



GOVERNMENT OF TAMIL NADU

# **INFORMATION COMMUNICATION TECHNOLOGY POLICY – 2018**



**INFORMATION TECHNOLOGY DEPARTMENT**  
SECRETARIAT, CHENNAI - 600 009.





Government of Tamil Nadu

# **INFORMATION COMMUNICATION TECHNOLOGY POLICY – 2018**

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## ABSTRACT

Information Technology Department - Information Communication Technology (ICT) Policy of Tamil Nadu, 2018 - Approved - Orders - Issued.

### Information Technology (B3) Department

G.O.(Ms).No.3

Dated: 09.03.2018

ஹேவிளம்பி, மாசி-25,  
திருவள்ளூர் ஆண்டு-2049

Read:

G.O.(Ms)No.17, Information Technology Department, dated 29.07.2008.

#### ORDER:

In the Government Order read above, an Information Communication Technology Policy, 2008 was formulated by the Government to encourage the Information Technology (IT) and Information Technology Enabled Services (ITES) Sector and to increase Software production, exports and employment generation and to accelerate and sustain the growth of the IT Sector in the State.

2. The Hon'ble Minister for Finance in his Budget Speech for the year 2011-12, has announced as follows:

“Tamil Nadu has already become a global destination of choice for IT and ITES industries. IT exports in the State stand at Rs.40,000 crores in the year 2010-2011. This Government will continue to facilitate the growth of IT and ITES companies in the State, particularly by promoting industries in Tier II cities and in rural areas. Huge infrastructure already created in these Tier II cities will be put to full use by aggressively marketing the available space to potential IT companies. We will also initiate steps for attracting investment in the Computer Hardware sector. This Government will bring out a new Information Communication Technology (ICT) Policy which will be more investor friendly facilitating the growth of the Software and Hardware Industries.”

3. Pursuant to the above announcement, ELCOT was entrusted with the task of formulating the Information Communication Technology (ICT) Policy of the State. The draft 'Information Communication Technology (ICT) Policy' prepared by ELCOT was examined in great detail in consultation with various Government Departments. The suggestions made by those Departments and the decisions taken during the meeting chaired by the Hon'ble Chief Minister on 31.07.2017 have been incorporated.

4. The Government, after careful examination, have formulated the “Information Communication Technology (ICT) Policy, 2018” with 3 broad pillars viz, (i) Incentivizing investment, employment and intellectual capital creation, (ii) Integration with initiatives of Vision 2023 and (iii) Special attention to Start ups, Micro, Small and Medium Enterprises (MSME) and employment of women.

The following are Vision objectives and Vision targets:-

### **Vision objectives**

The Government of Tamil Nadu as part of its Vision 2023 has envisioned the following for development of IT/ITES sector in the state:

- Availability of a dynamic information architecture
- Availability of Skilled workforce
- Knowledge Ecosystem comprising research organisations, universities, think tanks, and business organisations that focus on enhancing the knowledge base
- An economic and institutional regime that incentivises knowledge creation and entrepreneurship

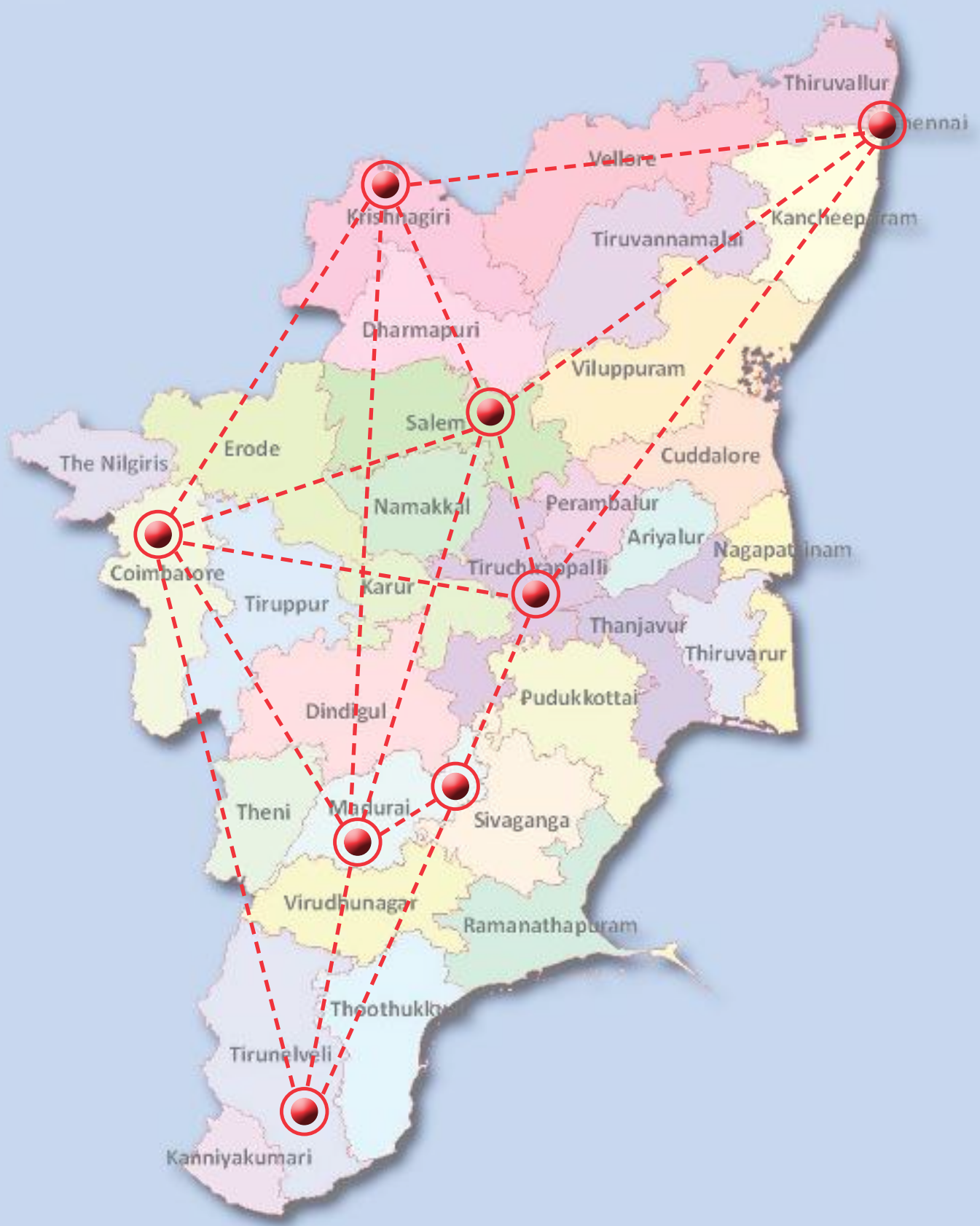
### **Vision Targets**

The following have been identified as the targets for IT/ITES sector in Tamil Nadu:

- To make Tamil Nadu the number one State in the sector in India.
  - To make Tamil Nadu the destination of choice for foreign investors in the IT/ITES sector.
  - To attract incremental direct investment from foreign and domestic investors across the state.
  - To create large scale employment opportunities.
  - To ensure world class skill availability.
  - To provide IT/ITES companies with the best business climate.
  - To make Tamil Nadu as a cost effective destination with marginal operating cost, low cost of living and safe and secured social life for the development of IT / ITES.
  - To encourage IT/ITES for masses, especially for youth of the state.
  - To make available world class infrastructure with emphasis on promotion of Green IT / ITES.
  - To enhance the quality of life of citizens through IT / ITES.
  - To foster mass scale adoption of IT / ITES for achieving inclusive growth.
  - To encourage new entrepreneurs and to establish Warehouses for start-ups
  - To facilitate growth and usage of Tamil Computing.
  - To achieve rapid development of IT / ITES sector in the southern districts of Tamil Nadu.
5. The provisions of the “Information Communication Technology (ICT) Policy, 2018” have been grouped under the following broad heads:
- i. Infrastructure
  - ii. Skill Development
  - iii. Incentives: Fiscal, Administrative, etc.
  - iv. FSI and Open Space Reservation(OSR)
  - v. Single Window Facilitation
  - vi. Tamil Computing and Tamil Virtual Academy
  - vii. New Technologies
6. The “Information Communication Technology (ICT) Policy, 2018” is annexed to this order.
7. The Chairman and Managing Director, ELCOT will be responsible for the implementation of the policy at the field level and will also monitor the implementation and report the status to Government periodically.
8. This order issues with the concurrence of the Finance Department vide its U.O.No.11290/Ind/2018, dated 08.03.2018. This order comes into force with effect from 09.03.2018.

