This chapter discusses about the IT initiatives by various governments. The study of projects of other governments can help in evaluation of IT activities and developing a framework that can help GoG at large and Industries Department in particular. Several governments have developed computerized citizen interfaces and presented an IT friendly image. This experience of different governments could be useful in formulating an IT model.

3.1 Canada : IT Initiatives

3.1.1 Government of Canada Portal

Industry Canada portal which is the premier gateway to government information for business.

Canadian Customs and Revenue Agency (CCRA) have shown that e-filing of taxes has led to significant savings made in data entry and processing - approximately 60 full time equivalents per million users.

School Net, with the assistance of its partners, successfully connects all Canadian schools and public libraries to the Internet.

Canadian Consumer Information Gateway, Export Source, Youth Resource Network and other on-line initiatives in the fields of education, employment, health, procurement, etc. are gunning towards fulfilling the e-Governance vision.

3.2 Australia : IT Road Map

Establish a secure online electronic payment mechanism for all Commonwealth payments.

Establish a Govt.-wide Intranet for secure online internal G2G communication Deliver all relevant Commonwealth Government services over Internet.

Establish Govt. Info centres (GIC) as single point access to all information on Govt. services.

Centre link which is the on-line presence for linking the various government services is providing the single window interface to the citizens of Australia.

Delivery of government services to businesses including e-procurement through the Business Entry Point is one of the remarkable examples of achieving the e-Governance vision (savings of A$1.3M since Nov. 1998)

Australian Job Search is the largest employment database in the country which is considered as a benchmark in such online services throughout the world. e-tax is the electronic income tax return preparation and
lodgement software, enabling individuals and businesses to lodge tax returns via the Internet through the Australian Taxation Office web-site.

Multiple government services are being delivered in the absence of shared databases in the state of Victoria through the maxi System.

Online presence in Health and Education where services are transacted over the web are other glaring examples of Australia's ride towards complete e-Governance.

These various Goc single window sources are brought together and made coherent through the Service Canada initiative led by the Treasury Board Secretariat.

Service Canada is the sum of single window initiatives across the spectrum of service delivery channels.

3.3 United Kingdom: IT Initiatives

3.3.1 Vision “To make 100% of the government services accessible electronically by 2005, by making the government modernised, efficient, alive to the latest developments in e-business, thereby meeting the needs of the citizens and business.”

Nodal agencies involved in realising the vision

- e-Envoy: Owner of the strategy; responsible for direction and implementation of the overall programme
- Information Age Government Champions (IAGC): Support the e-Envoy; sustain the commitment to the programme
- Central IT Unit (CITU): Unit in the Cabinet Office responsible for monitoring and coordinating the e-strategy

3.4 United States Of America

3.4.1 California Tax online

California Franchise Tax Board with support from IBM Global has taken up this project in November 1998.

The challenge was to increase the identification of no filers while reducing the number of erroneous contacts.

IBM Global Services supported to modernize existing system, organize data in more accessible ways and increase customer-service options.

100,000 new non-filers were identified, resulting in $36 million annually in new tax revenue, while reducing erroneous contacts by more than half.
3.4.2 Texas Online

Department of Information Technology, Texas Government has undertaken this project in year 2000 with KPMG Consultancy. Texas Online is the state's official electronic government (e-government) web portal for the citizens and business of Texas. It serves as the one-stop-shop for Texas government information and services.

It is a self-supporting public-private partnership with industry e-commerce leaders.

It has 24x7 availability, so it improves the customer service.

Because Texas Online is 24x7 enterprise, call centre services are also available to assist citizens with the use of site and technical questions.

Texas Online accepts both credit cards and electronic funds transfer payments.

The self-supporting funding model allows for following options:

- Convenience fees,
- Subscription fees,
- Fees for premium services, or
- Cost-sharing with the agency

3.4.3 Brazil: Let's go e-Postal

Government of Brazil has taken up this project in 2001 which is to be implemented in June 2002 and would be fully operational by 2004.

Computer kiosk would be installed in post offices around the country, where people will be able to log on to the Internet.

At least one computer in each of Brazil's 5,366 post offices is planned.

People will be able to surf the web and retrieve e-mails. The first 10 minutes will be free and then the "popular fee" will be charged.

As a first step to reduce the digital divide this kiosk project is considered, the next will be Permanent Electronic Address (PEA)

3.4.4 Mexico: Internet Revolution

This project has been undertaken by Government of Maxico in year 2001 and aims at offering educational, health and government services online
3.5 Indian State Governments

3.5.1 Government of Kerala: IT Initiatives

Panchayat Level Information Network (PLIN)

Pilot implemented by Project EIID (Ernakulam Industrial Infrastructure Development).

Rural Development Network (RD-NET)

RD-Net has linked the state capital and the 14 district headquarters to all the 152 block Panchayats already.

Enables rural folks to access government information, apply for loans, lodge complaints from their remote villages and even send emails.

Package for Effective Administration of Registration Laws (PEARL)

Fast, Reliable, Instant, Efficient, Network for Disbursement of Services (FRIENDS)

Single window interface being piloted in Trivandrum.

