NOTIFICATION

No:MI.102/99/115: The Governor of Assam pleased to order that the Information Technology Policy of Assam as enunciated the enclosed document will come into force with effect from the date of publication in the extra-ordinary gazette and will remain in operation till such time as the State Government may consider it fit and proper. The Government also reserves the right to make any amendment of the policy from time to time.

Information Technology Policy of Assam, 2000 (India)

1 INTRODUCTION

Information Technology (IT) occupies a key position in our modern age and is one of the fastest growing sectors in the world economy. Application of IT have become pervasive, covering all spheres of life. Government of Assam has recognised this fact and has formulated the policy below keeping in mind all facets of IT.

2 OBJECTIVES OF THE POLICY

The basic objectives of the Information Technology Policy of Assam shall be:

2.1 to accord primacy for the growth of Information Technology industry in the State ;

2.2 to accelerate the use of Information Technology at the Government Level with a view to provide better services to the citizens of the state ;

2.3 to improve productivity and efficiency of the Government services to the citizens of the state;

2.4 to serve as an important tool to enhance employability as well as to absorb a major portion of the educated unemployed in the state ;

2.5 to enable the state reach an eminent position in the Information Technology sector ;

2.6 to encourage and accelerate the growth of both the domestic and the export oriented IT units in the state and make the state an attractive destination for IT investment within India and abroad ;

2.7 to encourage and accelerate the use of Information Technology in schools, colleges and educational institutions in the state to enable the youth to acquire necessary skills and knowledge in this sector making them highly employable ;

2.8 to set-up specialised training institutes in private sector and the joint sector in

order to prepare skilled manpower within the existing system;

2.9 to organise Manpower Development Training Programme (MDTP) in the field of Computer Applications for the successful implementation of the Information Technology Policy of Assam.

2.10 to develop appropriate networks between various departments and different spatially spread out administrative hierarchies through well designed database management system; and

2.11 to encourage the spread of IT in the private sector.

3. SALIENT FEATURES OF THE POLICY :

The salient features for the Information Technology Policy of Assam shall be:

3.1 Information Technology Policy for the Government Administration:

3.1.1 The Industry & Commerce Department would function as nodal department for implementation of the IT policy , which would co-ordinate with all the other departments of the Government of Assam in order to ensure that the detailed objectives and goals of the IT Policy are achieved.

3.1.2 The Government shall endeavour to have connectivity among all its offices within **2004** so that communication can flow through e-mail/ video conferencing etc to enhance productivity. The Government shall endeavour to provide video conferencing & e-mail facilities in all district head quarters to enable communication with the State Secretariat.

3.1.3 The Government shall endeavour to improve the process of governance so that citizens could file their documents required by the Government electronically. Web applications would be developed in the local language of the State.

3.1.4 The Government shall endeavour to put in place training programme to enable all government employees to use Information Technology to enhance productivity.

3.1.5 The Government shall make a special budget allocation of atleast 2-3% of the plan fund allocated to the Government departments every year to complete its computerisation programmes in each Department. An IT sub-plan would be formulated department-wise and closely monitored

3.1.6 The Government shall improve infrastructure such as laying of communication cables for interconnecting the departments, setting up of data

transfer exchanges, routers, gateways etc, and ensure reliable power supply, transport system etc to improve the quality of works.

3.1.7 The Government shall encourage the use of Information Technology in all educational institutions by way of giving special grants every year to enable them to put up the necessary infrastructure. Connectivity between the various educational institutions would also be established by **2004**.

3.1.8 The Government shall with the help of the industry start training programmes for teachers to help them use information technology in the teaching process.

3.1.9 The Government shall endeavour to teach the school level children the use of computers and to impart training through computers. All college students in the state of Assam would be encouraged to undertake three months course in the use of information technology and in working on computer by **2004**.

3.2.0 The Government shall endeavour to increase the number of college students specialising in Information Technology to meet the needs of the Information Technology industry to cater to both the export and domestic market. The syllabi for specialisation in computer education would be standardised and recognised to make in more relevant. The education department would monitor the placements on offer and make suitable changes in the design of courses according to the needs of the jobs.

3.2.1 The Government shall strengthen the Assam Electronic Development Corporation Ltd (AEDC Ltd). AEDC will play the role of facilitator and assist various Government departments in selection of appropriate Hardware , Software and training programmes in accordance with their needs.