(BY ORDER OF THE GOVERNOR)

**T.K. RAMACHANDRAN,**  
**Principal Secretary to Government.**



# 1. Preamble

THE INFORMATION TECHNOLOGY (IT) and Information Technology enabled Services (ITeS) industry has been one of the key driving forces fuelling India's economic growth. The industry has transformed India's image on the global platform. It has employed almost 10 million Indians and has consequently contributed a lot to social transformation in the country.

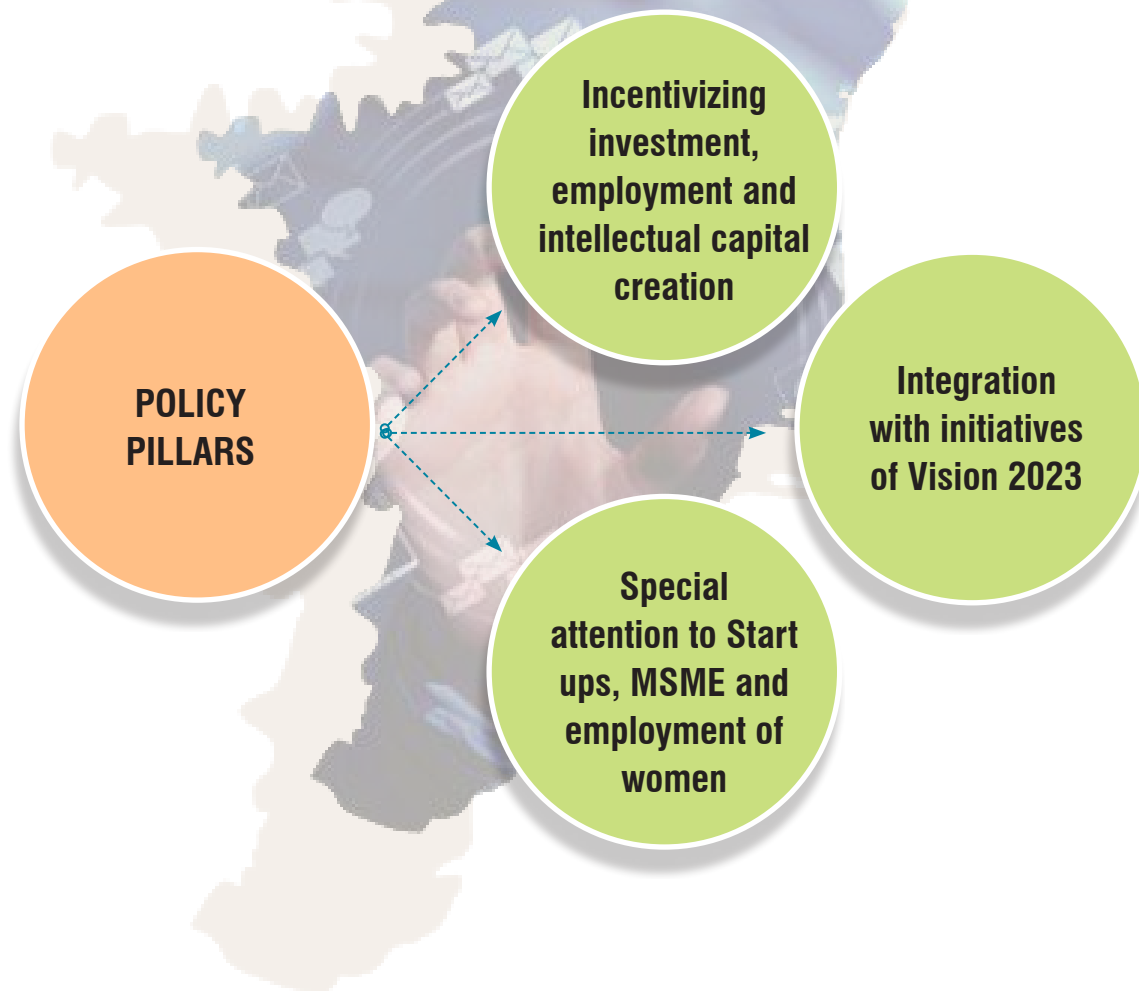
The Government of Tamil Nadu (hereinafter referred to as the Government or the State Government) on its part, has integrated its policy initiatives for the IT/ITeS sector with its own 'Vision 2023' in order to provide inclusive and all round development. The incentives have been carefully formulated to promote investment, employment and creation of intellectual capital in the IT/ITeS sectors. The Government has also focused on providing specific incentives towards Startups and MSME entities in the sector.

In the above setting, the State Government has proposed to formulate a new Information Communication Technology (ICT) Policy with measures to address the specific needs of various segments within the industry.

## 1.1. Competitive advantages of Tamil Nadu

Following are the major advantages of Tamil Nadu:

- Proactive, investor friendly and visionary leadership.
- Stable Government with investor-friendly policies.
- Large pool of English speaking and technically qualified work force.
- Reliable infrastructure.



- Availability of international and domestic bandwidth for communication with well-developed telecom network and high tele-density.
- High rate of urbanization.
- Establishment of Back offices of several Multi-National Corporations (MNCs).
- Institutional framework to promote industry academia interface

The following are the other advantages available to the industry in Tamil Nadu:

### 1.1.1. Well Established IT & ITeS Infrastructure in Tamil Nadu

There are 38 operational SEZs, out of which 18 SEZs are the IT / ITeS sector specific SEZs in the State. Around 246 IT Parks are in the Pipeline with a built-up space of 146 million sq. feet in Tamil Nadu.

IT parks are exclusively Export Oriented Units which focus mainly on Computer software and services related to them. Software Technology Parks of India (STPI)

has established its parks in Chennai (headquarters), Trichy, Madurai, Tirunelveli, & Coimbatore.

On the other hand, SEZ particularly provides companies with many incentives, which in turn promote Foreign Direct Investment (“FDI”) and technology into the state. Tamil Nadu houses many IT & ITeS specific SEZs.

### 1.1.2. Educational Excellence

Tamil Nadu offers the largest pool of technically qualified professionals in the country. The annual intake of 573 Engineering Colleges at Under Graduate level is 2.6 lakh students. Out of this around 37% students (~90,000) specialize in IT, Computer Science, Electronics & Telecommunication. Post Graduate courses like MCA (Master of Computer Applications) specially designed to suit the needs of IT-BPO industry have an intake of around 18,000 students. ICT Academy of Tamil Nadu has been established on PPP basis for furthering Industry-Academia interface

### 1.1.3. Communication Infrastructure

Tamil Nadu has an excellent OFC network and availability of reliable large bandwidth. With 3 Submarine Cables, Chennai has one of the largest bandwidth connected among Indian cities. One of these submarine cable has the largest bandwidth of 8.4 terabit per second (tbps). This cable links Chennai with Singapore. The Cable consists of 8 fibre pairs using DWDM Multiplexing with full capacity of 8.4 tbps when all 105 wavelengths are used. This cable connects with C2C Cable network, SEA-ME-WE 3 and Asia Pacific Cable Network. South East Asia–Middle East–Western Europe 4 (SEA-ME-WE 4) is an optical fibre submarine communications cable system that carries telecommunications between Singapore, Malaysia, Thailand, Bangladesh, India, Sri Lanka, Pakistan, United Arab Emirates, Saudi Arabia, Sudan, Egypt, Italy, Tunisia, Algeria and France. This cable also has a landing point in Chennai. The third submarine cable that has a landing point in Chennai is an India-Singapore Cable System. The cable with 5.12 terabit per second has significantly increased the existing bandwidth capacity into India, which is the second fastest growing communications route in the world. All the three Submarine Cables offer a combined bandwidth of over 14.8 tbps. Reliable availability of bandwidth has ensured emergence of Chennai as a Data Centre hub.

The Government will provide necessary co-ordination and ground work to improve tele-density and Broadband penetration and ensure 100% reliable and efficient telecom network throughout the State including through the Tamil Nadu State Wide Area Network (TNSWAN), National Knowledge Network (NKN), BharatNet and TamilNet Projects. The Government of Tamil Nadu has set up a State Data Centre and Disaster Recovery Centre, Cloud computing facilities, Common Service Centres etc. for enhancing citizen access to online Government services.

**38**  
operational SEZs,  
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**18**  
SEZs are the  
IT / ITeS sector  
specific SEZs in  
the State.

**246**  
IT Parks are in the  
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## 2. Vision for IT/ITeS sector

### 2.1. Vision objectives

The Government of Tamil Nadu as part of its Vision 2023 has envisioned the following for development of IT/ITeS sector in the state.

