

Government of Bihar 2010



INFORMATION TECHNOLOGY (IT) POLICY

DRAFT

This policy will govern the vision of state to implement and govern the IT enablement in the state by providing guidelines



DRAFT IT POLICY OF BIHAR

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1) PREAMBLE

India's success in the export of Information Technology (IT) Software and Related Services over the past decade is well known. India now accounts for 65 percent of the global market in offshore IT and 46 percent of the ITES market. A majority of the Fortune 500 and Global 2000 corporations are sourcing IT-ITES from India. The growth of the sector has led to tremendous pay-offs in terms of wealth creation and generation of high quality employment as well as by increased demand for commercial and residential real estate, catalyzed urban development, and played a significant role in driving demand for other commercial services such as retail, hospitality and transportation, etc.

However, this rapid growth and the associated developmental impacts have mostly been confined to a handful of IT-BPO hubs located in a few states. Bihar has largely been bypassed by these exciting developments. It is the intention of the State Government to foster IT-enabled growth in Bihar, so that the people of Bihar are able to enjoy the benefits of economic prosperity that come with it and the State is able to play a more participatory role in India's economic development. With a view to making Bihar a preferred destination for IT business and industry, the State Government has decided to offer a special package of incentives to attract them to the State.

2) VISION

- To endeavor for rapid expansion and growth of knowledge based economy in the state.
- To bridge the digital divide which separates the citizen in urban areas from those in rural areas by creating an unparalleled IT infrastructure with reach to every citizen in the state.
- To make Bihar the next destination of investment in the IT/ITES industry
- To make Bihar the frontrunner state in IT enablement

3) OBJECTIVES

To fulfill the IT vision of the state by 2015, the following objectives need to be attained

1. **Human and Intellectual Capital Resource:** Create a talented pool of Human Resources by promoting computer literacy at the school level and IT enablement of employable youth by providing them appropriate training.
2. **Employment:** To create jobs for the local youths by attracting investments from IT/ITES companies in the state
3. **IT Infrastructure:** To create a world class IT infrastructure in the state

4. **e-Governance:** Promote the e-Governance initiatives under NeGP and State Department of IT to bring maximum Government departments citizen services in interactive online mode.
5. **Investment:** Promote investment in the IT/ITES industry by Private industry to accelerate the pace of IT enablement of the state.
6. **Environment:** To provide a conducive environment of business for the IT/ITES sector by extending support from the Government and increasing opportunities in the state.
7. **Regulations:** Devise appropriate legal and regulatory framework for efficient administration of IT and ITES and prevent the misuse of IT and protect intellectual property rights, patents & trademarks.

* More details about these objectives are available in Annexure A

4) DEFINITIONS

The following are the definitions of terminologies used in this Policy:

- a) IT-ITES Companies will include IT Services (ITS), IT enabled Services (ITES), Private Communication Providers (PCPs), Software Industries, IT maintenance & servicing units and Hardware units.
- b) IT Software means any representation of instruction, data, sound, image including source code, object code recorded in a machine, readable form and capable of being manipulated or providing interactivity to use by means of automatic data processing machine falling under head "IT Products".
- c) IT Services are broadly defined as any service which results from the use of any IT software over a system of IT product for realizing value addition. These may include systems integration, processing services, information services outsourcing, packaged software support and installation, hardware support and installation.
- d) IT Products would include computer, digital data communication and digital data broadcasting products as notified by the Ministry of Finance, Government of India or Central Board of Excise & Customs.
- e) IT Enabled Services are human intensive services that are delivered over telecom networks or the internet to the range of business segments

5) BACKGROUND

State of Bihar has been catching up fast in the field of IT and related services in recent times. Government of Bihar has taken up several initiatives to promote IT related projects in the state. These projects will facilitate in e-governance at every level in state. Some of the notable projects taken up by the DIT, Government of Bihar are as follows:

5.1 BSWAN: BIHAR STATE WIDE AREA NETWORK

BSWAN under NeGP core infrastructure initiative aims at providing 4 Mbps vertical connectivity between State Headquarter & District Headquarter and 2 Mbps between District Headquarter & Block Headquarter. The State Head Quarter (SHQ) Point of Presence (PoP) would be located in Patna in conjunction with the State Data Center. At SHQ and all the District Head Quarters (DHQ) PoPs STM1 facility would be provided so as to scale up and meet the future bandwidth requirements. The provision of leased line through fiber media right up to the PoP level would ensure better uptime and also provide for easy network management. The Department of IT (DIT), GoB has taken adequate steps to meet the additional bandwidth requirement of the State Departments.