3.5.2 Government of Karnataka

The Karnataka Government had a natural advantage in the IT sector arising out of several factors. Some of these are:

- Large number of engineering colleges and institutions like IISc.
- Availability of good infrastructure at a cost lower than the metro cities.
- Availability of highly trained human resources for the Public Sector Units in High Technology area.
- Pleasant weather all round the year.

Building up on the natural advantages the Karnataka government has taken several steps in development of IT in the state:

- Growth in IT industry primarily by facilitating private initiative and the availability of skilled human resources and pioneering institutes.
- Computerization of government departments of commercial taxation, land records and treasuries.
- Infrastructure development has been paid special attention by setting up the first world-class IT infrastructure in India – International Tech Park Limited.

Several organizations like the Karnataka Government Computer Centre (KGCC), Indian Institute of Information Technology, Bangalore (IIIT-B), Karnataka Remote Sensing Centre (KRSC) and Keonics to come under one department for Promotion of IT.
Government has taken up the task of promoting the use of Kannada in IT

Strong emphasis on education through engineering colleges and IT oriented education

Emphasis on training of school children and unemployed in IT skills

Strong emphasis on IT education in the state from higher secondary school onwards. Large number of Engineering collages

The IT developments in Karnataka have been mainly through private initiatives arising out of the advantages of the State. A consortium of organizations had set up the first world class IT infrastructure in India at Bangalore – International Tech Park. These advantages have made Bangalore the most preferred destination for IT investments. Strong goodwill for Bangalore in the area of investment climate and the infrastructure facilities for IT industry in marketing the state a much easier and simpler task for the government.

Computerization in government is progressing slowly with little publicity as compared to Andhra Pradesh. A few departments have been computerized and more are being taken up.

3.5.3 Government of Andhra Pradesh

Andhra Pradesh Government has developed a comprehensive Government portal, which provides links to all departments and services. The portal provides access to web sites of major Government Organizations and departments.

Andhra Pradesh Government has placed a strong emphasis on education through Engineering Colleges and IT education. It has also initiated training of government officers in IIM-A by starting a special e-governance course. Along with education, development of quality infrastructure has been taken up with the construction of HITEC city.

The government is also successful in creating awareness and marketing IT developments in the State, with the image building exercise taken up by the Chief Minister. The projects of AP government are listed below:

3.5.4 APSWAN – Andhra Pradesh State Wide Area Network for Voice Data & Video Conferencing

Bandwidth - 2 Mbps scalable to more than 600 Mbps.

Progressively connecting the campus network in the AP Secretariat and the Headquarters of various departments with Local Area Networks in District Collect orates and other district offices
The network is also offering connectivity to major educational and health institutions across the state.

### 3.5.5 CARD - Digital Registration and Storage of Records

Registration of a plot of land or a flat easy, fast and transparent. Accurate calculation of stamp duty across the counter. Scanning replaces manual copying of documents with storage on CDs. Services like sale of stamp paper and document writing. Registration services are now completed in an hour in a single visit. Other services, like market value assistance, sale of stamp paper and document writing, are offered in less than 15 minutes.

### 3.5.6 APDMS - GIS for AP State

APDMS combines a Geographical Information System with data from Remote Sensing Satellites. It has created the base maps of 1122 Mandals and the constituent revenue villages and habitations with a suite of thematic data on the road network, the community infrastructure, basic demographic data, soil and geo-morphological data etc. Databases created for use in conjunction with the GIS include Land Information System, 71 Socio-economic indicators, Multi-purpose Household Survey database and Human Development Indicators. This information is accessible on the Government intranet and provides support for research, analysis, project design and monitoring of various development and poverty alleviation initiatives.

### 3.5.7 FAST - Automated Issue of Driving License

Aims at providing services like issuance of learner's licenses, driving licenses and registration of vehicles. Pilot project is launched at 3 cities in the State - Secunderabad, Vijayawada and Chittoor on a BOO basis.

### 3.5.8 TWINS - Twin Cities Network Services for Government Services Through a Single Window

Services offered through Integrated Citizen Service Centre for Services like:

- Utility Bill/Tax Payments
- Electricity Bills
- Water and Sewerage Bills
- Property Taxes
• Certificates
• Registration and issue of birth certificates
• Registration and issue of death certificates
• Caste certificate
• Encumbrance certificate
• Permits and licenses
• Trade licenses (MCH)
• Issue of learners license
• Issue and Renewal of Driving license
• Registration certificates of new vehicles
• Information
• Procedures of Transport Department
• Details of Building permits
• Market value assistance (Registration department)
• Facilitation
• Change of address
• Transfer of ownership of non transport vehicles

3.5.9 MPHSP - Multipurpose Household Survey Project
MPHS is a database of Socio-economic data and land records for all citizens of the state.
The application packages being implemented under this project include those for the:
• Public distribution system
• Land records
• Land acquisition
• Grievance redressal system
The MPHS will help in issuing multipurpose identity cards and ensuring better targeting in all the poverty alleviation programs.