- Availability of a dynamic information architecture
- Availability of Skilled workforce
- Knowledge Ecosystem comprising research organisations, universities, think tanks, and business organisations that focus on enhancing the knowledge base
- An economic and institutional regime that incentivises knowledge creation and entrepreneurship

### 2.2. Vision Targets

The following have been identified as the targets for IT/ITeS sector in Tamil Nadu:

- To make Tamil Nadu the number one State in the sector in India.
- To make Tamil Nadu the destination of choice for foreign investors in the IT/ITeS sector

- To attract incremental direct investment from foreign and domestic investors across the state
- To create large scale employment opportunities.
- To ensure world class skill availability.
- To provide IT/ITeS companies with the best business climate.
- To make Tamil Nadu as a cost effective destination with marginal operating cost, low cost of living and safe and secured social life for the development of IT/ITeS.
- To encourage IT/ITeS for masses, especially for youth of the state.
- To make available world class infrastructure with emphasis on promotion of Green IT & ITeS.
- To enhance the quality of life of citizens through IT & ITeS.
- To foster mass scale adoption of IT & ITeS for achieving inclusive growth.
- To encourage new entrepreneurs to establish Warehouse for Start-ups
- To facilitate growth and usage of Tamil Computing
- To achieve rapid development of IT & ITeS sector in the southern districts of Tamil Nadu.





## 3. Strategies

In order to promote Tamil Nadu as an ideal investment destination, the following strategies are planned:-

- Provide industry-grade skill up-gradation and training to the students to suit the requirements of industry and for obtaining gainful employment.
- Support Research & Development, Innovation and Entrepreneurship in IT/ITeS Sector
- Widen the scope of IT base by encouraging new verticals such as Animation, Gaming & Digital Entertainment, IT Products & Services in Engineering, Retail, Health Management, etc.
- Encourage innovative entrepreneurs, Small & Medium Enterprises (SMEs), Women and socially challenged sections, etc., of the society, through special incentives and facilitation. Create appropriate institutional measures and supportive technology frameworks for Tamil Computing including standards and specifications
- To support early stage Technology Startups in Chennai with high quality physical working infrastructures and ancillary support with cost advantage.

The Government envisions setting up of hubs for Information Technology (IT) services like Software development and Product development and IT enabled Services (ITeS) like Business Process Outsourcing and Knowledge Process Outsourcing. The endeavor is to make Tamil Nadu the back-office capital of the world by attracting large scale information technology based back offices for knowledge intensive businesses.






# 4. Definitions

## 4.1. Definition of IT/ITeS Companies

IT/ITeS companies will include IT Services (ITS), IT enabled Services (ITeS), Cloud Computing Services, Remote Infrastructure Management (RIM), and Software Industries, IT maintenance and servicing units and Hardware units. IT Services are broadly defined as Systems Integration, Processing Services, Information Services (IS) outsourcing, Packaged Software support and installation, Hardware support and installation.

IT enabled Services are human intensive services that are delivered over telecom networks or the internet for a range of business segments. IT/ITeS as a core business or the IT/ITeS component of the business alone shall be included within the scope of this Policy.

1. IT/ITeS component of Medical Transcription
2. IT/ITeS component of Legal Database processing
3. Digital content development / animation
4. Digital technology component of media and entertainment industry
5. IT/ITeS component of Remote Maintenance activity
6. Back office operations - Accounts/Financial services
7. Knowledge Process Outsourcing
8. Data Processing
9. Call Centres

- 
10. Engineering and Design element of IT/ITeS infrastructure
  11. Geographic Information Services
  12. IT/ITeS component of Human Resources Services
  13. Insurance Claim Processing
  14. Payroll Processing
  15. Revenue Accounting
  16. IT/ITeS Support Centres
  17. Website Services
  18. Business Process Outsourcing ( BPO)
  19. Animation (a movie using a series of drawings, computer graphics, or photographs of two and three dimensional objects that are recorded in analog or digital media limited to the IT/ITeS component)
  20. Visual Effects (computer generated imagery using user friendly animation and compositing software limited to the IT/ITeS component)
  21. Gaming (A game involves human interaction with a user interface to generate visual feedback on a video device using electronic medium limited to the IT/ITeS component)
  22. Digital Comics (visual medium used to express ideas via images, often combined with text or visual information limited to the IT/ITeS component)
  23. Data Centre
  24. Social, Mobile, Analytics and Cloud (SMAC)
  25. IT/ITeS component of E-Commerce
  26. Digital Content creation
  27. E-Learning and Massive Open Online Course Content (MOOC)
  28. Digital Management and Technology
  29. Tamil Computing

#### **4.2. Definition of Communication providers**

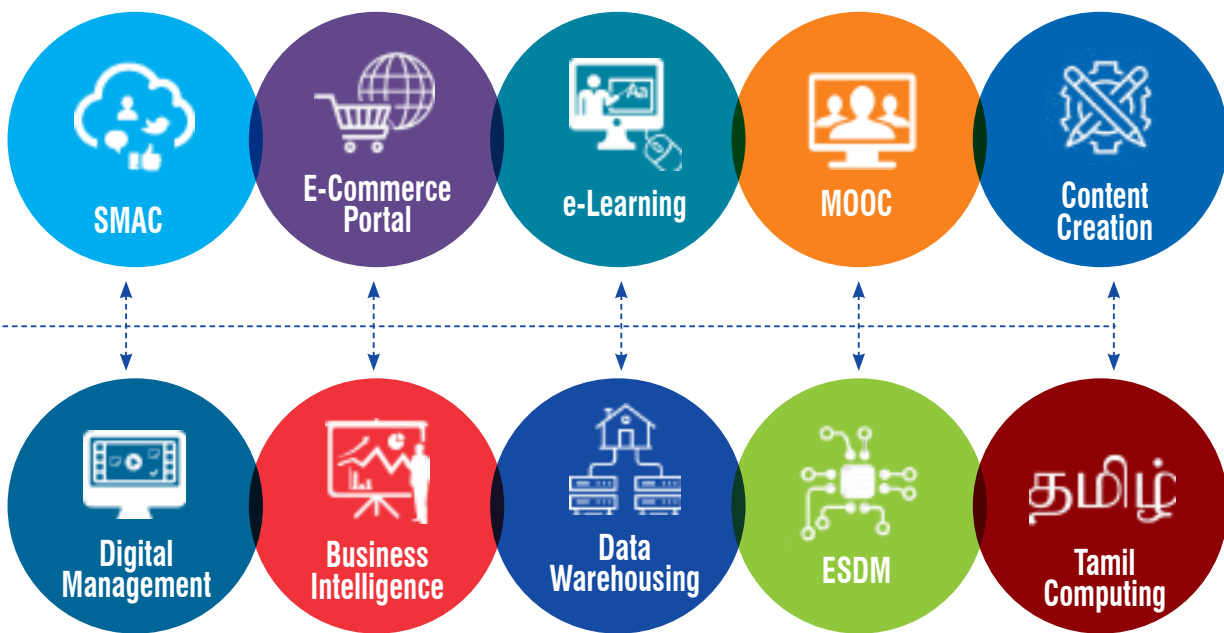
Communication Providers include Class A, Class B and Class C - Internet Service Providers, Right of Way Memorandum of Understanding (MOU) holders, Basic Service Providers and Value added service providers like the Common Service Centres operators in the State.

# 5. Key Components and Focus Areas of the Growth Driven Eco System

## 5.1. Areas of focus

In the future, to improve IT/ITeS Industries in Tamil Nadu, ELCOT and other Agencies will give more thrust in the following fields/areas in addition to existing business operations:-

- Social, Mobile, Analytics and Cloud (SMAC)
- E-Commerce portal for Government Departments
- e-Learning
- Massive Open Online Course content (MOOC)
- Content Creation
- Digital Management and Technology
- Business Intelligence Software and Analytics



- Data warehousing
- ESDM (Electronics System Design and Manufacturing) Training
- Tamil Computing



Companies desiring to set up units in the state can avail themselves of the facilities provided in ELCOSEZs. The possibility of setting up ELCOSEZs in new locations will be explored based on demand and viability.

## 5.2. Special Focus on Animation and Gaming

The Government of Tamil Nadu will actively encourage Animation and Gaming Industry in the state. The incentives for investment in the animation and gaming space will be governed as per this Policy.

To attract and retain IT and ITeS investments in the State, necessary thrust will be given by the Government in the areas such as IT specific SEZs, power, telecom, legal including anti-piracy, data security mechanisms, IP rights, Foreign ownership rights and transportation infrastructure. Specific initiatives have been briefly described as under.

## 5.3. Infrastructure

The Government in Information Technology Department has accorded administrative sanction and approval for establishing Warehouse for Startups at Chennai and Coimbatore and Startup Warehouse Board. Infrastructure facilities required for SMAC and Data Centers are being provided by the Government. It has also set up rural BPOs and Common Service Centres.