3.2.2 For specialised training in emerging areas of Computer and Communication Technology the Government shall consider sponsoring employees of various Government departments, undertakings, autonomous organisations and other non-governmental organisations to institutions situated within or outside the State. All efforts would be made to set-up an autonomous IIIT at Guwahati with assistance from Private sector and Union Government.

3.3 Information Technology Policy for the Industry:

3.3.1 Government shall set-up a Software Technology Park (STP) at Guwahati in the first phase with comprehensive infrastructural facilities inclusive of adequate power, water and telecommunication facilities. Adequate residential areas shall also be developed in and around the STP to enable easy accessibility to the professionals working in the STP units.

3.3.2 Government shall encourage the private sector for establishment of STPs in the State of Assam.

3.3.3 Government shall permit establishment of the IT industries in residential areas.

3.3.4 The Government shall endeavour to set up an electronic sub-urban town in an appropriate location having fully developed integrated infrastructural facilities. This Electronic City shall be solely for the use of the Information Technology Industry and allied services. The State Government will encourage private sector participation in development of such infrastructure.

3.3.5 The Government shall co-ordinate and liaison with the Software Technology Park of India (STPI), the nodal agency for development for the software industry and organisations such as Videsh Sanchar Nigam (VSNL) , Department of Electronics, Department of Telecommunication, National Informatic Centre , and other such organisations of Government of India to expand communication links in the state of Assam . These agencies shall be encouraged to set up gateways and earth stations and Government shall try to provide land / building / spaces and other facilities whenever needed on priority basis.

3.3.6 In order to ensure that the Information Technology industries in the state are in a position to meet international quality certification like ISO 9000 etc and Software Engineering Institute (SEI) certification insisted by International companies, efforts would be made to establish such an organisation or its branch at Guwahati which shall be authorised to issue such certification as may be necessary.

3.3.7 For development of 100% Export Oriented Unit (EOU) in Assam, Government of India would be requested to designate an Officer at Guwahati to grant necessary clearances /and approvals under 100% Export Oriented Scheme.

3.3.8 Information Technology industries in the State would be assisted with the development of telecommunication network in the state for which Government and its agencies would constantly liase and co-ordinate with Department of Telecommunication and draw up time bound action plans for up-gradation and strengthening of telecommunication net works. As a short term measure, development agencies of the Government of Assam viz. Assam Industrial Development Corporation Ltd, Assam Small Industries Development Corporation Ltd, Assam Electronic Development Corporation Ltd & Assam Industrial Infrastructure Development Corporation Ltd shall make block bookings for telecommunication connections in potential areas and locations so that entrepreneurs who come forward to set-up Information Technology Industry can be sanctioned telecommunication facilities immediately on application .

3.3.9 Government shall endeavour to arrange financial assistance to the Information Technology industries to be established and set-up in the state. Government will initiate dialogue with the Banks and Financial Institutions to evolve a suitable procedure for obtaining finance for the units on a priority basis. The State Government would create a corpus of funds as venture capital fund with AIDC to provide assistance to the IT sector.

4 Definitions and Eligibility:

Information Technology includes Information Technology and Telecommunications.

Information Technology industry includes hardware and software industries , IT software industry includes IT software , IT service and IT enable services but excluding training institutions in this field.

New unit means an IT unit which has commenced commercial production on or after the date on which the policy has been notified.

Existing unit means an IT unit, which is or was in commercial operation at any time prior to the date on which the policy has been notified.

100% Export Oriented Unit means an IT unit, which undertakes to export its entire value, added goods subject to relaxation as permitted by the Government of India from time to time.

Fixed Capital means and include cost of land & its development, building including operational space, godown, laboratory, plant & Machinery & its installation cost, pre-operative expanses capitalised , Electrical and such other equipment which are directly related to operational activity .

Expansion on an IT unit means additional fixed capital investment exceeding at least 25% of the capital investment of the existing unit. For the purpose of calculation , gross value of all capital investment made on land , building and plant and machinery of the existing unit will be taken into consideration. Expansion shall also imply an increase of 25% in the existing installed capacity as well as increase an in additional employment by at least 10%.