3.5.10 SKIMS - Secretariat Knowledge and Information Management System
SKIMS is a system designed for efficient management of the information and knowledge of the secretariat.
Goals of SKIMS

- Increase employee productivity
- Create a knowledge bank
- Exploit the power of the computer networks
- Automate the workflow in the secretariat
- Prioritize areas of work
- Provide effective tools for performance evaluation

Scope of SKIMS

- Design, Development and Implementation of Central Information System (CIS) and Departmental Information Systems (DIS)
- Business Process Re-engineering
- Design and Development of Implementation standards & Information security

Training of staff

Andhra Pradesh has been able to emerge as a leader in the field of IT despite it being a late entrant. One of the reasons for the image of AP as the IT savvy state is marketing of the state by the government. This has led to the image of Andhra Pradesh and Hyderabad as the important centres of IT industry. Marketing has enabled Hyderabad to leapfrog existing destinations such as Bangalore and Chennai to emerge as one of the preferred destinations for investment.

AP has also made good progress in implementation of computerization in the government. The projects chosen were those having the maximum impact on citizen services and high visibility. The projects were given high publicity to generate acceptance and reduce the opposition for expanding the project. The focus on e-governance was at bringing convenience to the citizens and efficient communication in the state government through modern communication technologies. Though planned some of the projects have yet to take off.

AP has also made great progress in the field of education. AP also accounts for the highest number of Indian software professionals working abroad. There are a large number of private engineering colleges in AP. In addition to the skilled human resources, world-class infrastructure for IT Industry – Hi-Tech city has been set up on government initiative. The availability of skilled human resources, world-class infrastructure with strong marketing efforts as made Hyderabad a preferred destination for IT companies. Moreover the
e-governance initiatives with the IT investment have pushed AP in the centre stage of IT in India.

3.6 Government of Rajasthan

IT projects in Rajasthan State Government are implemented by RajComp (Rajasthan State Agency for Computer Services). RajComp has implemented several pilot projects for Rajasthan Government. Projects implemented, under implementation or proposed by RajComp are in diverse areas covering several departments. Most of the Projects of RajComp are for improving the internal systems in Government.

The Projects of RajComp involve providing solutions for a small part of the department. This is planned as a demonstration project, which could reduce the cost time and resistance from employees in case of full-fledged implementation later.

RajComp is also promoting its services through its website for providing Full Life Cycle Support to clients for their IT needs. RajComp offers its technology solutions, ranging from conception to implementation and maintenance.

RajComp has alliance with leaders in IT Industry like Microsoft for providing latest Microsoft tools and training and IBM for training and E-Business school. An important focus of RajComp is in the area of IT training for Government Employees.

Some of the projects implemented by RajComp are:

- GIS based planning and Decision Support System
- Budget formulation system for Finance Department
- Computerization of State Insurance department
- Data Warehouse for Decision making
- Intranet for Jaipur City Police
- Computerization for Ajmer Collectorate
- Computerization of SMS hospital, Jaipur and SN hospital, Jodhpur
- Development and implementation of Standard office automation software
  - Personal information
  - Letter monitoring system
  - Stores inventory control
  - Payroll
  - Vehicle monitoring
  - Court cases monitoring
  - DE/PE monitoring
Rajasthan, government has gone in for a pilot project route for computerization in the state through, RajComp. Though Rajasthan Government has implemented several projects, there has not been a concentrated computerization drive. The progress made through the pilot project route at individual offices is commendable but overall the level of computerization in government is low. This may change once the pilot projects are replicated fast across the state. The pilot project would have helped the state in learning and preparing for the problems, which it could face during the scaled up project.

Rajasthan is lacking the basic infrastructure requirements and skilled manpower for IT industry. There are a few engineering colleges which are unable to generate enough mass of skilled human resources in IT for development of the industry.

The government in attracting IT industries to invest in the state has done not much. This is despite the proximity of Rajasthan to Delhi and National Capital Region, which has a thriving IT and ITES sector. Though the Rajasthan Government has initiated networking and bringing together people of Rajasthan from all over the world, there is no focus on investments in the IT sector in the state. The government has also not created any publicity for its IT projects.

### 3.7 Human Resource and Development (HRD)

#### 3.7.1 Andhra Pradesh
- Contributes maximum number of IT professionals
- Establishment of IIIT at Hyderabad
- Connected APSWAN to Sankhya Vahini, a high bandwidth optical fiber based national network of research institutions, universities and other educational institutions
- A central website of A.P. State Council of Higher Education
- Encourage private computer training institutes and establish independent credible rating mechanism for these institutes.
- CLASS (Computer Literacy & Studies in School) project

#### 3.7.2 Karnataka
- Establish 225 training institutes for unemployed educated youth in collaboration with private players.
- IT education in all the Engineering Colleges, 100 Polytechnics, 150 ITIs and 300 other colleges with the help of private sector.
- Computer education in 1000 schools with the help of private companies.
- Establish more Institutes that impart IT specialization
• Establishment of IIIT with the support of IBM, Sun Microsystems, Microsoft, SAP, RAMCO and many others top software/hardware companies.