In order to facilitate overall infrastructure development, the Government has enacted the Tamil Nadu Infrastructure Development Act (TNIDA) and has also constituted the Tamil Nadu Infrastructure Development Board (TNIDB). The Government has also identified priority infrastructure projects across sectors and many of them are under implementation

### 5.3.1. Information Technology Specific Special Economic Zones

In order to make development more inclusive, Tier II cities such as Coimbatore, Madurai, Trichy, Tirunelveli, Hosur and Salem have been promoted as IT investment destinations apart from the Chennai region. To facilitate this, ELCOT has established ELCOSEZs (IT Specific Special Economic Zones) in the following eight locations:

- Chennai - Sholinganallur
- Coimbatore - Vilankurichi
- Madurai -Ilandhaikulam
- Madurai - Vadapalanji-Kinnimangalam
- Trichy - Navalpattu

- Tirunelveli - Gangaikondan
- Salem - Jagirampalayam
- Hosur - Viswanathapuram

ELCOT has created necessary basic infrastructural facilities in all the above ELCOSEZs. Companies desiring to set up units in the state can avail themselves of the facilities provided in these ELCOSEZs. The possibility of setting up ELCOSEZs in new locations will be explored based on demand and viability.

### 5.3.2. Transport

Tamil Nadu has well connected rail and road system. The Government will focus on developing Tier-II & Tier-III cities of Tamil Nadu as well as IT hubs around Chennai, by developing required infrastructure. Government is focused on further improving transport infrastructure in Tier II and III Cities to cater to the needs of Sector and spur investments in the state.

Tamil Nadu has also the unique distinction of being home to four International Airports

### 5.3.3. Power

The Government of Tamil Nadu / TANGEDCO will give priority to good quality and uninterrupted power supply to IT/ITeS Companies located throughout the State of Tamil Nadu. Dedicated feeders will be provided for units requiring more than 10 MVA if they pay the entire cost. The electricity supply will be extended as per the norms fixed by TNERC. Industries that seek a second feeder from an independent source will be provided the same on payment of the feeder infrastructure cost. The Power tariff applicability for IT and ITES units shall be as per notification issued by Tamil Nadu Electricity Regulatory Commission (TNERC).

The Government of Tamil Nadu will fast-track power projects and endeavour to provide uninterrupted power supply to IT/ITeS units.

IT Specific Special Economic Zones







## 6. Skill Development

Skill Development is an important focus area of the Government. Assistance for skill enhancement is being provided as per the Tamil Nadu Rural BPO Policy. The Government is committed to skill development through the following initiatives:

- The Government has implemented the Skill Development Mission with strong industry linkages for Training and Skill Development. Emphasis will be given to ensure that students going to vocational streams can eventually link up with the academic stream and realize their aspiration for obtaining technical degrees through “Learn While You Work” programmes.
- Government of Tamil Nadu has already launched the scheme for Free distribution of Laptop Computers to the +2 School students studying in Government and Government aided schools and students studying in Government and Government aided colleges to facilitate their acquisition of better computer skills. This will make them ready to meet the expectations of IT/ITeS sector.
- The Government of Tamil Nadu has instituted the ICT Academy of Tamil Nadu (ICTACT). This is a joint initiative of Government of India, Government of Tamil Nadu and IT Industry. Its prime focus is to improve the quality of students graduating from various institutions in the State, to make them industry ready and immediately employable in the ICT industry.

The Government will also provide skill development and upgradation in the following areas to meet the expectations of the IT & ITeS sector:

- The Government will take necessary efforts to impart employability skills to address the challenges of the IT/ITeS industry.
- The Government will encourage industries to collaborate with colleges in creating centers of excellence in new technologies and research.
- Creation of Skilled workforce with a knowledge of foreign languages will be encouraged to enable them to compete in the international arena
- The National Knowledge Network (NKN) which is a National Level High speed Network for connecting academic institutions across India and also for linking with the global scientific community, will be leveraged for industry - academia interface.



# 7. Incentives

In order to promote employment throughout the State and for the benefit of the rural students, the Government has decided to extend higher levels of incentives and subsidies to the companies which are ready to invest in Tier II and Tier III cities such as Coimbatore, Madurai, Trichy, Salem, Tirunelveli and Hosur as well as in rural locations.

## 7.1. Standard Fiscal Incentives

All IT/ITeS industries in Tamil Nadu (those who otherwise do not qualify for the structured package as defined in this Policy) will be eligible for the following standard incentives:

- i. Capital Subsidy and Electricity Tax Exemptions:** Irrespective of the location of the project, new or expansion manufacturing units will be given a back ended capital subsidy and electricity tax exemption on power purchased from the Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) or generated and consumed from captive sources based on employment and investment in fixed assets/ eligible assets as the case may be, made within the investment period as detailed below:

Investment in fixed assets / eligible fixed assets (₹ crore)	Direct employment (in numbers)	Capital subsidy (₹ crore)	Electricity tax exemption (in number of years) from date of commercial operation
5-50	500	0.30	2 years
50 - 100	500 – 1000	0.60	3 Years
100 - 200	1000 – 2000	1.00	4 Years
200 - 500	2000 - 4000	1.50	5 Years

- ii. The proof of employment shall be provided in the form of EPF transactions or TDS deductions and payments. The subsidy shall be paid at the end of 3 years in A&B locations and 4 years in C location subject to satisfaction of conditions mentioned in the table above. (Please refer to 7.3 for classifications)
- iii. New or expansion IT/ITeS industries located in ELCOT promoted SEZs/IT Parks in A districts will be provided an additional capital



subsidy of 50% over and above the eligible limit, enumerated in the table above.

- iv. New or expansion IT/ITeS industries located in B & C districts will be provided an additional capital subsidy of 10% and 25% respectively over and above the eligible limit, enumerated in the table above.

## 7.2. Special Incentives for MSME units

Financial Assistance will be provided to new and expansion MSME units in B and C locations subject to the following conditions:

- Units attaining a level of at least 50 employees within 3 years alone shall be eligible for this incentive
- Training would be provided free of cost through Tamil Nadu Skill Development Corporation (TNSDC) as per National Skill Development Corporation (NSDC) Norms (which include transport subsidy) to prospective employees who have requisite qualifications and need skill up-gradation.

The above mentioned assistance would be capped at 100 employees per year per unit for a maximum of 3 years.

- Startups and MSMEs will be provided a subsidy of 10% on lease rentals subject to a maximum of ₹2 lakhs per annum for a period not exceeding three years, on built up office space ranging from 1000 sq.ft to 5000 sq.ft leased by these units in Government promoted IT SEZs.
- The Government would facilitate tie up with reputed Business Analyst Firms to evaluate the strengths of MSMEs, so that MSMEs can market themselves in international markets.
- Government would support linkages of smaller IT/ITeS companies with bigger firms.



## 7.3. Fiscal Incentives (Structured package)

- a) For the purpose of administering this Structured package of incentives based on mandatory investment and employment criteria mentioned in this policy, the districts have been classified as under:

Locations	Description – Districts classification
A	Chennai, Tiruvallur and Kancheepuram
B	Other than A & C (20 Districts)
C	Madurai, Theni, Dindigul, Sivagangai, Ramanathapuram, Virudhunagar, Tirunelveli, Thoothukudi and Kanniyakumari.

- b) “Mega Project” for the purpose of this incentive means an IT/ITeS project, new or expansion, with the following investment ranges and employment criteria for the above locations as defined in the table below.

Criteria	Location		
	A	B	C
Investment range (₹ crore)	500 and above	350 and above	200 and above
Employment (Minimum number of employees)	6,000	4,000	2,000
Timeline within which target is to be achieved (years)	3	3	4

- c) The IT/ITeS companies which make the investment for own use alone will be eligible for the incentives and subsidies.
- d) The structured package of incentives would be extended to industries on a case to case basis
- e) The investment period will be reckoned from the date of executing an MoU with the Government or any other date, as may be defined by the Government.
- f) IT/ITeS industries in existence in Tamil Nadu for over 10 years will be given suitable extra benefits for expansion projects over and above the normal structured package of incentives, subject to investing the minimum level of investment mentioned above.
- g) Employment criteria is a mandatory condition to claim fiscal incentive. The proof of employment shall be provided in the form of EPF transactions or TDS deductions and payments. The subsidy shall be paid at the end of 3 or 4 years.

The clause “c” to “g” are general in nature and applicable to all the three categories of districts uniformly.



## 7.4. Special Incentives for B & C locations

IT/ITeS units coming up in B and C locations will be given special incentives for setting up Sewerage Treatment Plant and Reverse Osmosis (RO) Plant.

## 7.5. Reimbursement of Stamp Duty

- 50% reimbursement of stamp duty and registration fee will be given on transaction of land/building for IT/ITeS in C districts for first transaction of a particular land/building for the purposes of development of IT/ITeS industrial unit(s) considered in this policy. No reimbursement would be given for subsequent transactions for the same land/building. This will be conditional to the concerned entity putting up the facilities to commence the

operations within three years from the date of the transaction. The certification in this regard will be undertaken by ELCOT. Category A,B and C locations are as defined as in clause 7.3 of this Policy.