5.2 HORIZONTAL CONNECTIVITY

DIT is also taking steps to connect all the departmental offices across Bihar to the nearest BSWAN PoP through Horizontal Connectivity. This would ensure that the network would facilitate a truly networked government with all administrative units linked with each other for information interchange as well as for providing the required information and services to the common man.

5.3 STATE DATA CENTER (SDC)

The other core infrastructure project under NeGP is State Data Center (SDC.) The GoB has already taken initiatives regarding site availability and other pre-installation work such as availability of source power, legal clearance etc. as per the GoI guidelines and is in a position to immediately take up this task. The SDC would provide many functionalities like serving as the Central Repository of the State, Secure Data Storage, Online Delivery of Services, Citizen Information/Services Portal, State Intranet Portal, Disaster Recovery, Remote Management and Service Integration.

5.4 SECRETARIAT LOCAL AREA NETWORK SECLAN

DIT has initiated SecLAN project to connect all Government offices in and around the State Secretariat through Gigabit fibre connectivity backbone. This would help in easy communication

within the offices, information sharing, file movement and would result in better efficiency, effective co-ordination and reduced time cycle. Linkages between SecLAN, SDC and BSWAN would provide e-mail, voice, data and video communication facility to the Chief Minister, Other Ministers, Chief Secretary and officials.

5.5 COMMON SERVICE CENTERS

GoB has already taken action to create a network of Common Services Centres (CSCs), christened Vasudha, in all 8,463 panchayats of the State as outlets for various services. Vasudha Kendras would be designed as ICT-enabled Kiosks having a PC along with basic support equipment like Printer, Scanner, UPS, with Wireless Connectivity as the backbone and additional equipment for edutainment, telemedicine, entertainment etc.

5.6 PANCHAYAT LEVEL CONNECTIVITY

The Department of IT, GoB has planned in its 11th Five Year Plan to provide Panchayat Level Connectivity across all Panchayats in the State. This would be a crucial element to facilitate Panchayat level governance and delivery of services in remote corners of the State.

5.7 e-DISTRICT

The e-District Scheme would focus on delivery of majority of citizen centric services that are administered by the District Administration. It would target certain high volume services at the district, sub-division and block levels and undertake backend computerization to enable the delivery of these services through Common Services Centers.

5.8 RTI

IT shall be used to fully implement the mandate of the RTI Act. Various kinds of information pertaining to the functioning and decisions of the Government would be made available in the public domain using the state portal and web-sites of various state authorities. Bihar was the first state to set up a call centre for electronic filing of RTI applications seeking information from Govt Authorities.

6) CLASSIFICATION OF IT POLICY

The IT policy has been classified under the following heads for better understanding and focus.

6.1 IT POLICY FOR CITIZENS

- Govt. of Bihar is setting up Common Services Centers in all 8,463 panchayats across the State. Christened **Vasudha**, the CSCs would provide easy access of G2C and G2B services for the rural masses at village levels. Citizen would have a local interface to interact with government departments through village level entrepreneurs well supported by Service Centre Agencies.
- These CSC centers would help in filling the digital divide between the Urban and Rural citizens by bringing the Government Services to the doorsteps of all the citizens.
- Govt. of Bihar is keen to promote e-Literacy amongst masses. Citizen e-Literacy programmes shall be drawn up and implemented towards this end.
- The Government has already set up their programme 'Jaankari' which is a call center for registering Right to Information requests, the requests are then send online to the concerned departments. This IT initiative has taken for the first time by any state for citizen centric services in the country.
- Government will promote the use of National Language **Hindi & Urdu** in all the portals and software applications so that common citizens can avail these facilities with ease.
- The Government of Bihar shall endeavor to launch pilot projects for use of IT in RD which will be based on a multi-pronged approach, involving fiscal and other incentives. Areas like development marketing and popularization of IT for rural applications shall be promoted.
- Government of Bihar will develop rural and social applications of IT by enhancement of technologies and training of artisans.
- Government will develop the following systems to aid farmers:
 - Geographical Information System (GIS) for agriculture related land use management
 - Database on different Agro-climatic variables like rainfall, water availability and soil nutrient status.
 - Database Management Systems and Management Information System for land use management, agriculture operation, public health status.
 - Providing Multimedia facilities for educational and training activities in the area of agriculture extension and other awareness generation programs.