3.7.3 Kerala
• Development of a database of IT professionals
• Establishment of IIIT
• Encourage IT as a specialization
• Fund for upgrading training/ educational infrastructure
• Encourage private computer training institutes

3.7.4 Maharashtra
• Opening of computer Labs in Government / Semi Government Schools
• Implementation of ‘Train the teachers’ programme
• Establishment of IIIT
• Set up Software University
• Set up Digital Library

3.7.5 Rajasthan
• Launching of three schemes viz. Vidyarthi Computer Scheme, Shikshak Computer Scheme and School Computer scheme.
• Networking of institutes of higher learning
• ‘Teach the Trainers’ programme

3.7.6 Tamilnadu
• Establish Institute of Information Technology of Tamilnadu (TANITEC)
• Status of ‘industry’ to the Institutes involved in training for hardware, software & maintenance.
• ‘Train the Teachers’ programme in a phased manner.
• Compulsory computer education in High schools.
• Encourage IT Industries to obtain the ISO 9000 Certification

3.7.7 Gujarat
• Compulsory computer education would be introduced in schools from class V onwards.
• Internet connectivity to all schools
• Video Conferencing with Shala Vikas Sankul and District officers & School (teachers and students and administrators)
- Quality upgradation programme with Result Based Management (RBM)
- Participatory learning
- Creation of state library network
- Setting of Gujarat Institute of Information Technology.

National Plan to achieve one PC per 50 persons by 2008, Gujarat plans to achieve by 2005.

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Table 3.1
3.8 Infrastructure

3.8.1 Andhra Pradesh

- Development of Hi-Tech city about 7 KMs from Hyderabad.
- Private sector coming up with their own development centres with the support of government in the form of land at concessional rate in areas adjacent to Hi-Tech city.
- Plans to build mini-hi-tech cities in other major cities of Andhra Pradesh.
- Plan for building a Cyber City - energy conserving and environment friendly building architectures, in-built connectivity with bandwidths on futuristic scales etc. An international consultant is to be hired for the purpose.
- Promote and facilitate broad-band digital network.
- Permission for ROW within 14 days.
- Promote use of satellite communication system.
- Development of an international airport.
- International convention Centres to host IT exhibitions seminars and conferences.

3.8.2 Karnataka

- International Technology Park in 1997 that is largest in the country (12 lakh sq. ft.)
- Karnataka Information Technology Services to support quick clearance of IT projects.
- IT Corridor: A place in and around Bangalore for development of IT parks.
- Electronic City: Set up in 1985. It provides infrastructure facilities for IT entrepreneurs. Phase II has begun which will provide 303 acres of land for IT entrepreneurs. This is the home for Infosys Technologies Ltd.
- Export Promotion Industrial Park: This is 288 acres exclusive park for export-oriented industries. GE is going to set up Technology Centre in this Park.
- Software Technology Park of India (STPI): Home for servicing around 396 companies. It has set up earth stations at Manipal and Mysore. Many other earth stations are in progress.
- Incubation Centre: The state has private run Incubation Centres. Government is also planning to come up with such centre in collaboration with STPI.
International Gateway in Mangalore: Govt. is planning to set up this Gateway to provide more bandwidth.

Carnegie Centre for Software Engineering: This institute is situated at Bangalore and will provide consultancy, training, education etc. in whole of Asia-Pacific region.

3.8.3 Kerala

State Information Structure (SII): The main components are:
Communication Infrastructure, Computing Platforms and Data Warehouses. All these will provide following services:

- To provide connectivity of 2Mbps to any user in three major cities of the state and at multiples of 64Kbps in other parts of the state. (To be provided by 2000)
- All district headquarters to be provided with the connectivity of 622 MB capacity by 1999, all Taluka headquarters by 2000 and all village offices by 2002. Also one node in Block level and one at Panchayat level.
- Strengthen data warehouse for promoting commerce, trade and tourism and for better delivery of services.

PC penetration to be 10 per 1000 people by year 2001.

All colleges to be hooked on the Internet by 2000 and all schools by 2002.

Technopark: An advanced location for IT and Electronic companies.

Software Technology Parks/Software Complexes are to be set up in major cities like Kannur, Kozhikkode, Palakkad, Thrissur, Kottayam and Kollam.

Kerala State Industrial Infrastructure Development Corporation (KINFRA) will provide built up space for IT units.

Private sector to be encouraged for expanding Technopark and come up with more Software Technology Parks.

An executive authority for statutory clearances required for IT units in Software Technology Park / Complexes.

3.8.4 Maharashtra

- Easy availability of ROW for private ISPs.
- Public tele-info Centres to be given government land on lease for ten years.
- Five high-tech habitats to be set up in Pune.
• Plug- and – play incubation Centres at three major cities, Navi-Mumbai, Pune and Nagpur.
• IT enabled services like Call Centres will be given land on normal terms.
• A hardware park to be established on 400 acres of land at Navi Mumbai.