- The rules for administration of this exemption will be notified subsequently

## 7.6. Administrative Incentives

- IT/ITeS companies are exempted from the provisions of Chapter II and III of the Tamil Nadu Shops and Establishments Act, 1947.
- IT/ITeS companies are exempted from the provisions of Section 5 (2) (a) (i) and (ii) of the Tamil Nadu Industrial Establishment (National and Festival Holidays) Act, 1958.
- IT/ITeS companies will be permitted to self-certify that they are maintaining the registers and forms as contemplated under
  - i. Tamil Nadu Shops and Establishment Rules, 1947
  - ii. Tamil Nadu Payment of Gratuity Rules, 1972
  - iii. Tamil Nadu Maternity Benefits Rules, 1964
  - iv. Tamil Nadu Contract Labour Rules, 1975
  - v. Tamil Nadu Minimum Wages Rules, 1953
  - vi. Contract Labour Act, 1970
  - vii. Payment of Gratuity Act, 1972
  - viii. Tamil Nadu Industrial Establishment (National and Festival) Holidays Act, 1958.
  - ix. Tamil Nadu Industrial Establishments (National and Festival) Holidays Rules, 1959
  - x. Tamil Nadu Payment of Wages Rules, 1937
  - xi. Employment Exchange Act, 1959
  - xii. Equal Remuneration Act, 1976
  - xiii. The Workmen's Compensation Act, 1923
  - xiv. Employees' Provident Fund & Miscellaneous Provisions Act, 1952

Flexibility in labour laws shall be adopted without compromising labour welfare, subject to applicable labour laws and within the parameters of the Industrial Employment (Standing Orders) Act, 1946 (Central Act 20 of 1946). The flexibility in working hours, working in three shifts and employment in night shifts may be allowed for women employees, provided; all necessary security arrangement, facilities of rest room and safe transportations are arranged; the employers have to ensure that night shift work may be carried out under the supervision of women supervisors and ensure the presence of women security officers. The employers may also constitute internal complaints committee as per the Sexual Harassment of Women at Work place Act, 2013.



This self-certification by the IT/ITeS companies will be regarded as sufficient compliance with the requirements of the different Acts and the Rules made there under regarding the maintenance of registers and filing of the returns.

E-filing of returns will be implemented progressively after all the offices of the concerned Inspectors are computerized for receiving such returns to make the process efficient, effective, transparent and citizen- friendly.

Government will also take necessary action for introduction of Common Annual Returns in place of multiple returns and reduction in the number of registers maintained at present.

The Government will evolve appropriate mechanisms for ensuring the job security of IT Professionals at the same time keeping in mind the interests of the IT industry and industry practice in other States. The interventions will include encouraging movement away from services to product based industries, re-skilling of middle level employees, creating eco-systems for Start-ups and Angel Investments and so on.

### **7.7. Quality Certification Financial Assistance for MSMEs**

MSMEs shall be reimbursed 50% of the costs towards certification subject to a maximum of ₹ 5 lakh for certifications listed in Annexure I. This incentive can be availed only once.

### **7.8. Patent Filing Fiscal Incentive**

MSMEs shall be reimbursed 50% of the statutory fees for filing of patents. The reimbursement amount will be limited to ₹3 lakh for domestic patent and ₹ 5 lakh for international patent. This incentive can be availed up to 5 times in a period of 5 years. The headquarters of the IT/ITeS unit must be located in Tamil Nadu to avail this benefit.

### **7.9. Market Development Assistance**

The state shall strive to promote IT sector by specialized exhibitions, stalls and seminars in state sponsored events and encourage marketing to the best possible extent.



## 8. Relaxation of FSI

Relaxation of FSI (Floor Space Index) to a maximum extent of 100% will be given in designated IT - ITeS Parks all over the State. The certification in this regard will be undertaken by ELCOT.

## 9. Open Space Reservation (OSR)

### 9.1. OSR for SEZ

The provisions pertaining to OSR for SEZ's shall be as per the provisions of the G.O. (Ms).No. 200, Housing and Urban Development [UD4(1)] Department, dated 05.08.2013 included in the Annexure II to this Policy.

### 9.2. OSR for non SEZs

The request of the IT/ITeS companies for maintaining the Open space will be considered as per the Open Space Reservation (OSR) Rules under the Development Regulations of the Chennai Metropolitan Development Authority favorably. A similar provision will also be made in respect of areas falling outside the CMDA.

## 10. Maintenance of Roads and Common Utilities

The Government will adopt an eco-system development approach and attempt to develop the physical infrastructure required for the development of IT/ITeS industry. In case of SEZ or IT Parks, the developer shall be responsible for proper maintenance of internal roads, water distribution infrastructure, street lighting, drainage facilities, landscaping, and Green area, etc. The developers will be exempted from transferring the same to the Local bodies. But link roads to public roads should be handed over to Local Bodies. However, property tax shall be payable to Local bodies.

## 11. Research and Development

The Government will foster an environment that is conducive to IT Innovation and Research by instituting IT Innovation Awards, making space available in ELCOT promoted ELCOSEZ for innovators and researchers, creating a fund that can support and help incubate innovators etc. The Government of Tamil Nadu will explore the feasibility of setting up of research parks in the State. The Government will facilitate interaction between educational institutions and industries to set up research labs in a Public Private Partnership (PPP) model.



## 12. Green IT/ITeS

In order to ensure growth of the IT/ITeS Sector in an environmental friendly, sustainable and responsible manner, the Government will take steps to facilitate Green IT Parks as well as the stand alone units in such parks to get clearance relating to environment and other benefits. The Government will also institute Awards for promoting Green IT industry.

## 13. Annual and Special Awards

The Government will institute / select Annual Awards for excellence in export performance to the best IT/ITeS industry in order to encourage IT/ITeS companies to achieve maximum export from the State of Tamil Nadu.

Special awards will be given to IT/ITeS units which give at least 4% employment opportunities to the differently abled persons.

## 14. Single Window Facilitation

To avoid procedural delays for creation of IT infrastructure, Single window facilitation will be available for all IT/ITeS industries through Tamil Nadu Industrial Guidance and Export Promotion Bureau for coordination with various Agencies such as Chennai Metropolitan Development Authority (CMDA), Directorate of Town and Country Planning (DTCP), Tamil Nadu Fire and Rescue Services (TNF&RS), Tamil Nadu Police, Tamil Nadu Pollution Control Board, Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) and Airport Authority of India (AAI) to get the clearances from them.



## 15. Corporate Social Responsibility

Government recognizes that companies assisted through a structured package of assistances have a responsibility to the society and community around their IT / ITeS facilities. Investing IT/ITeS companies in Tamil Nadu will be encouraged to participate in community and social development activities. Suitable provisions will be incorporated in the Memoranda of Understanding signed with such companies by following the provisions indicated in the Companies Act 2013 pertaining to Corporate Social Responsibility.

## 16. Mechanism for disbursal of Incentives

A suitable mechanism that ensures speed and transparency for disbursal of incentives will be put in place. ELCOT is mandated to act as the implementation agency for the various incentives listed out in this policy. A committee will be constituted for this purpose to evaluate the proposals. Detailed guidelines governing this will be issued separately.

## 17. Tamil Computing and Tamil Virtual Academy (TVA)



TVA will coordinate Tamil Computing related sectors with the following aims:

- To create necessary standard and architecture for Tamil Computing.
- To Develop Tamil Software for Government applications in the areas of Education, Commerce, Technology etc., and Maintenance and up gradation of software for Web server
- To create Incubation facilities for young entrepreneurs
- To facilitate online collaboration and dissemination in respect of Tamil language, culture and heritage.

## 18. Connectivity

- The Government of Tamil Nadu will facilitate single window clearance of all Right of Way applications for facilitating faster roll-out of connectivity in the State.
- The Government of Tamil Nadu will facilitate for installation of Base Transceiver Station (BTS) Towers and Exchanges by the Communication Service Providers.

## 19. New Technologies

Government will encourage innovation and research in emerging technologies and also create an eco-system for these technologies to thrive. The Government will encourage IT/ITeS Companies in Tamil Nadu to take all steps to enhance awareness and impart training to their employees to upgrade the employability skills of their employees in the emerging technologies like:

- Artificial Intelligence, Machine learning and Robotics
- 3D Printing
- IT application in different sectors
  - Banking Financial Service Industries (BFSI)(FinTech)
  - Health and medicine (MedTech)
  - Agriculture ( AgriTech)
  - Online Education and training (Edutech) etc.
- Internet of Things (IoT)
- Block Chain Technology
- Data analytics

## 20. Conclusion

The Policy endeavors to strengthen the position of Tamil Nadu in the IT/ITeS space and help in becoming the most preferred investment destination in the country. ■



## ANNEXURE – I

The following certifications to be eligible to avail reimbursement incentive

### Quality Certifications

ISI	Provided by BSI certifying conformity with Indian standards
ISO 9000	Quality Management Systems standard related to quality of product
ISO 27001	Standard pertaining security of information assets of organizations
CMM (level 2 upwards)	Framework for assessing and improving operational processes' effectiveness.
P-CMM	Framework for assessing and improving organization's human capabilities.
BS	Pertaining Information Security Management System
COPC	Performance linked standard certification in call centre industry.
eSCM	Performance linked standard certification in ITeS industry
CCC & CE	Certification pertaining conformity with Chinese and European standards respectively.