- The Government of Bihar shall endeavor to organize IT 'Fairs' in various parts of the state to demonstrate the benefits of IT to the people within the state. Special arrangements will be made to establish IT facilities at these fairs for people to have firsthand experience with regard to the benefits and utility of IT.
- The State Government would pursue with BSNL an aggressive plan to connect rural areas under the National Broadband Plan which envisages in its Phase-I to connect those locations through ADSL where BSNL has its Exchange in and around the block. In Phase II, Wireless Towers would be used by BSNL to cover the rural areas. In Phase III, Pre-Wi-MAX/Wi-Max scenario would be leveraged to cover the rural areas. Department of IT, GoB will join the bandwagon to ensure that every citizen of the State gets Broadband connectivity at his door-step.
- The Government of Bihar shall endeavor to take effective steps to ensure social equity through Information Technology by granting individuals access to information for personal development at the workplace and at home. The Government shall also endeavor to take appropriate step towards transparency and facilitating services to support the weak in society and strengthening the competitiveness of local domestic industry.
- A Database of all the IT literate students will be prepared in consultations with the IT institutions, Universities, Colleges and IT companies. This database will be shared with the IT companies set up in the state to facilitate the employment of eligible candidate. This policy envisions providing employment opportunities to 1,00,000 employable youths in the IT sector in the next three years. It is expected that 3,00,000 more indirect jobs will be created in due process in next three years

6.2 IT POLICY FOR THE EDUCATION

- Courses on IT would be introduced in all branches of study starting from Higher Secondary Level. Specific courses would be launched to provide project management, project development and software skills.
- An IT course module shall be made compulsory for all degree courses. A uniform IT module syllabus shall be prepared by the Department of IT in consultation with the Human Resource Department, Universities and other agencies.
- Government of Bihar has already undertaken several initiatives to provide computer literacy by undertaking projects such as ICT@School and CAL (Computer Aided Learning) Project. Audio-Visual aid based learning would be promoted by implementing such projects across the State.

- Under the aegis of Bihar Knowledge Society the Government of Bihar will endeavour to develop 5 IT Training centre per district for imparting computer literacy and other short-term (6 months) certificate courses for training the unemployed educated youth in various IT skills in PPP Mode. These centers would receive appropriate concessions from the Government.
- The State Government shall promote the deployment of a State wide educational network to cover all colleges and institutions of higher learning, which will facilitate the creation of subject specific e-learning communities centering on designated institutions as resource Centers for various subjects. The State Government would collaborate with the Knowledge Commission in this endeavor.
- Develop technical institutes in the state into centers of excellence. Each Centre of Excellence would adopt neighboring ITIs and Polytechnics this would help in creating a better human and intellectual capital bank for the state and would help in making more people employable for IT/ITES jobs.
- School and College curriculum will focus on soft skills like communication skills and personality development. The government shall identify knowledge partners to develop the content for the new curriculum.
- Private agencies would be encouraged to set up institutions of excellence on IT subjects within the State.
- The State will facilitate partnership between educational institutes and industry to identify specific areas of research and provide incentives for students from Bihar to take up Doctoral and Post Doctoral research in the ICT area.
- The State Government shall take up intensive computer training of at least 10% of teachers in Higher Secondary Schools and progressively train at least 2-5 teachers in all other schools. IT centres in ITIs/ Polytechnics shall be used to impart training to teachers.
- Entrepreneur who obtains Technical Know-how from any recognised National research centre / laboratory or institution to establish or to expand its company /firm/venture, an amount of 30% (max Rs. 15 lakhs) of the fee paid to the institution/organization for the technical know-how will be reimbursed.
- To promote scholars and researchers, the state will give scholarships to deserving candidates for undertaking R&D in IT.
- State Government will design IT courses/training modules for the accounts and commerce graduates so that these professional equipped with necessary IT skills can employ in high end Knowledge Process Outsourcing Industry.

- Special preference in terms of admission to IT courses started in Government Schools and Colleges will be given to the Girls and to the specially enabled persons
- State Government will promote the institutes providing domain specific courses for HR, Finance and accounts processing, Medical transcription, etc.

6.3 IT POLICY FOR THE GOVERNMENT (E-GOVERNANCE)

6.3.1 E-GOVERNANCE FRAMEWORK

The State Government would launch an I.T Mission for the development of Information Technology Industries with the following objectives:

- ✓ Economic Development
- ✓ Human Resource Development
- ✓ To provide simple, effective and transparent administration
- ✓ State of the Art Communication System

The Government shall endeavor setting up of Electronics Governance and Citizen Facilitation to provide better services and improved quality of governance and citizen facilitation through development of sound infrastructure providing high level of communication. The State Government intends to provide connectivity, access and services from Secretariat to the village level. The Bihar State Wide Area Network (BSWAN) would be commonly used by various departments and institutions while delivering services to the common citizens. The State Data Center would be used as common, sharable, secured, centralized hosting infrastructure for all the State MMPs/other applications and CSCs will be used as web-based front end delivery centers for the citizens of the State.