Modernisation means separately identifiable investment made by an industrial unit involving new/ improved technology having definite advantages in reduction of cost of production provided the additional investment in fixed assets should not be less than 25%of the gross fixed capital.

4.1 Eligibility:

All industries defined as IT industries shall be eligible for the incentives enumerated.

The units undergoing expansion/modernisation shall be eligible for incentives for the increased capacity created after expansion/modernisation of the existing unit

4.2 INCENTIVES FOR PROMOTION OF INVESTMENT IN IT SECTOR:

Incentives shall be available to the new units as well as existing units undergoing expansion / modernisation . The package of incentives shall be as follows:

4.2.1 Sales Tax Exemption :

All new units and existing units undergoing expansion/upgradation /diversification shall be granted sales tax exemption on sale of finished products , value added products and purchase of capital goods and raw materials for the following period. However, sales tax exemption for purchase of capital goods will be given only if such goods are purchased locally:-

1.	New units	10 years
2.	Existing units	10 years

(A separate notification will be issued by the Finance (Taxation) Department in this regard.)

However, the sales tax exemption will reviewed by the Industries and Commerce Department after 5 years to decide their continuation or otherwise.

4.2.2 Power Subsidy :

Power subsidy shall be available for a period of 5 years from the date of going into commercial production. The amount of subsidy shall be 50% subject to a ceiling of Rs.5.00 lakhs per year .

4.2.3 Subsidy on Generating set:

The subsidy on captive generating set including non-conventional energy generation set shall be 50% of the cost of the generating set subject to a ceiling of Rs.10.00 lakhs per industrial unit.

4.2.4 State Capital Investment Subsidy:

State Capital Investment subsidy of 30% on the capital investment on land, building, plant & machinery etc. subject to a ceiling of Rs.10.00 lakhs shall be provided to an IT unit under the policy. For 100% EOU and for units run by women, SC and ST entrepreneurs the amount of subsidy shall be Rs.15.00 lakhs.

4.2.5 Subsidy Infrastructure:

50% subsidy on shed rent payable to STPI shall be available for a period of three years from

the date of going into commercial operation subject to a ceiling of Rs.2 lakhs per annum.

4.2.6 Subsidy on Hot line / Lease line connectivity :

30% subsidy on Hot line / Lease line connectivity paid to STPI shall be available for a period of three years from the date of going into commercial operation subject to a ceiling of Rs.2.00 lakhs per annum.

4.2.7Manpower Development subsidy:

Subsidy on Manpower development shall be provided in respect of training / technical upgradation / Skill upgradation of local persons in a recognised training organisation / institution or in house training subject to following ceiling :

Investment in fixed capital	**Total ceiling**
Up to Rs.20.00 lakhs	Rs 1.50 lakhs
Rs.20.00 lakhs to Rs.25.00 lakhs	Rs. 2.00 lakhs
Rs.25.00 lakhs to Rs.50.00 lakhs	Rs. 3.00 lakhs
Rs.50.00 lakhs to Rs.100.00 lakhs	Rs. 5.00 lakhs
*Above Rs.100.00 lakhs	Rs 10.00 lakhs

The above amount shall be available for a period of five years from the date of commercial operation of the unit only .

4.2.8 Subsidy on Quality Certification:

50% of the cost for getting ISO: 9000 , Software Engineering Institute (SEI) certification and Quality Assurance Institute (QAI) certification shall be subsidised subject to a ceiling of Rs.2.00 lakhs .

4.3 For **mega projects** the Government would consider special incentives on a case by case basis in addition to the benefits already provided. A Mega project may be define as one having investment of 100 crores and more.

5 Special Incentives for IT Enabled Industries:

In addition to the benefits provided to IT Industries the following benefits shall be provided for IT enable services.

5.1 Power subsidy shall be available for a period of 5 years from the date of going into commercial production. The amount of subsidy shall be 60% subject to a ceiling of Rs.10.00 lakhs

per year.

5.2 The subsidy on captive generating set including non-conventional energy generation set shall be 60% of the cost of the generating set subject to a ceiling of Rs.15.00 lakhs per industrial unit.

5.3 State Capital Investment subsidy of 40% on the capital investment on land, building , plant & machinery etc, subject to a ceiling of Rs.15 lakhs shall be provided to an IT unit under the policy.