## ANNEXURE – II

### G.O.(Ms) No.200, Housing and Urban Development (UD4(1)) Department, Dated 05.08.2013



#### ABSTRACT

Urban Development – Development of Special Economic Zone (SEZ) - Special Economic Zone Act, 2005 – Handing over of Open Space Reservation (OSR) Area and Roads by Special Economic Zone Developers Exemption from relevant Development Regulations and Development Control Regulations Notifications - Issued.

#### Housing and Urban Development [UD4(1)] Department

G.O.(Ms).No.200

Dated: 05.08.2013

விஜய வரடம், ஆடி திங்கள் 20,  
திருவள்ளூர் ஆண்டு-2044

#### READ:

1. G.O.(Ms). No.192, Housing and Urban Development Department, dated 08.09.2010.
2. G.O.(Ms.) No.23, Housing and Urban Development Department, dated 24.01.2012.
3. From the Additional Secretary, Government of India, Ministry of Commerce and Industry, Department of Commerce letter No.D12/32/2009-SEZ, dated 30.04.2012.

#### ORDER:

The Government of Tamil Nadu have given their consent for functioning of Special Economic Zones in the State under the Special Economic Zone (SEZ) Act 2005. As per the rules and procedures in force in the State, for according approval to any layout exceeding 3000 sq.m, in Chennai Metropolitan Area and 2500 sq.m. in Commissioner of Town and Country Planning areas, 10% of land area has to be reserved as Open Space Reservation (OSR) area and all the internal roads in the layout have to be gifted to local body through a gift deed.

2. As the SEZ developers represented for maintenance of OSR area and roads by themselves, orders were issued in Government Order first read above that Open Space Reservation area and roads shall be handed over to respective local bodies by SEZ Developers and local bodies in turn shall give the same back on lease to respective SEZ developers for maintenance. The above Government Order was rendered impracticable as it contravenes SEZ Act 2005.

3. Later, the Government vide Government Order second read above issued orders requiring 10% of land within SEZs to be handed over to respective local bodies by SEZ developers as Open Space Reservation land through a registered lease deed for a period of 99 years.
4. Now, in the letter third read above, the Additional Secretary to Government of India, Ministry of Commerce & Industry, Department of Commerce has stated that this order is in conflict with certain explicit provisions of the SEZ Act, 2005 and SEZ Rules 2006 under which a developer is permitted only to lease SEZ land either to a co-developer or a unit. The local body, being neither a co-developer nor a unit of an SEZ, is not permitted to be a lessee of the SEZ land.

Further, SEZs are custom bounded areas and, therefore handing over to any person, who is not a co-developer or unit or allowing access to persons not otherwise authorised to be in SEZ, is not permitted under the SEZ Act / Rules. Moreover, Section 51 of the SEZ Act provides that the provisions of the SEZ Act will have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than the SEZ Act and had therefore requested to keep the Government Order 2nd cited in abeyance.

5. The Government after careful consideration of the request of the Additional Secretary, Ministry of Commerce and Industry mentioned in para 4 above, have decided to accept the above request. Accordingly, in supersession of orders issued earlier vide Government Order second read above the Government lay down the following stipulations in respect of handing over of OSR area and roads in SEZs in Tamil Nadu.
  - a. In respect of existing SEZ, the OSR area and internal roads need not be handed over to the local body, but the same would be maintained by the SEZ developer only as the OSR area or road without any kind of development in the OSR land except as a green space (park).
  - b. The space covered under OSR would be entered in the caution register and the planning authority should never issue development permission in this space.
  - c. SEZ developer and the Development Commissioner of SEZ would give separate undertakings to maintain the OSR land and internal roads during the operation of the SEZ and handover the OSR area and internal roads to the local body in case the SEZ is denotified.
  - d. In respect of future SEZs, the developer should handover 10% of the total area as OSR area in a place abutting a public road with a minimum of 10m width and it should not be included in the SEZ notified area, and the developer should handover a road in the periphery of the SEZ to provide access to rear lands. This road should be handed over to local body. In respect of internal roads, the procedure as proposed for existing SEZ would apply i.e., maintenance and ownership will be with SEZ developer but with separate undertakings signed by the SEZ developer and by the Development Commissioner, SEZ to hand over the same to the local body in case the SEZ is denotified.
6. The Director of Town and Country Planning and the Member Secretary, Chennai Metropolitan Development Authority are directed to pursue action accordingly.
7. The Works Manager, Government Central Press, Chennai - 600 079 is directed to publish the appended Notification in the next issue of Tamil Nadu Government Gazette and send ten copies of the Gazette notification to Government.

(BY ORDER OF THE GOVERNOR)

**THANGA KALIYAPERUMAL**  
SECRETARY TO GOVERNMENT

## **APPENDIX**

### **NOTIFICATION**

In exercise of the powers conferred by section 113 of Tamil Nadu Town and Country Planning Act, 1971 (Tamil Nadu Act 35 of 1972), the Governor of Tamil Nadu hereby exempts the SEZ Developers from Regulation 29 (7) (a) of Development Regulations of Master Plan 2026 for Chennai Metropolitan Area and Regulation 9 (3) (ii) of Development Control Rules of Master Plan of other areas regarding handing over of Open Space Reservation and Roads, in supersession of earlier notification issued vide in Notification No.II(2)/HOU/110/2012 in Tamil Nadu Government Gazette, No.6, Part-II, Section 2, dated 15th February 2012, subject to the following conditions:-

- a. In respect of existing SEZ, the OSR area and internal roads need not be handed over to the local body, but the same would be maintained by the SEZ developer only as the Open Space Reservation area or road without any kind of development in the Open Space Reservation land except as a green space (park).
- b. The space covered under Open Space Reservation would be entered in the caution register and the planning authority should never issue development permission in this space.
- c. SEZ developer and the Development Commissioner of SEZ would give separate undertakings to maintain the Open Space Reservation land and internal roads during the operation of the SEZ and handover the Open Space Reservation area and internal roads to the local body in case the SEZ is denotified.
- d. In respect of future SEZs, the developer should handover 10% of the total area as Open Space Reservation area in a place abutting a public road with a minimum of 10m width and it should not be included in the SEZ notified area, and the developer should handover a road in the periphery of the SEZ to provide access to rear lands. This road should be handed over to local body.

In respect of internal roads, the procedure as proposed for existing SEZ would apply i.e., maintenance and ownership will be with SEZ developer but with separate undertakings signed by the SEZ developer and by the Development Commissioner, SEZ to hand over the same to the local body in case the SEZ is denotified.

**THANGA KALIYAPERUMAL,**  
SECRETARY TO GOVERNMENT



## ANNEXURE – III

### Abbreviations:

1. AAI - Airport Authority of India
2. BPO - Business Process Outsourcing
3. BTS - Base Transceiver Station
4. BFSI - Banking Financial Service Industries
5. BSI - British Standards Institution
6. CMM - Capability Maturity Model
7. CMDA - Chennai Metropolitan Development Authority
8. CMWSSB - Chennai Metropolitan Water Supply and Sewerage Board
9. COPC - Customer Operations Performance Centre
10. DTCP - Directorate of Town and Country Planning
11. DWDM - Dense Wavelength Division Multiplexing
12. EPF - Employees Provident Fund
13. ESDM - Electronics System Design and Manufacturing
14. FDI - Foreign Direct Investment
15. ICT - Information Communication Technology
16. ICTACT - ICT Academy of Tamil Nadu
17. IoT - Internet of Things
18. ISI - Indian Standards Institute
19. ISO - International Organization for Standardization
20. IT - Information Technology
21. ITeS - Information Technology enabled Services
22. MVA - Mega Volt Amp
23. MCA - Master of Computer Applications
24. MNCs - Multi-National Corporations
25. MOOC - Massive Open Online Course
26. MOU - Memorandum of Understanding
27. MSME - Micro , Small and Medium Enterprises Department
28. NKN - National Knowledge Network
29. NOFN - National Optical Fibre Network
30. NSDC - National Skill Development Corporation
31. OFC – Optical Fiber Cable

32. OSR - Open Space Reservation
33. PPP - Public-Private Partnership
34. RIM - Remote Infrastructure Management
35. RO - Reverse Osmosis
36. SEZs - Special Economic Zones
37. SMAC - Social, Mobile, Analytics and Cloud
38. SSA – Secondary Switching Area
39. STPI - Software Technology Parks of India
40. TANGEDCO - Tamilnadu Generation and Distribution Corporation Ltd.
41. TDS - Tax Deducted at Source
42. TNSWAN - Tamil Nadu State Wide Area Network
43. TNIDA - Tamil Nadu Infrastructure Development Act
44. TNIDB - Tamil Nadu Infrastructure Development Board
45. TNERC - Tamil Nadu Electricity Regulatory Commission
46. TNSDC - Tamil Nadu Skill Development Corporation
47. TNF&RS - Tamil Nadu Fire and Rescue Services
48. TVA - Tamil Virtual Academy



## ANNEXURE – IV

### Definitions of Communication Providers:

1. **Class A (National Area)** – This license is for Pan India operations.
2. **Class B (Telecom Circle/Metro Area)** – Class B license is issued for a total of 20 major states or any of the following Metro Cities – Mumbai, New Delhi, Kolkata, Chennai, Bengaluru. The Government keeps issuing notifications regarding territories declared as telecom circles and metro areas from time to time.
3. **Class C (Secondary Switching Area (SSA))** – This license is for only a particular secondary switching area. A secondary switching area is a government defined territory which could comprise several small villages, towns or even districts. A class C license holder will have access to any 1 particular SSA only, unless he applies for multiple authorizations under one unified License.