BSWAN under NeGP core infrastructure initiative aims at providing 4 Mbps vertical connectivity between State Headquarter & District Headquarter and 2 Mbps between District Headquarter & Block Headquarter. The Department of IT (DIT), Government of Bihar has taken adequate steps to meet the additional bandwidth requirement of the State Departments DIT is also taking steps to connect all the departmental offices across Bihar to the nearest BSWAN PoP through Horizontal Connectivity.

All District Office Headquarters shall endeavor to give Internet /Intranet connectivity through BSWAN by which they will be able to communicate with their respective Secretariats. BSWAN will also connect all the blocks to the Districts. Similarly, all Directorates shall be given a similar communication facility with their respective Sub-

Divisions and subordinate offices, thereby enhancing faster communication and giving added efficiency to the governing mechanism.

Bihar Horizontal State Wide Area Network (BHSWAN) would connect all the departments of the state to the state headquarters. This would help in creating an IT ecosystem wherein all the departments would be interconnected. Every department shall endeavor to put all Government regulations, schemes, forms, tenders etc. on the Internet on a common web portal. CSC will provide facilities to users/citizens for filing of documents electronically to various Departments where government and citizen interface is necessary.

Use of IT in transacting government business as explained would lead to adherence to procedures, facilitate greater transparency in the system and increase efficiency. This, together with the measures outlined above for providing an e-interface to the citizen through digitization of information, making them available through the Web and electronic delivery of services, is expected to go a long way in creating a business friendly environment in the state.

6.3.2 GOVERNMENT PROCESS REENGINEERING

At present the e-Governance efforts are primarily based on computerizing age-old processes. Simply digitizing the existing government processes merely adds an additional layer of expense, complexity, delay and confusion. DIT intends to provide support to the departments to reengineer and modernize/redesign the government processes keeping the citizen at the centre, providing hassle-free enablement of citizens, businesses, producers and consumers thereby replacing the old disjoint processes. This redesigning of government processes will drastically reduce the numbers and duration of successive steps required to obtain services. It will also provide traceable records; enable enforcement of individual performance, accountability, efficiency, productivity as well as transparency of policies and processes.

A project to computerize all the District Magistrates office “e-District” is already in the pilot phase in the state. This project involves not only computerizing the data in the DM office but also re-engineering the whole process flow to reduce the time and cost involved.

6.3.3 COMMON STANDARDS

Until now, different State Departments have been following their own methodology to selectively computerize their processes and provide e-Governance. Many of these programmes are vendor driven and not scalable. DIT would take steps to develop and implement standards uniformly across the State. It would be ensured that these standards are not hardware-centric and vendor dependent. These standards, templates and data formats would be designed carefully by teams of experts drawn from government, IT companies, academia, R & D institutions and users/stakeholders who understand latest trends, technology, software, user interfaces and interoperability requirements. These standards would help in creating a common standard to evolve which would be used across all the departments.

6.3.4 CAPACITY BUILDING & CHANGE MANAGEMENT

Considering the nature and scale of e-Governance initiatives planned, the role of the State Government in managing these initiatives would be critical. It is also well recognized that for State to play its role effectively, significant capacities need to be built. Hence, Capacity Building has been identified as the prominent precursor for the implementation of the e-Governance Plan. DIT will ensure that the outcome of the Capacity Building programme justifies the following:

- Ensuring provision of necessary training across various levels to the identified stakeholders
- Improving the chances of success of e-Government initiatives
- Creation of institutional capacities across the State for implementing the e-Governance plan at the State level by constituting the State e-Governance Mission Teams.
- All Government Departments will prepare 5 year IT plans with yearly deliverables containing details of investments envisaged in the IT infrastructure, training of personnel, etc. The plans would have to be in consonance with the National e-Governance Plan (NeGP) specially related to improving service delivery to citizen by use of ICT. All Government Departments will earmark 3% percentage of its budget and one Nodal IT Officer to coordinate with the IT Department for conceptualization and implementation of such IT Projects.