3.8.5 Rajasthan
• Encourage private sector participation in setting up value added network on Build, Own and Operate basis.
• Encourage Internet Access through Cable Networks. For this RSEB will grant permission for allowing private companies to lay cable over RSEB's transmission line structures.
• An Electronics Complex encompassing Electronics Hardware Technology Park is being set up at Jaipur.

3.8.6 Tamil Nadu
• The government will set up Information Technology Parks at Chennai, Coimbatore, Tiruchirapalli and Madurai in a phased manner.
• Encourage private companies to set up ITPs by assisting them in land acquisition, re-zoning, cable and satellite links from VSNL and Dot etc.
• All ITPs set up by private sector will be treated at par with those set up by Government for enjoying incentives.
• An executive authority for statutory clearances required for IT units in ITPs.

3.8.7 Gujarat
• Information Corridor: To connect the capital to talukas through districts. It is a tool to implement IT policy of the state. It supports databases of all the government departments. Villages to be connected by WLL.
• Technology parks: Development of advanced technology park.
• Setting up of government supported venture capital fund.
• Mobile VSAT vans

3.9 IT Policies of Seven States:
3.9.1 Andhra Pradesh (IT Policy 2002-2005)
• A tool to achieve Smart Governance
• APSWAN with 2Mbps optical fiber connectivity
• Video Conferencing facility
• Computerization of registrations through CARD (Computer Administration of Registration Department)
• COMPACT (Computer aided Administration of Commercial Taxes)
• TWINS (Services- Utility bills, issue of certificates and other services to two cities)
• SKIMS (Secretariat knowledge and information management system)
• FAST (Fully Automated Services of Transport Department)
• Computerization of Treasuries
• MPHS (Multi Purpose Household Survey Project) – Socio economic data of all the citizens of the state.
• APDMS (Andhra Pradesh Development Monitoring System) GIS based system.

3.9.2 Karnataka (IT Policy 2003)
• First state to come up with Karnataka Government Computer Centre (1971)
• Centre for e-governance is the Nodal agency for carrying out all the IT related requirements of the government departments.
• Mukhya Vahini
• Computerized Payroll System for the Government teachers.
• Bhoomi: Computerization of land records.
• Nondani: Computerization of land registration process.
• Khajane: Computerization of Treasuries.
• Therige: Computerization of Commercial Taxes Department
• Karnataka Government Insurance (KGID) : Computerization of Life Insurances and Vehicle insurances of the employees.
• Reshme: For trading in silk business
• APMC: Agricultural Price Mechanism- Prices of the agricultural commodities are available at one place for the reference of farmers
• Computerization of Employment Exchange
• Police IT 2000: Computerization of Police Department.
• Computerized system for tracking poachers, land use etc.
• Saarige: Computerization of RTO offices.
• Computerization of Municipal Corporation – Simplify process of payment of taxes, issuance of birth & death certificate, grievance redressal etc.
• Small Scale Industries: Computerization of registration of existing SSIs
• Vethana (Payroll Processing)
• Sibbandhi(Personnel Information)
• Sachivalaya Vahini –Intranet for Secretariat
• SWAN and video

3.9.3 Kerala (IT Policy 2003)
• A high power committee to implement the IT initiatives
• A database of all the citizens of Kerala
• Computerized services at the Panchayat level.
• Links to districts and Talukas
(NB: New IT policy in Place)

3.9.4 Maharashtra (IT Policy 2003)
• Varananagar project
• Computerization of Govt. departments with maximum customer interface (sales tax, revenue, health, etc.)
• Bulletin Boards and Public Tele Info centres for information about govt. policies.
• Prepare ground for a paperless office.

3.9.5 Rajasthan (IT Policy 2003)
• I phase which began in 1985-86 regarding computerization of some Govt. departments is successfully completed.
• II phase has begun:
• Five year plans for all govt. departments regarding computerization of core services.
• Statewide value added network for expediting communication among government departments.
• IT centres for smoothening administration at 32 districts that will be outsourced to private sector.
• Data warehouses to store information about residents of district and information kiosks to disseminate information.
• Computerization of revenue department and fully operational by 2003.
• Annual confidential report of government employees will carry a column regarding contribution to 'utilization of IT'.
• All government employees have to have computer literacy of a specified level.
• IT training centres for training the government employees
• Department of Information technology is the nodal agency for carrying out IT related activities of the government. It has to be further strengthened.
• Rajasthan state agency for computerization is to be converted into a corporation to provide technical consultancy.
• All public dealing departments to create their websites.
• IT audits to be carried to ensure optimal usage of IT.
• CITPA (Committee of Information Technology Approval) will be strengthened wherein all the departments shall submit the reports of the projects carried out.
• Departments with maximum usage of IT should be awarded.
• Outsource old computers from private companies to utilize in public utilities.
• Interaction with other states to promote IT.