## NATIONAL POLICY

### National Policy on Information Technology, 2012 (NPIT 2012)

#### **PREAMBLE**

Information Technology is a key driver of an increasingly knowledge based global economy. A knowledge based economy is now a sine qua non for leadership. Given its current global position in the IT and ITES sector, India is well positioned to enhance and leverage its IT capabilities towards this end. Technology has transformational power. It is a great leveler of opportunity within and across economies. Recognizing this potential of IT, several economies in the Asia-Pacific region have invested in infrastructure and adopted proactive policies to foster adoption of IT pervasively. Consequently their economies have experienced much faster and more equitable growth and their development indices have moved up rapidly.

India aspires to become a knowledge economy with a global role. The Indian economy has achieved a growth rate of around 8 % over the last decade, and the contribution of IT Sector to this growth is significant. The Indian IT industry is a USD 100 Billion industry (2011-12) with 80% of the revenues coming from exports. The Indian IT & ITES sector employs over 2.8 million skilled people. The IT sector has been one of the major employment generators in the last two decades. The global IT-ITES market has been growing. Current negative trends in many economies around the globe provide both challenges and new opportunities. New competitors emerge, often unpredicted. This flux in the global economy highlights the need for constant reappraisal of strategy and the imperative of identifying new markets and new services and seeking ways to leverage and extend the reach of domestic non-IT services like engineering, health, education, skill development, security, legal, financial, accounting, transport & logistics etc. There is room for growth but no room for complacency. A conducive policy environment and a concerted strategy is needed for the country to remain a global player on a long term basis.

While IT export growth is satisfactory despite global recession in the last few years, the impact of IT within the country is uneven. Despite relatively sluggish growth of the domestic market and low levels of ICT usage and penetration in the past, today there are very encouraging signs of accelerating recourse to ICTs in most sectors of the economy and society. There are many drivers propelling this change. Global competition, pressure to cut costs and improve efficiency, need to address IT-savvy global and domestic markets and compulsion to provide client-centric services to a large number of customers are some of the factors responsible.

However, the bulk of Indian IT exports is still targeted towards North America and Europe. Besides, major IT hubs like Bangalore, Chennai, Hyderabad, Mumbai, Pune and NCR which account for nearly 90% of the total Industry in India are near saturated and face infrastructural challenges and human resource constraints for further expansion. This necessitates the absolute imperative

for Indian IT and ITES Industry to diversify into Tier II and Tier III cities. Emerging technologies such as Mobile Technology, Localization, Virtualization, and Cloud Computing provide Indian IT / ITES industry a major opportunity to become partners in value creation and drive transformation domestically.

India today stands at the cusp of development. The Indian workforce is young - with 50% of the population below 25 years. The younger generation is also quick to adopt new technologies. This factor is one of our core competitive strengths. Relying on this advantage, enhanced use of ICT (Information & Communication Technologies) can help usher in sustained growth of the Indian economy.

ICT is known to have transformed businesses and created new products and markets and improved the productivity and efficiency in other sectors. Sectors like Finance, Retail, Courier, Media are just a few examples in this context. For India to retain its competitive edge in sectors in which it is traditionally strong like textiles as also in emerging sectors, it is imperative that ICTs are appropriately adopted. Similarly, the importance of ICTs in strategic sectors like Defence, Atomic Energy, Space etc is paramount.

The National Policy on IT focuses on application of technology-enabled approaches to overcome monumental developmental challenges in education, health, skill development, financial inclusion, employment generation, governance etc. to greatly enhance efficiency across the board in the economy. The policy seeks to achieve the twin goals of bringing the full power of ICT within the reach of the whole of India and harnessing the capability and human resources of the whole of India to enable India to emerge as the Global Hub and Destination for IT and ITES Services by 2020. The focus of the IT policy is therefore on deployment of ICT in all sectors of the economy and on providing IT solutions to the world. The Policy aims at attaining these objectives through coordinated action on the part of both the Central and State governments.

Emerging technology trends will make it possible for millions of citizens to access services electronically in self-service mode using mobile phones and the Internet or through assisted service points such as Common Services Centers etc. This goal is made possible through ubiquitous network connectivity based on mobile technology, broadband Internet, fiber penetration to all villages, high-technology and low-cost affordable devices and software solutions which enable electronic access to services including e-payments.

A unique AADHAAR based electronic authentication framework would be an integral part of systems providing services to the people. Cloud computing will significantly speed up design and roll out of services, enable social networking and participative governance and eCommerce on a scale which was just not possible with traditional technology solutions. Adoption of IT by civil society is also increasing by leaps and bounds. Rising use of social media presents a unique opportunity to reach a large percentage of the population in ways that were not possible earlier. Used appropriately, they could substantially enhance the democratic and governance fabric of the country.

In keeping with these trends, Governments at all levels in the country are aggressively adopting e-Governance to improve accessibility, transparency and efficiency. Social Media could also be utilised to facilitate peer-to-peer interaction and thereby promote horizontal communication to foster the growth of a connected society.

There is a strong synergy between IT adoption and the growth of Broadband Infrastructure. Mobile telephony is now well spread out all over the country due to a combination of factors – including low cost devices and low tariff. Over 850 million subscribers can benefit from Mobile Internet with

a supportive development environment with low cost smartphones/handheld devices, competitive tariffs and provision of value added services at affordable prices. Policy-driven convergence of ICT based business models and service capabilities with the rapidly evolving Telecom infrastructure has the potential to create an environment which will foster the growth of citizen-services and business models to bring about transformational change in governance and markets.

The National Policy on IT aims to maximally leverage the power of ICT to help address monumental economic and developmental challenges the country faces. It is rooted in the conviction that ICT has the power to transform India and improve the lives of all Indians.

## **I. VISION**

To strengthen and enhance India's position as the Global IT hub and to use IT and cyber space as an engine for rapid, inclusive and substantial growth in the national economy.

## **II. MISSION**

1. To consolidate India's position as the global IT & ITES hub and leverage IT to contribute significantly to GDP and employment.
2. To create a sustainable ecosystem for R&D and Innovation to emerge as a global leader in the conception, design and development of new products, services, processes and business models.
3. To leverage ICT for enhanced competitiveness and productivity of key economic and strategic sectors.
4. To provide ubiquitous affordable access to information and public services for enhancing efficiency, transparency, accountability and reliability and leverage use of ICT as a driver for social inclusion
5. To be the leading resource base for IT and ITES talent for domestic and global markets.
6. To ensure a secure cyber space to facilitate trust and enable sustained growth of ICT.
7. To transform India into a Knowledge Society.

## **III. OBJECTIVES**

1. To increase revenues of IT and ITES Industry from 100 Billion USD at present to 300 Billion USD by 2020 and expand exports from 69 Billion USD at present to 200 Billion USD by 2020.
2. To gain significant global market-share in emerging technologies and Services.
3. To promote innovation and R&D in cutting edge technologies and development of applications and solutions in areas like localization, location based services, mobile value added services, Cloud Computing, Social Media and Utility models.