6.3.5 E-GOVERNANCE MONITORING

- Bihar Information Technology Authority (BITA) shall be constituted as the apex body to oversee the comprehensive development of IT sector in the State. The Authority will be chaired by the Chief Minister.
- The State Government has created the Department of Information Technology with effect from 1.4.2007 to act as the nodal agency for implementation of the IT policy and computerization within the State. Other Departments of the Government shall consult DIT on all issues pertaining to IT. The DIT will render all necessary assistance to them for implementation of the e-Governance programme.
- District e-Governance Society (DeGS) needs to be constituted in each District under the chairmanship of the District Magistrate with representation of various departments including NIC to formulate, monitor and implement IT schemes/ programmes at the district level.
- Bihar State Electronics Development Corporation Ltd. (BSEDC) is a Govt. of Bihar Undertaking notified as the State Procurement Agency for IT goods and services. In addition to the procurement role, it would act as the agency for providing standardized frameworks, architecture and templates for all computerization activities and e-Governance implementation. It would form JVs with private agencies with a view to facilitating e-Governance implementation and rendering IT services. It would undertake IT need assessment of various Government Departments and organizations, prepare DPRs, assist Departments and organizations in identifying operators/ agencies for implementing e-Governance projects, monitor project implementation and undertake evaluation studies.
- An Apex committee has been constituted under the chair of Chief Secretary constituted for implementation monitoring of IT projects. All departments shall be required to submit comprehensive reports on the execution of IT projects to this Committee on regular basis

- **State e-Governance Project Steering Council**
SeGP Steering Council is an Apex body constituted under the chair of Honourable Chief Minister of State for providing over all vision, broad policy directions and guidance to the state.

Members of this council are as follows:

- Chief Minister – Chairman
- Deputy Chief Minister – Deputy Chairman
- Minister Planning & Development – Member
- Minister IT – Member
- Chief Secretary – Member
- Development Commissioner – Member
- Principal Secretary Finance – Member
- Principal Secretary Personnel Dept – Member
- Principal Secretary Planning & Development – Member
- Principal Secretary IT - Member

- **State e-Governance Project Apex Committee**

SeGP Steering Council is an Apex Committee constituted under the chair of Chief Secretary for Strategic directions and decisions regarding IT in the state.

Members of this Apex Committee are as follows:

- Chief Secretary– Chairman
 - Development Commissioner – Deputy Chairman
 - Principal Secretary Finance – Member
 - Principal Secretary Personnel Dept – Member
 - Principal Secretary Planning & Development – Member
 - Principal Secretary IT - Member
 - SIO, NIC – Member
 - Technical Advisors - Member
- Government of Bihar will target paperless office by 2015.

6.4 IT POLICY FOR INDUSTRY

6.4.1 APPROVAL AND FACILITATION MEASURES

- Information Technology industries established in the state would qualify for the incentives of the Industrial Incentive Policy, Department of Industries, Bihar (2006). All incentives applicable to industries would also be automatically available to IT industry

- The State Investment Promotion Board serves as the Single Window Agency for providing approvals and clearances for setting up new units in the State. Proposals for establishing new IT units shall be considered and approved by this Board.
- To further strengthen the Single Window System, an escort service would be started to assist the entrepreneur in pre and post SIPB approval activities including help in preparing bankable project reports, sourcing technology, arranging land, electricity, water and facilitating the entrepreneurs to avail of IT incentives, etc. An On-line Clearance & Support Network (OCSN) linking all the related Departments/ organizations shall be created for facilitation of entrepreneurs.
- It would be supported by state-of-the-art centralized helpdesk and call centre as a single access point having sufficient number of trained staff to reply to the citizen's queries received through telephonic calls / e-mails on 24x7 basis. This call centre and helpdesk will serve facilitation and grievance redressal mechanism. Analysis of grievance and queries will provide long-term solutions to Government

6.4.2 FISCAL MEASURES

- State Government will provide the following relief / incentive to the Information Technology Sector for its rapid development. It has been observed that several rules and regulations applicable to industry need not be required for the I.T. industry.
- The following exemptions under the relevant Acts will be applicable to the I.T industries:
 - ▶ The I.T. Industry will be added in schedule-1 of the Bihar Shops and Establishment Act 1953 and concessions under sections 7,8 and 12 (I) shall be extended to it. By this the industry would be given exemption from the provisions relating to the hours of business and weekly closure.
 - ▶ The hours of work for women employees would be relaxed under section 66 of the factories Act, 1948. Accordingly for I.T. establishments, Women would be able to work between 5 Am and 10 Pm instead of 6Am to 7 Pm in such establishments.
 - ▶ I.T industry will be provided with exemptions under section 87 of the Employees State Insurance Act 1948.
 - ▶ The information Technology industry will be added as an independent employment in the schedule of minimum wages Act 1948 so that the workers may be classified separately.

- The Industry Department will promote Information Technology on priority basis in industrial areas.