3.9.6 Tamil Nadu (IT Policy 2002)
• A high power committee to plan for phased use of IT in the government departments.

3.9.7 Gujarat (IT Policy 1999-2004)
• Framework Approach for IT implementation in the State.
• Computerization of various departments in a phased manner.
• Computerizations of delivery systems like ration cards, driving license etc.
• Setting up of advanced information counters/ kiosks for better public interface by 2005.
• Smart cards to all the citizens of Gujarat.
• 1% of budget to be spent on IT related activities that would extend to 3% by the end of 2005.
• All departments to prepare an action plan for one year with five-year perspective.
• Chief Information Officers to carry out the implementation of IT strategies in the departments.
• Setting of Intranet to interconnect all the Govt. departments.
• Encourage paperless office.
• An agency with fair autonomy to help in implementing IT Policy and carry out IT activities
• State wide IP based communication infrastructure
• E-databank, citizen convenience centres set up for utility payment, citizen card and other citizen centric projects

3.10 Incentives

3.10.1 Andhra Pradesh

• IT Software industry is exempted from the purview of the AP Pollution Control Act, except in respect of power generation sets.
• IT industry is exempted from the purview of the statutory power cuts.
• 25% concessional power tariff for the new IT units for a period of three years.
• Software is completely exempted from the sales tax payable under the provisions of AP sales tax act.
• IT Industry is exempted from the zoning regulations for purpose of location.
• Government agree in principle to self-certification/exemption as far as possible for the IT Software Industry from the provisions of the following Acts/ Regulations (subject to issue of specific orders by the departments concerned in consultation with the IT&C Department);
  • Factories Act;
  • Employment Exchange (Notification of Vacancies Act);
  • Payment of Wages Act;
  • Minimum Wages Act;
  • Contract Labour (Regulation and Abolition) Act;
  • Workmen Compensation Act;
  • Andhra Pradesh Shops and Establishments Act; and
• Employees State Insurance Act.
• Three- shift operation is allowed.
• Rebate in the cost of land at the rate of Rs 20,000 per job created subject to various conditions.

• As an infrastructure incentive, companies establishing IT facility will get concessions in the form of rebate on registration fees, transfer fees and exemption from stamp duty subject to some conditions.

• For IT industry /infrastructure company establishing facility on private land outside the limits of Municipal Corp. of Hyderabad will get relaxation in FAR subject to some conditions.

• New IT units are encouraged by providing capital subsidy. Investment subsidy: 20% of the fixed capital investment but not exceeding Rs.20.00 lakhs; however in respect of Entrepreneurs belonging to Scheduled Castes and Scheduled Tribe Categories the investment shall be 25% of Fixed Capital Cost, not exceeding Rs.50.00 lakhs. This subsidy shall not be available to IT Industries availing of the rebate on land cost.

• Special incentive for mega projects / pioneering projects where investment exceed 100crores.

3.10.2. Karnataka

• Tax rates on computer and computer peripherals is very low only 0.25%

• No work contract tax on the annual maintenance of hardware.

• No entry tax and purchase tax on computer hardware, peripherals and other capital goods including captive power generation sets at the time of implementation which can be extended for a period of five years.

• All IT industries will enjoy a tax (sales) holiday for a period of ten years or deferment of twelve years subject to ceiling of 200% of the value of fixed asset.

• Captive power generation sets used will be exempted from electricity tax and no sales tax on the fuel used.

• IT projects more than Rs. 100 crore; more than 1000 employees will be treated as a mega project and will be eligible for special incentives.

• Simplified procedure for software companies for seeking clearance from the Air Act and the Water Act.

• The electricity tax will be as per that charged to industrial consumers.
• Priority in sanction and servicing of power and uninterrupted power supply.
• IT companies using up to 5KVA of power can set up unit without any location restraints.
• Relaxation in FAR up to 50% for those establishing IT units outside the limits of municipal corporations in the state.
• Lot of venture capital. The state promoted venture fund is KITVEN.
• Concession available for tiny and small-scale industries is applicable to software industries as well.
• All new IT companies that create employment of 250 in Bangalore and 100 in other places will get concession in the form of rebate of 15% on the cost of land in case of those buying the land from state agency and on stamp duty in case it buys from other agencies.
• Labour laws are simplified for the IT companies.

3.10.3 Kerala
• IT industries to be exempted from the purview of the Pollution Control Act.
• Priority in sanctioning power and service to IT industries.
• Seven years sales tax holiday to IT industries.
• For captive power generation sets, they are exempted from the payment of electricity tax/duty and 50% subsidy for installation of these sets.
• All units can avail subsidy of 20% on capital investment subject to maximum of Rs.25 lakhs.
• Government supported venture capital fund.

3.10.4 Maharashtra
• No location restraints for setting up an IT unit.
• Exemption from the Pollution Control Act.
• Sales tax on hardware is 2%, 1% on software and no tax on customized software for five years.
• Octroi on IT product will be refunded.
• Electricity duty to be waived of on IT units.
• Name and goodwill tax will not be charged to IT units.
• Special incentives like exemption from stamp duty for IT units in the IT Park.

3.10.5 Rajasthan

• Sales Tax on software and hardware to be less than Uniform Floor Rate. This tax will be used for strengthening IT infrastructure.

• No land & building tax for commercial buildings dedicated to IT industry.

• No location restraint on setting up of an IT unit.