4. To encourage adoption of ICTs in key economic and strategic sectors to improve their competitiveness and productivity.
5. To provide fiscal benefits to SMEs and Startups for adoption of IT in value creation
6. To create a pool of 10 million additional skilled manpower in ICT.
7. To make at least one individual in every household e-literate.
8. To provide for mandatory delivery of and affordable access to all public services in electronic mode.
9. To enhance transparency, accountability, efficiency, reliability and decentralization in Government and in particular, in delivery of public services.
10. To leverage ICT for key Social Sector initiatives like Education, Health, Rural Development and Financial Services to promote equity and quality.
11. To make India global hub for development of language technologies, to encourage and facilitate development of content accessible in all Indian languages and thereby help bridge the digital divide.
12. To enable access of content and ICT applications by differently-abled people to foster inclusive development.
13. To leverage ICT for expanding the workforce and enabling life-long learning.
14. To strengthen the Regulatory and Security Framework for ensuring a Secure and legally compliant Cyberspace ecosystem.
15. To adopt Open standards and promote open source and open technologies

## **IV. STRATEGIES**

### **1. Creating ecosystem for a globally competitive IT/ITES Industry**

- 1.1 To make requisite policy changes to make India a preferred destination to establish and operate IT/ITES enterprises including a stable tax regime and strengthening of the enabling infrastructure.
- 1.2 To formulate Fiscal and other Policies to attract investment in IT Industry in Tier II & Tier III cities and rural areas for expanding the base of IT and for creating employment opportunities across the country.
- 1.3 To promote ICT companies in accessing new markets through bilateral agreements enhancing smooth trade and facilitating mobility for skilled workforce and creating awareness
- 1.4 To formulate policies to provide fiscal benefits to SMEs and Startups in the key industrial sectors for adoption of IT in value creation
- 1.5 To evolve sector specific strategies in areas like engineering, health, education, skill development, security, legal, financial, accounting, etc. with the ministries

and representative sector bodies concerned to create/ open up the remote services market in new fields / services and to enhance value addition in existing services

- 1.6 To evolve new region/ market specific strategies with the ministries and industry bodies concerned in order to enter/expand new markets
- 1.7 To integrate Indian IT products, services and expertise in Indian foreign aid programs

## **2. Human Resource Development**

- 2.1 To create necessary physical and institutional infrastructure for creating a pool of 10 million trained persons in IT sector by the year 2020 through formal and nonformal sectors, with focus on skill development and expertise creation.
- 2.2 To set up Centers of Excellence in institutes of higher learning to promote high-end research in specialized ICT areas and producing quality doctoral and postdoctoral level researchers.
- 2.3 To create a mechanism to ensure that at least one individual in every household is e-literate.
- 2.4 To create a framework a to certify the level of applied knowledge and skills of personnel inspecific areas of ICT.
- 2.5 To catalyse continuous updation of curriculum and syllabi at all levels to include the current developments and relevant knowledge of ICT as an integral part of the educational programmes.

## **3. Promotion of Innovation and R&D in IT Sector**

- 3.1 To support SMEs and startup companies to equip them for competitive environment through fiscal benefits, innovation fund and incubation facilities.
- 3.2 To create an Innovation Challenge Agenda to promote innovation in ICT sector.
- 3.3 To build R&D infrastructure and test facilities for development and adoption of emerging technologies like: Next Generation Computing Systems, High Performance Computing (HPC), Cloud Computing, GIS, Mobile Technologies, Inter-operable Infrastructure for Small Financial Transactions, Switch, Language Technologies etc.
- 3.4 To incentivize innovation in public supported research.
- 3.5 To promote industry-academia collaborative R&D with emphasis on innovation, products, patents and IPs
- 3.6 To encourage adoption of ICT based Green technologies as well as to promote green technologies by making them competitive through appropriate fiscal & nonfiscal policies.
- 3.7 To strengthen the ecosystem for creation as well as protection of Intellectual Property.

#### **4. Enhancing productivity and competitiveness in key sectors through ICT**

- 4.1 To leverage ICT including mobile technology to enable outreach of secure and interoperable financial and banking services in remote areas at affordable cost.
- 4.2 To enable long term partnership with Industry for:
  - i. use of ICT in cutting edge technology and
  - ii. driving development of new ICT technologies through strategic sectors (defence, atomic energy, space etc).
  - iii. facilitate growth of IT SMEs and use of IT across all SMEs
- 4.3 To promote use of IT in key economic sectors such as Construction, Textiles, Pharmaceuticals, Banking, Finance, Retail, Energy, Automobiles, Healthcare, Education, Agriculture, Engineering Services, Transport and Logistics for improved efficiency and productivity.
- 4.4 To promote the availability and use of Public Key Infrastructure, payment gateways and authentication systems leveraging Aadhaar.

#### **5. Creating an ecosystem for Internet and mobile driven Service Industry**

- 5.1 To leverage Internet and Web technologies for developing new products, technologies and businesses.
- 5.2 Enable seamless, ubiquitous, secure and personalized delivery of government and non-government services through Internet based and mobile based delivery of services through out the country.
- 5.3 Foster an ecosystem for innovation in services by leveraging Aadhaar as well as financial and location-based services
- 5.4 To leverage mobile devices as instruments for enabling secure transactional services including financial services.
- 5.5 To promote development of an ecosystem for enabling innovation and entrepreneurship related to mobile Value added Services.

#### **6. Enabling Service Delivery through e-Governance**

- 6.1 To implement the National e-Governance Plan (NeGP) and mandate provision of all Government Services through Electronic mode within a fixed time frame by enactment of the Electronic Delivery of Services (EDS) Bill and through reengineering processes to enhance efficiencies of service delivery.
- 6.2 To mandate public procurement through electronic mode across all departments to enhance transparency and competition.
- 6.3 To set up a widespread network of Common Service Delivery Access points for enabling assisted access to electronic services.

- 6.4 To accelerate and standardize delivery of electronic services by providing Common Shareable Service Delivery Platforms by leveraging technologies like Cloud Computing.
- 6.5 To develop, adopt, evolve and notify standards for seamless interoperability of data and applications.
- 6.6 To promote open standards and open technologies.
- 6.7 To enhance institutional framework for Capacity Building Programme for imparting training across all levels.
- 6.8 To design and create a citizen engagement framework for utilization of social media by the government and its agencies.
- 6.9 To design and implement policy framework for placing data in public domain for use and value addition.
- 6.10 To promote Public Private Partnerships in e-Governance projects and facilitate flow of private sector financial and technical capabilities into the national e-governance effort especially in areas where viable investments are feasible.

## **7. Development of Language Technologies**

- 7.1 To undertake development of language technologies that enable text to speech and speech to text conversion, voice recognition, machine translation, Voice Web, Inter lingua etc to enable language independent delivery of services.
- 7.2 To make India the global hub for language technologies.

## **8. GIS based IT Services**

- 8.1 To develop GIS platform for facilitating location based planning, service delivery, information availability and disaster management
- 8.2 Enabling availability of public spatial data for value addition and innovation.

## **9. Security of Cyber Space**

- 9.1 To undertake policy, promotion and enabling actions for compliance to international security best practices and conformity assessment (product, process, technology & people) and incentives for compliance.
- 9.2 To promote indigenous development of suitable security techniques & technology through frontier technology research, solution oriented research, proof of concept, pilot development etc. and deployment of secure IT products/processes.
- 9.3 To create a culture of cyber security for responsible user behavior & actions including building capacities and awareness campaigns.
- 9.4 To create, establish and operate an 'Information Security Assurance Framework.



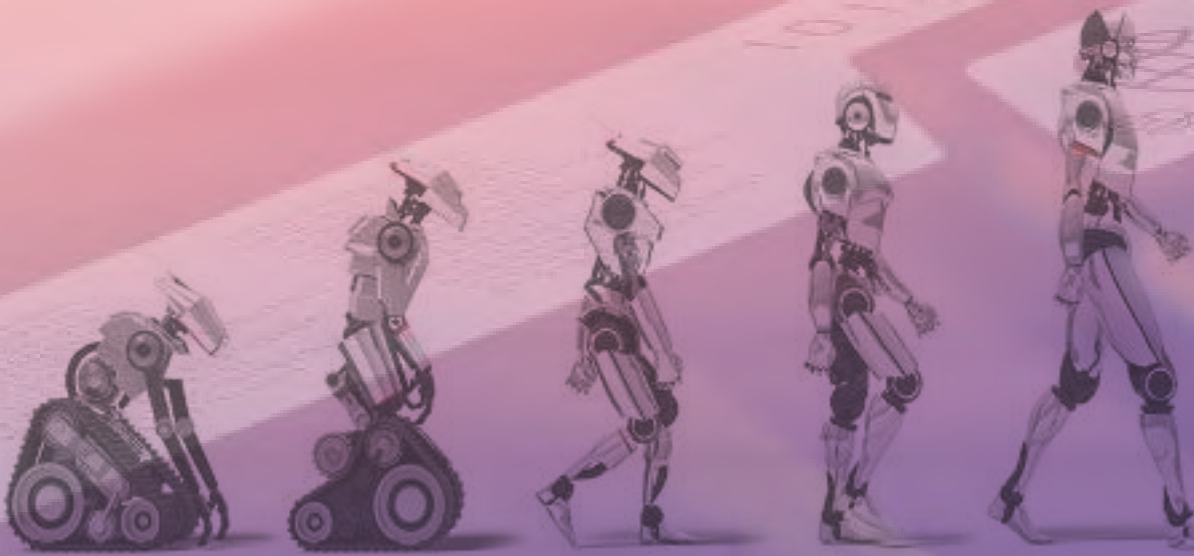
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