5.4 60% subsidy on shed rent payable to STPI shall be available for a period of three years from the date of going into commercial operation subject to a ceiling of Rs.5.00 lakhs per annum.

5.5 40% subsidy on Hot Line/ Leased line connectivity piad to STPI or VSNL , subject to a ceiling of Rs.10.00 lakhs per annum shall be vailable to the unit for a period of three years from the date of commercial production.

The eligibility criteria specifically for the **IT enabled sector** are as follows:

a) The unit should provide employment for minimum 100 local person

b) Employment should be provided for a minimum period of three years.

c) A minimum wage of at least Rs.4500 per month per employee shall be provided by the unit.

6. The Government would take all necessary steps to exempt the IT Industry from the relevant provisions of the following regulations:-*

a) Factories Act,1948

b) Employment Exchange (Compulsory notification of vacancies) Act,1959

c) Payment Wages Act,1936

d) Minimum Wages Act,1948

e) Contract Labour (Regulation & abolition) Act,1970

f) Workmen Compensation Act,1923

g) Shops & Establishment Acxt,1971

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h) Employees State Insurance Act, 1948

i) Zonal Regulation under the Gauhati Metropolitan Authority Act,1985 (Notification for zoning vide TCP.79/83/56 dtd 25.9.1986 publish in Gazette on 24.12.1986)

7 Implementing Agency

The Industries & Commerce Department would be the nodal agency for implementation of Information Technology Policy of Assam on behalf of the Government. The Policy shall come into effect from the date of notification of this policy till such time , the Government may consider fit and proper .The Government also reserves the right to make any amendments in the policy.

8 Eligibility Certificate:

4.1 Eligibility Certificate is a certificate which shall be issued by the **Udyog Sahayak Cell** to be constituted at the Assam Electronic Development Corporation Ltd for the purpose of implementation of this policy.

4.2 No right or claim for any incentives under the scheme shall be deemed to have been conferred by the scheme mearly by virtue of the fact that the unit has fulfilled on its part the conditions of the scheme.

4.3 The incentives under the scheme cannot be claimed unless the Eligibility Certificate has been issued under the scheme by the implementing agency and the unit has complied with stipulations / conditions of the Eligibility Certificate.

4.4 The decision of the implementing agency , subject to such direction as Government may issue from time to time in this regard shall be final and binding .

9 Procedures for application:

Separate guidelines for issuance of Eligibility Certificate & submission of claims for incentives would be issued.

10 Priority for disbursement:

The disbursement of the incentives by the implementing agency shall be in accordance with the chronological order of approved claims. Priority shall however be given to 100% Export Oriented Units.

11 Interpretation:

The decision of the Industries & Commerce Department, Government of Assam, as regards interpretation in this policy resolution / incentive scheme shall be final. The state Government

reserves the right to increase or decrease incentives or frame new guidelines , amend and provision(s) including withdrawal of any of the incentives /subsidies provided in this policy.

12 IMPLEMENTATION AND MONITORING OF THE POLICY:

12.1 Information Technology Cell (ITC) :

In order to provide various information and facilities to the IT industry and to ensure proper delivery of all services a separate Cell known as **Information Technology Cell (ITC)** shall be created at the Assam Electronics Development Corporation Ltd (a Government of Assam undertaking) . The primary objective of the **ITC** shall be to provide adequate information to the entrepreneurs, identification of projects and its implementation and also to keep in touch with similar organisation/ institution on the line of IT within and out side the state.

12.2 Function of ITC:

All administrative Departments shall refer all issues related to implementation of the Information Technology Policy to the **ITC** and keep the **ITC** apprised of all actions taken in this regard. **ITC** will perform the following functions:

*** amended vide notification No: MI.102/99/142 dtd 25th July,2000**

i Ensure adequate publicity of the Information Technology Policy of Assam, 1999 as well as render all assistance to the entrepreneurs to avail the benefit of the incentives.

ii Identification of prospective entrepreneurs , building up a data bank to guide and motivate the entrepreneurs and also to prepare viable project profiles in different categories of investment .

iii Enlistment of applications and issuance of eligibility certificate under the policy .

iv Co-ordinating with the connected agencies / administrative departments for implementation of the IT Policy.

v Proper and effective implementation of all incentives and issuance of sanctions thereof .

vi To refer all relevant issues to the Government or to the Committees framed thereunder for any matter connected with implementation of the policy .

vii To take up any other matter entrusted by the Government from time to

time .