• Property transactions will be exempted from the stamp duty for the IT units in IT Park.

• Uninterrupted power supply to the IT units. DG sets can be installed without the permission of RSEB.

• Complete one stop service will be provided to all IT units within a time bound schedule.

• IT industries are exempted from the inspection by the inspectors like those of boilers, factory etc.

• IT industry to enjoy the incentives given to the manufacturing industry.

• IT industries will be given priority by the state financial institutions and banks.

• Simplified procedures for setting up IT units like a common application form for setting up the unit.

• State promoted venture capital fund.

3.10.6 Tamil Nadu

• IT unit with investment of Rs 50-100 crores can avail subsidy of Rs. 25 lakhs.

• IT unit with investment of Rs. 100-200 crores can avail subsidy of Rs. 50 lakhs. Those with more than Rs. 200 crores of investment can avail subsidy of Rs. 100 lakhs.

• Sales tax deferral/ waiver for 14 years.

• New industrial units where women form 30% of total work force can avail additional subsidy of 5% with a ceiling of Rs.5 Lakhs.

• Electronics industry is eligible for a subsidy of 20% of fixed assets with a ceiling of Rs. 20 lakhs.
3.10.7 Gujarat

Capital Subsidy

New IT units can avail subsidy of 25% of total capital investment or Rs.25 lakhs whichever is less.

For bigger projects, the subsidy is on a graduated scale as follows:

- For Rs.50-100 crore of total capital investment, the subsidy will be Rs.25 lakhs
- For Rs.100-200 crore of total capital investment, the subsidy will be Rs.50 lakhs
- For project above Rs.200 crore, the subsidy will be Rs.100 lakhs.
- As a turnover incentive, existing as well as new IT units will get subsidy of 5% of the annual turnover and, on the incremental turnover subsequently with a ceiling of Rs.50 lakhs.

Power Service

- IT industry is exempted from statutory power cut.

Other Incentives

- As a connectivity incentive, all new and existing IT units are entitled to a subsidy of 50% for a 64kbps leased line up to 500kms or to the nearest gateway whichever is less for the operative period of scheme or three years whichever is earlier.
- A unit set up for providing/manufacturing IT service and software is outside the purview of Gujarat Pollution Control Board.
- IT unit cannot be set up in land earmarked for agricultural use.
- In Gandhinagar, Technology Parks and Infocity would get 50% higher FSI.
- Sales tax holiday on all IT software in the next five years w.e.f. 1999.
### 3.11 Capital Subsidy

<table>
<thead>
<tr>
<th>States</th>
<th>Incentive</th>
<th>States</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small projects</td>
<td>Mega Projects</td>
<td>Others</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>20% of fixed capital but not more than Rs20 lakhs.</td>
<td>Special incentive for investment more than Rs. 100 crores.</td>
<td>Subsidy is for new IT units and it is not available for those availing rebate on land. For SC/ST categories the investment subsidy is 25% of fixed capital not exceeding Rs. 50 lakhs.</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Not available</td>
<td>Special incentive for investment more than Rs. 100 crores / more than 1000 employees.</td>
<td></td>
</tr>
<tr>
<td>Kerala</td>
<td>20% on capital investment not exceeding Rs. 25 lakhs</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Package scheme not available</td>
<td>Not available</td>
<td>Priority by State financial institutions and banks.</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>Not available</td>
<td>Not available</td>
<td></td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>Subsidy of Rs. 25 lakhs for investment of Rs. 50-100 crores.</td>
<td>Subsidy of Rs. 50 lakhs for investment of Rs.100-200 crore</td>
<td>Additional 5% subsidy where 30% of workforce is women</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Subsidy of 25% of investment or Rs. 25 lakhs for new IT units with Rs. 50-100 crores of investment</td>
<td>Subsidy of Rs. 50 lakhs for projects worth Rs. 100-200 crore</td>
<td>Subsidy of Rs. 100 lakhs for project above Rs. 200 crore</td>
</tr>
</tbody>
</table>

Table 3.2
### 3.12 Power Service

<table>
<thead>
<tr>
<th>States</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Power Supply</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>■ Uninterrupted power supply</td>
</tr>
<tr>
<td>Karnataka</td>
<td>■ Uninterrupted power supply ■ Priority in sanctioning and servicing of power.</td>
</tr>
<tr>
<td>Kerala</td>
<td>■ Priority in sanctioning and servicing of power.</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>■ Not available</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>■ Uninterrupted power supply</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>■ Uninterrupted power supply</td>
</tr>
<tr>
<td>Gujarat</td>
<td>■ IT industry is exempted from statutory power cuts.</td>
</tr>
</tbody>
</table>