Registration / Stamp Duty Concession

IT industries which are to be established in the industrial area / shed / IT Park and outside the area of the authority will enjoy the full (100%) exemption in stamp duty and registration fee in lease / sale /transfer.

Electricity Duty Concession

New industrial units will be granted relief from payment of electricity duty under the Bihar Electricity Duty Act, 1948 for the generation and for on consumption of electricity from D.G. Set, Solar and Captive Power Units. 100% exemption in electricity duty for seven years.

Project- Report Incentive:

Reimbursement of the cost incurred in the project report preparation by the industrial units at the rate of 50% subject to a maximum of Rs.75,000/- will be made available provided, the project report is prepared by any of the firms recognized by the Industry Department. The reimbursement will be made to the unit after commencement of the production.

Capital Subsidy to the Industry

The Industrial Units located in Bihar Industrial Area Development Authority / Export Promotion Industrial Park / Food Park / Agri Export Zone / IT park would be eligible for the following incentive / subsidy. These facilities / concession to the industrial units will be made available only after the commencement of production

S. No.	Industry	Grant
1	Small / Tiny Units / Financial Limit	50% or 7.50 lacs (Maximum)
2	All Large/medium/mega units	25% or 15 lacs (Maximum)

VAT Concession

The new Units will avail 80% reimbursement against the admitted VAT amount deposited in the account of the Government, for a period of ten years. The maximum Subsidy amount is payable 300% of the capital Invested.

Zero VAT

Units which produce items attracting Zero VAT and Pay income tax would be eligible for incentive up to a maximum utilization of 70% of the installed capacity

Besides aforesaid subsidy / concessions, the following exemptions will be provided:

- a. 100% exemption for seven years in luxury tax
- b. 100% exemption in conversion charge.

S.C / S.T / Women / Handicapped

Under this category, entrepreneurs will avail 5% additional grant/exemption/subsidy than the limit fixed under this policy.

Up to a turnover limit of Rs.30 lakhs per annum S.C / S.T. / Women / Handicapped category entrepreneurs who run small and tiny industries will avail 100% subsidy of the deposited amount in the account of Government in the form of VAT for a period of ten years.

Incentive Grant for capital investment on Solar / Captive Power Generation/ Diesel Generating Set:

50% (Fifty percent) of the amount Spent on plant and machinery in the establishment of Solar /Captive Power Generation / Diesel Generating set will be granted to the industry. No upper limit for this amount has been fixed. This facility will be made available after the unit comes into production

Reimbursement in Quality Certification

Reimbursement of expenditure on quality certification will be funded by IT Department. Government shall reimburse, prospectively, 20% of the cost incurred by an IT software company on securing quality certification of ISO/SEI CMM level 2 and above, and ITES Companies for achieving COPC (Customer Operation Performance Centre) and eSCM (eSourcing Capability Model) certification subject to a maximum ceiling of Rs. 5 Lakhs. The IT/ITES units/ companies can claim this incentive only once.

Other Concessions

Only 1% CST will be payable on the items produced by the registered small and medium units in Bihar

Exemption from AMG / MMG:

Working units at present and new units will avail exemption from AMG / MMG from the date of declaration of this New IT Policy. This facility will be granted for five years.

Special Incentives relating to statutory regulations

There would be a provision of self certification and software units would be exempted from the following:

- ▶ Pollution Control Act to be effective only as per Government of India guidelines
- ▶ Legal Power Cuts
- ▶ Zoning Regulations in respect of location

Venture Fund

State will create a Venture Fund with a corpus of around Rs. 100 Crores to promote entrepreneurs to set up their innovative units in Bihar.

State would help IT/ITES companies by keeping all the computer equipments, spare parts, computer peripheral devices, other connectivity devices, network cables, etc. under common Sales Tax which would not exceed the Uniform Floor rate announced by the state government

Special Incentives for Innovative IT/ITES Projects

On case to case basis a special package of incentives will be offered for innovative & indigenous IT projects. Such projects will be defined as projects creating employment of more than 1000 citizens in case of IT projects and 500 in case of ITES projects

Cyber Crime and Cyber Act

The State shall provide highest level of security for the operation of IT & ITES units set up in the state. Offenses pertaining to the violation of data security, confidentiality of documents and non disclosure of agreements will be dealt seriously. State will set up a Cyber Crime Detection Cell in Patna for the same

7) IMPROVING BUSINESS AND SOCIAL INFRASTRUCTURE

While the focus of this policy is on actions needed to foster IT-enabled growth in the region, specific policies aimed at promoting the growth of the IT-ITES sector will not have the desired impact unless the issues in basic business environment, infrastructure and image of the state are addressed. This calls for a significant improvement in the business environment and its perception and building world-class basic, business and social infrastructure to support economic activity.

