the demand for IT as well as the supply of trained IT workers.

E-Governance in a graded and pragmatic way will be introduced in the State.

- **Organizing annual I.T. events with the help of industry associations**

The Government understands and would promote the IT sector in the state via mega IT events organized with the help of industry associations like CII & NASSCOM. Such events would help the government in showcasing its IT developments to prospective investors and entrepreneurs thereby attracting more participation and investments from foreign as well as national IT players. In short such events would aim at marketing the State as an attractive IT destination for investment

- **Introduce e-mail and internet access in all Govt. districts offices**

E-mail has been found to be the easiest way to introduce IT literacy among people. It is also self propagating. With free availability of e-mail services from several Internet Service Providers e-mail can be provided and popularised practically free to every one.

E-mail will also serve to connect far-flung areas of Jharkhand to Government and other institutions. E-mail with local language interface will also be introduced to take it in to the villages.

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- **Computerisation of Govt. Departments**

The State Govt. will take all appropriate measures to initiate computerisation of all its major functions.

- a) Planning: World-class G.I.S. solutions will be used in land record management, Watershed management, Master Plan preparation, Municipal Planning etc.
- b) Revenue collection: Transport, Excise, Commercial Taxes
- c) Citizen Services: Registration of documents, Birth & Date, Ration Cards, Consumer Courts, Employment Exchange, Welfare Schemes, Mkt. Committee, Forms, Rural Development, Grievance etc.
- d) Tourism
- e) Fiscal Planning
- f) Agricultural input management,
- g) Hospital and health management,
- h) law and order administration etc
- i) Criminal Justice Systems
- j) HR administration, Work- flow, Productivity
- k) Common & Shared database for State Government's knowledge base.
- l) Video Conference across all state departments
- m) Linking of all government offices up to district level

c.3.1 Key Strategies to be followed to implement the above initiatives

- JAPIT (Jharkhand Agency for Promotion of IT): An executive agency of the Department of IT will be further strengthened to play an effective role as the main implementing agency for IT Sector.
- State level steering committee headed by the Chief Secretary and consisting of all Secretary/Principal Secretary to Government will be formed to accelerate IT application in all departments. This group will also have representatives of industry associations, users and academia
- An IT committee shall be formed which shall act as the agency for implementation and development of I.T. in the state.
- The State Government will earmark one percent of the departmental budgets for computation and training of personnel

d. INVESTMENT PROMOTION & INCENTIVES

State Government proposes to provide incentives necessary to foster rapid growth of the industry. Incentives to the IT industry will be provided to ensure conditions conducive to its establishment and sustained growth in the State. Simplification of procedures for compliance with various regulatory Acts and Rules will be undertaken. For creating an investor friendly environment in the State, the Government will ensure the following:

d.1 Logistics & Infrastructure related incentives

- Preferential allotment of land for I.T. Industry by development authorities
- Continuous and uninterrupted power supply for I.T. Industries by providing a dedicated feeder for IT parks/ Locations. Captive power generation in I.T. locations
- Special efforts will be made to develop high quality social infrastructure like schools, housing, health and entertainment/leisure facilities in I.T. locations
- To create a pool of highly qualified professional for use of I.T. Industry, State help will be provided to software companies to set up shop in Jharkhand
- Internal arrangement will be made for obtaining easy clearance and approvals from various government departments
- Having regard to the Government's responsibility envisaged in the Acts and Regulations mentioned below, the Government permits self-certification to IT companies for the following:
 - Payment of Wages Act
 - Minimum Wages Act
 - Contract Labour Act
 - Workmen's Compensation Act
 - Employees State Insurance Act
 - Shops and Commercial Establishments Act
 - Payment of Gratuity Act
 - Employees Provident Fund and Miscellaneous Provisions Act
 - Maternity Benefits Act
 - Water and Air Pollution Act.
- There will be one Common Application form for setting up of IT unit in the State. The Single Window System setup for private investment proposals shall be applicable on IT proposals
- Data protection: The state intends to define a data protection act (this will lay out the nature of information protected under the law, set up a regulatory authority to ensure enforcement, declare penalties for violation, etc.) to help both IT and ITeS companies provide additional comfort to their customers.

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- IT security: The state government is committed to initiating legal proceedings against people compromising the security of government databases (i.e., hacking into government databases) and supporting aggrieved companies in initiating proceedings in similar offences against company databases.
- Anti-piracy measures: The government will set up an anti-piracy cell to review serious piracy cases and initiate appropriate action. The mandate of the e-governance committee will be extended to include steps to increase awareness of anti-piracy measures in various departments and initiate the move towards setting up of compliance infrastructure.

d.2 Investment & Fiscal incentives:

- Creation of Venture Capital Fund with State Government/ Private Enterprises/SIDBI and others for I.T. Industry. Special financing packages will be developed by the State Financial Agencies to fulfill the unique needs of the I.T. sector.
- All software industries including Services and Training Institutions in IT will be entitled to "Industry" status. Such units shall be eligible for all concessions and incentives applicable to Industries. For the purpose of this clause, accredited Training Institutions will also be eligible to claim industry status, subject to certain norms which will enable them to obtain Term Loans and Bank Finance at industry rates.
- Special financing packages will be developed by the State Financial Agencies to fulfill the unique needs of the I.T. sector. The FIs will provide term loans and equity on priority.
- The rate of sales tax on computer software shall not be fixed above the Uniform Floor Rate announced by the State Government
- The rate of sales tax on computer hardware including all additional taxes shall not be fixed above the Uniform Floor Rate announced by the State Government
- No sales tax on raw material used for exports
- The rate of tax on Software leases/work contract or licenses to use in any form will not be fixed above the Uniform Floor Rate announced by the State Government
- I.T products produced in the State will be provided quantity and price preference
- I.T units in Information Technology Parks and STPs will be charged the same power tariff as the SSI
- Special package of incentives will be formulated for I.T. industries involving an investment of Rs. 50 crores or more
- Complete exemption to software industry from the provisions of Pollution Control Act both for air and water pollution