Table 3.3
## 3.13 Tax

<table>
<thead>
<tr>
<th>States</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales Tax</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>- Software is completely exempted from sales tax</td>
</tr>
<tr>
<td></td>
<td>Stamp Duty</td>
</tr>
<tr>
<td></td>
<td>- Exemption from stamp duty on a tapering scale</td>
</tr>
<tr>
<td></td>
<td>Octroi</td>
</tr>
<tr>
<td></td>
<td>- Not available</td>
</tr>
<tr>
<td>Karnataka</td>
<td>- Tax holiday for ten years or deferment of twelve years.</td>
</tr>
<tr>
<td></td>
<td>- 50% exemption from stamp duty on first sale of land in IT park.</td>
</tr>
<tr>
<td></td>
<td>- No entry tax / purchase tax on computer H/W, peripherals and other capital goods.</td>
</tr>
<tr>
<td>Kerala</td>
<td>- Seven year tax holiday</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>- H/W – 2%</td>
</tr>
<tr>
<td></td>
<td>- S/W – 1%</td>
</tr>
<tr>
<td></td>
<td>- No tax on customized S/W</td>
</tr>
<tr>
<td></td>
<td>- No stamp duty for unit in IT park</td>
</tr>
<tr>
<td></td>
<td>- Octroi is refunded</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>- Sales tax is less than Uniform Floor Rate</td>
</tr>
<tr>
<td></td>
<td>- No stamp duty for IT units in IT park</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>- Sales Tax deferral/waiver for 14 years</td>
</tr>
<tr>
<td>Gujarat</td>
<td>- Sales tax holiday for S/W industry for five years.</td>
</tr>
<tr>
<td></td>
<td>- Exemption</td>
</tr>
<tr>
<td></td>
<td>- Not available</td>
</tr>
</tbody>
</table>

Table 3.4
## 3.14 Other Incentives

<table>
<thead>
<tr>
<th>States</th>
<th>Pollution Act</th>
<th>Location Restraint</th>
<th>FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>- Software Industry is exempted from the Pollution Act, except CGS</td>
<td>- Exemption from Zoning Regulation</td>
<td>- Relaxation for the IT units outside the Municipal Corp. of Hyderabad</td>
</tr>
<tr>
<td>Karnataka</td>
<td>- Simplified procedure for seeking clearance from Air Act</td>
<td>- IT companies using power upto 5KVA can establish units without any zonal restriction</td>
<td>- Relaxation in FAR upto 50% for units outside municipal corp. limits</td>
</tr>
<tr>
<td>Kerala</td>
<td>- IT industry exempted from the purview of the Pollution Control Act.</td>
<td>- Not available</td>
<td>- Not available</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>- Exemption from Pollution Control Act</td>
<td>- No location restraint</td>
<td>- 100% extra FSI to IT parks set up by MIDC &amp; CIDCO on payment of 25% premium</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>- Exempted form inspection like those for boilers, factory etc.</td>
<td>- No location restraint</td>
<td>- Not available</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>- Software industry is exempted from Pollution Control Act.</td>
<td>- No restraint for units involved in software development/ training</td>
<td>- Relaxation in FSI (Floor Space Index) up to 50%.</td>
</tr>
<tr>
<td>Gujarat</td>
<td>- IT service / software industry is outside the purview of Pollution Control board.</td>
<td>- IT unit cannot be set up in areas for agriculture use.</td>
<td>- 50% higher FSI for Technology parks and Infocities in Gandhinagar.</td>
</tr>
</tbody>
</table>

Table 3.5
### 3.15 Infrastructure Initiatives

<table>
<thead>
<tr>
<th>States</th>
<th>Infrastructure Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Technology Park / City</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>■ A High-tech City</td>
</tr>
<tr>
<td></td>
<td>■ A Cyber City</td>
</tr>
<tr>
<td></td>
<td>■ Mini Hi-Tech City in major cities of AP.</td>
</tr>
<tr>
<td>Karnataka</td>
<td>■ Information Technology park</td>
</tr>
<tr>
<td></td>
<td>■ IT corridor</td>
</tr>
<tr>
<td></td>
<td>■ Electronic City</td>
</tr>
<tr>
<td></td>
<td>■ Software Technology park of India</td>
</tr>
<tr>
<td></td>
<td>■ Incubation Centre</td>
</tr>
<tr>
<td></td>
<td>■ Carnegie Centre for Software Engineering</td>
</tr>
<tr>
<td>Kerala</td>
<td>■ Technopark</td>
</tr>
<tr>
<td></td>
<td>■ Software Parks/Complexes</td>
</tr>
<tr>
<td></td>
<td>■ State Information Infrastructure</td>
</tr>
<tr>
<td></td>
<td>■ A single window</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>■ Five Hi-Tech Habitats</td>
</tr>
<tr>
<td></td>
<td>■ Hardware Park</td>
</tr>
<tr>
<td></td>
<td>■ Incubation Centre at three major cities</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>■ Electronics Hardware Technology Park</td>
</tr>
<tr>
<td></td>
<td>■ Internet access through Cable network</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>■ Information Technology Parks</td>
</tr>
<tr>
<td></td>
<td>■ A single window</td>
</tr>
<tr>
<td>Gujarat</td>
<td>■ Advanced Technology Parks in Gandhinagar, Surat and Rajkot</td>
</tr>
<tr>
<td></td>
<td>■ IT corridor</td>
</tr>
</tbody>
</table>

Table 3.6