Adequate availability of infrastructure is another essential requisite for facilitating business activity. Overcoming this deficit in Bihar requires significant investments in basic, business as well as social infrastructure. From the perspective of the IT-ITES industry, the core elements of infrastructure required to sustain business activity include a robust telecommunications backbone, world-class office space supported by regular / uninterrupted supply of basic utilities (power, water, etc.) and airline connectivity. Other related elements of social infrastructure (e.g. residential real estate, retail, hospitality) are also just as important. The high degree of mobility of human capital makes it the toughest to attract and retain – as a result, the living environment of the professionals in this industry needs to be just as world-class as their work environment. The key initiatives planned in this regard are:

7.1 AIRLINE CONNECTIVITY

Airline connectivity is essential for the State to be a destination of IT/ITES industry. Bihar has two International Airports at Patna and Gaya. State would encourage domestic airlines to enhance connectivity of Patna and Gaya with major national and selected international destinations. Investment would be made for upgrading the facilities at these airports. Air Taxi service between major towns of the state by private operators would be encouraged.

7.2 ROAD CONNECTIVITY

State Govt. has undertaken a huge road development programme that would provide movement between the major towns of the state. Access roads will be built from Airports and other points of commute such as Railway Stations to the designated IT parks, which minimize travel time. Value added services and international standard amenities such as logistics, hotel and restaurant, petrol pumps, retail, emergency services, etc. to support and enhance road networks would be developed.

7.3 POWER SUPPLY

IT industry is dependent on Power for running its day to day operation. Bihar still lags in providing power to its industries. New power projects would be promoted both in public and private sector to meet additional demand forecasts of the IT industry. IT units who would like to set up captive power plants would be encouraged and incentivized.

7.4 RELIABLE COMMUNICATION LINKS

The State Government would encourage presence of multiple telecom service providers offering high-speed telecommunication links with several levels of built in redundancy for all IT Parks. Permission to set up base stations and telecommunication network equipment in earmarked areas would also be given on priority. Single window interface would be established for securing Right of way for laying optic fibers and erecting towers.

7.5 RESIDENTIAL REAL ESTATE

Private developers would be encouraged and facilitated to build quality housing complexes with open spaces, playground and parking. Residential Units will be created around IT Parks to house the employees and their families.

7.6 RETAIL AND ENTERTAINMENT HUBS

Setting up of large departmental stores and malls, 5 and 7 star hotels, cafes, multi-cuisine restaurants, modern cinema halls and multiplexes would be encouraged. These facilities would be needed to provide recreational amenities the employees of IT/ITES industry.

ANNEXURE A

This Annexure would show a roadmap to achieve the objectives set by the state government to achieve its vision.

1) Human and Intellectual Capital Resource: IT/ITES is human capital incentive industry.

This industry requires Individuals with specialized training in project management and software skills to be successful. Bihar boasts of one of the largest pool of trained IT professionals in the country. But most of these individuals have migrated to other states or abroad in search of better employment opportunities. In order to develop intellectual human capital resources following steps would be taken by the state over a period of next 5 years to enrich the talent pool of existing citizens as well as attract people from other states.

- a) Create a talented pool of students by promoting computer literacy at the school level
- b) Establish colleges of higher education (engineering, ITI, diploma colleges, etc.) in the state to provide world class IT/ITES education
- c) An IIT is being established in the state to provide high quality of education. Such premier institution would help the local students to get world class education in their own state.
- d) State would help Private Educational Institutions to establish autonomous institutions of higher learning.
- e) State has already establish a **Bihar Knowledge Center** in Patna which promote high class IT education to the youths from financially backward classes at affordable costs. These centers would be rolled in all the districts.

2) Employment: It is not only important to train more people but jobs should be created for these trained local youths

- a) Employment opportunities need to be created for the educated youth who have been trained in the IT skills by employing them in the already present IT/ITES companies in the state.
- b) Bihar should be made the destination of choice for IT/ITES companies to invest and create jobs for the local youths trained in IT/ITES skills.
- c) Job Fairs will be held annually in on the state level and IT/ITES companies would be asked to participate in the same. These job fairs with participation from leading IT players can place employable youths with better opportunities.
- d) State government would provide special incentives to the companies who would employ local youths.

- e) State government would further extend incentives to the companies who would employ physically challenged people and women.

3) IT Infrastructure: The state needs to create a world class IT infrastructure in order to attract IT/ITES companies to establish their units in the state.