12.3 Procedures for issuing eligibility certificate:

The application for issuance of eligibility certificate shall be submitted to the Assam Electronic Development Corporation Ltd directly for issuance of Eligibility Certificate. The Government shall issue a separate notification on constitution of a committee entrusted with the powers of approval on the proposals.

12.4 Information Technology Task Force

An Information Technology Task Force of the State (ITTFS) shall be constituted under the Chairmanship of the Chief Minister to review the implementation of the Policy as per references given below:

1	The Chief Minister of Assam	Chairman
2	The Minister of Industries & Commerce ,Assam	Vice-Chairman
3	The Chief Secretary of Assam	Member
4	The Secretary & Commissioner / Secretary to the Government of Assam , Industries & Commerce Department	Member
5	The Secretary & Commissioner / Secretary to the Government of Assam , Education Department	,,
6	The Secretary & Commissioner / Secretary to the Government of Assam , Finance Department	,,
7	The Secretary & Commissioner / Secretary to the Government of Assam , Science & Technology Department	,,
8	The Commissioner & Secretary / Secretary Planning & Development Department , Assam	,,
9	Four representatives from the IT industry to be nominated by the Government	,,
10	The Director IIT Guwahati	,,
11	The Chief General Manager , DOT , Assam Circle	,,
12	The Director , STP , Guwahati	,,
13	The Director of Industries & Commerce , Assam	,,
14	The Managing Director , AIDC Ltd	,,
15	The General Manger , SIDBI	,,
16	The Chairman NEDFi	,,
17	The Managing Director , AEDC Ltd	Member Secretary

Chairman / Vice – Chairman may co-opt at least five expert(s) as member of the committee:

Function of the Committee:

1. To review the implementation of Information Technology Policy of Assam , 2000 and to make suggestions for improvement in this regard to the concerned departments from time to time.
2. To advise the State Government for constitution of any sub-committee or any study team for effective implementation of the policy for the state.
3. To examine the problems faced during the implementation of the policy and suggest remedial measures to solve such problems.
4. To discuss inter development co-ordination problems to suggest remedial measures.
5. To review and monitor development of infrastructure for IT Industry
6. The Committee shall meet as and when necessary but not less than thrice in a year with the approval of the Chairman.

12.5 Inter Departmental Information Technology Committee:

To co-ordinate inter departmental activities to propagate development of Information Technology in the State and to monitor the development in the sectors like education , Industry etc. an Inter Departmental Information Technology Committee (IDITC) shall be constituted under the Chairmanship of the Chief Secretary as per references given below:

1	The Chief Secretary Assam	Chairman
2	The Secretary & Commissioner / Secretary to the Government of Assam , Finance Department	Member
3	The Commissioner & Secretary / Secretary Planning & Development Department , Assam	,,
4	The Secretary & Commissioner / Secretary to the Government of Assam , Education Department	,,
5	The Secretary & Commissioner / Secretary to the Government of Assam , Revenue Department	,,
6	The Secretary & Commissioner / Secretary to the Government of Assam , Science & Technology Department	,,
7	The Managing Director , AIDC Ltd	,,
8	The Managing Director , AEDC Ltd	,,
9	The Director of Industries & Commerce	,,
10	The Secretary & Commissioner / Secretary to the Government of Assam , Industries & Commerce Department	Member Secretary

Chairman may co-opt at least two expert(s) as member for the committee:

Function of the Committee will be as follows:

- **i** To review the implementation of Information Technology Policy of Assam , 2000 and to make suggestions to the Information Technology Task Force from time to time.
- **ii** To monitor the implementation of the various objectives of the policy and to suggest growth of IT industries in the State.

iii To examine the problems faced during the implementation of the policy and suggest remedial measures.

iv To look into the matters of different Government departments in relation to IT.

v The Committee shall meet once in quarter in a year with the approval of the Chairman .

Sd/-
(S. C Das)
Commissioner & Secretary to the Government of Assam
Industries & Commerce Department.

Source: http://assamgovt.nic.in/ 06/17/2000