- a) Government of Bihar will promote PPP model in setting up of IT Infrastructure in the state.
- b) Private players will be provided freedom and facilitation from the State Government to set up the requisite infrastructure.
- c) Connectivity is the backbone for IT/ITES industry; state would provide facilities to the telecom service providers to create connectivity with adequate amount of redundancy in the system.
- d) State would help IT/ITES companies by keeping all the computer equipments, spare parts, computer peripheral devices, other connectivity devices, network cables, etc. under common Sales Tax which would not exceed the Uniform Floor rate announced by the state government.
- e) State will form a task force under the chairmanship of Chief Secretary of State to spearhead the rollout of IT Infrastructure.

4) e-Governance: Promote the e-Governance initiatives under NeGP and State Department of IT to bring maximum Government departments citizen services in interactive online mode.

- a) A dedicated state portal would be created to provide information about all the state departments, their schemes, orders, circulars, tenders, notices, grievance handling, results publication, etc.
- b) The State portal would phase out other mediums and duplicate efforts used by different departments for citizen interaction.
- c) State would start providing all the examination results through this portal by the next fiscal year, slowly other services like tender floating documents, advertisements for bidding, notices, GOs, circulars, publications, etc. would be put in that portal by different departments. All the departments would be using the state portal for all their communication with the citizens within next 3 years.
- d) State will appoint a Chief Information and Technology Officer in every department who will head the computerization of each department.
- e) Chief Information and Technology Officer will facilitate in providing appropriate training to the Government Officers. A Plan would be chalked out to provide

refresher training from time to time as and when new technologies are introduced in the departments.

- f) State Government will encourage the use of National Language **Hindi** in the state portal and all communications on the portal.
- g) Government of Bihar will facilitate in digitizing the data in all the departments. All the departmental data such as employee records, citizen specific records, financial details, etc. would be digitized over a phase manner completing the whole activity by 2012. Government of Bihar will target paperless office by 2015.

5) Investment: Promote investment in the IT/ITES industry by Private industry to accelerate the pace of IT enablement of the state.

- a) State will create a Venture Fund in with a corpus of around Rs. 100 Crores to promote local entrepreneurs to set up their units in Bihar.
- b) State will establish IT parks in the strategic locations to promote IT/ITES companies. These IT parks will have relaxed norms in terms of investment and will promote investment from foreign financial institutions and private venture funds.
- c) State will give rebate on Stamp Duty and electricity duty to the IT/ITES companies setting up their operations in IT Park.
- d) Commercial buildings which are fully dedicated to Software / IT industry will be exempted from Land & Building Tax.
- e) 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.
- f) 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.

6) Environment: To provide a conducive environment of business for the IT/ITES sector by extending support from the Government and increasing opportunities in the state.

- a) State would help IT/ITES companies to set up business by providing them necessary facilities in terms of power requirements, security, relax regulations, tax benefits, etc.
- b) State would ensure 24 X 7 power supply to the IT Parks, state would also promote captive power generation units established by IT/ITES companies.
- c) State would promote good air connectivity by connecting the state with more flights to important domestic destinations as well as international destinations.

- d) State would create residential and recreational facilities around the IT Park for the facilities of the employees of the IT Park.
- e) State would give the Right of Way to the Optical Fiber cables being laid for connectivity.
- f) State would ease Motor vehicles act so that employees in IT/ITES companies can avail cab and bus facility extended by their companies at convenience.

7) Regulations: Devise appropriate legal and regulatory framework for efficient administration of IT/ITES and prevent the misuse of IT and protect intellectual property rights, patents & trademarks.

- a) State would help the IT/ITES companies to establish in state by relaxing them from various regulations
 - b) IT & ITES companies will be permitted to self certify that they are maintaining the register and forms as contemplated under the following Acts:
 - i. Payment of Wages Act
 - ii. Minimum Wages Act
 - iii. Workermen's Wages Act
 - iv. Contract Labor (Regulation and Abolition) Act
 - v. Employees State Insurance Act
 - vi. Payment of Gratuity Act
 - vii. Maternity Benefit Act
 - viii. Equal Remuneration Act
 - ix. Water & Pollution Act
 - x. Employment Exchange Act
 - xi. Factories Act
 - xii. Employees' Provident Fund & Misc. Provisions Act
 - c) IT & ITES companies would be exempted from Pollution Control Act.
 - d) The labor laws would be relaxed for IT & ITES companies and they would be allowed 24 X 7 operations with 3 shifts per day.
 - e) State Govt. would formulate Cyber laws to prevent the misuse of intellectual data as well as prevent the theft of intellectual data.
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