Subject:- Information Technology Policy for J&K Government.
Reference:- Cabinet Decision No: 18/1 Dated:- 23-01-2004.

Government Order No:- **06** -ITD of 2004.
Dated:- **4** -0**2**- 2004.

Sanction is accorded to the adoption of Information Technology Policy for Jammu and Kashmir State annexed.
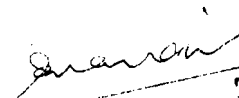
By Order of the Government of Jammu & Kashmir.

Sd/-
(R.K.Gupta) IAS
Commissioner/Secretary to Government.
Information Technology Department.

No:- ITD/Gen/83/2003   Dated:- 4 -0**2** -2004.
Copy to the:-

1. All Financial Commissioners.
2. All Principal Secretaries to Government.
3. All Commissioners/Secretaries to Govt.
4. All Secretaries to Government.
5. Secretary to His Excellency the Governor.
6. Secretary to Legislative Assembly/Council, Jammu1.
7. Secretary J&K Public Service Commission, Jammu.
8. General Manager Govt. Press Jammu for publication in the next issue of Government Gazette.
9. Prpl. Private Secretary to Chief Secretary.
10. Pvt. Secretary to Minister Information Technology Department.
11. Pvt. Secretary to Commr/Secretary to ITD.
12. P.A to Special Secretary to (F/S)
13. Stock File
14. Govt. Order File.
15. Monday Return File.

Under Secretary to Government
Information Technology Department.

Policy on Information Technology for the State Of Jammu and Kashmir

Contents

1. Preamble

Information Technology (IT) is having an enormous influence on global economy. It has revolutionized the nature of human interaction and has become a prime mover for services. IT is now close to becoming the most important driver of the global economy. The competitiveness of a country's economy and well-being is getting closely aligned to its ability to innovate and participate in the IT industry.

The Indian IT software companies are providing efficient software solutions with cost and quality advantage, using state-of-the-art technologies. It has been able to provide a plethora of IT enabled services like Call Centres, Medical Transcription, Back-Office Operations, and Revenue Accounting etc. These have become an important source of employment for the educated unemployed youth of the country.

The State Government is seized of the significance and enormous potential of IT in the economic development of the State. It would facilitate the creation of a sound IT production base in the State through conscious efforts and policy initiatives enumerated in this document.

2. Policy Mission

The primary objectives of the IT policy of the State are as follows:

E-Governance: To use IT in the process of Government functioning to bring about Simple, Moral, Accountable, Responsive and Transparent (SMART) governance to its citizens.

IT in Industry: To use IT effectively in industries especially where the State has competitive advantages, for making such industries more global and help them to generate additional revenues; to diversify the local industries into being web- enabled and attract IT companies from elsewhere in the country and the world.

IT in Education: Encourage the use of Information Technology in schools, colleges and educational institutions so as to enable students to improve their skills, knowledge and job prospects and enable them to obtain employment in this sunrise industry.

Investments in IT Sector: To encourage and accelerate the investments and growth in IT hardware, software, Internet, training, IT enabled services, telecom, e-commerce and related sectors in the State.

IT for Social Equity: To utilize the power of Information Technology in the overall goal of improving healthcare; empowering women, rural & tribal communities as well as economically weaker sections of society. The ultimate aim is to enhance social equity and justice.

IT for Employment: To use Information Technology for generating additional employment for the new digital economy.

IT Infrastructure: To provide adequate infrastructure in the state, so that the IT sector can flourish and also to facilitate citizens of the state to use IT for a better quality of life.

Localization: To facilitate localization of software, so that benefits of IT could percolate not only in the English language, but also in the local languages.

To Promote:
  (a) E-Tourism: To use IT for heralding world class E-Tourism in the State.
  (b) E-Health: To bring the specialized treatment to the remotest area of the State through telemedicine.
  (c) E- commerce: To use IT to boost trade and commerce in areas of traditional strength of the State such as handlooms, handicrafts and horticulture.

3. <u>Strengths and weaknesses</u>

If we look at the major strengths and weaknesses of the State in terms of IT development, the following picture emerges: -

Major Strengths

- Very good climatic conditions, pollution free locations
- Relatively low cost of setting up of operations for a software unit
- Good quality of life
- Good hospitality industry
- Capability to increase the pool of skilled manpower, engineering colleges and other educational institutions.

- Proactive attitude of the State Government
- Presence of national banks/financial institutions

Major weaknesses

- The current infrastructure, especially availability of quality power as well as IT connectivity would need to be upgraded to cater to the needs of software development centers
- The quantum of available skilled manpower needs to be increased
- Appropriate environment needs to be created to facilitate the growth of IT industry in the State

4. <u>IT Policy for the State</u>

In J&K, IT is still a sunrise industry. With the right interventions at the State level, IT has the potential to grow very quickly to become a major player in the growth of the State economy and contribute to better transparent and effective governance besides generating employment particularly amongst the educated unemployed in the State.

The major policy initiatives are spelt out as follows:-

Setting up of IT Industry

- IT Software and IT Services shall be deemed as manufacturing activity for the purpose of incentives for the industry in line with the approved policy of Government of India. Depreciation norms and Loan for capital investments and working capital requirements would me made attractive. All promotional and liberalized policy instruments available to the IT Software and IT Services would also be made available to the IT enabled Services including the Information Content Industry.

- All IT, hardware, software and service industries would be entitled to "Industry" status. Training Institutions accredited with the DOEACC or with the Department of Information Technology, would also be eligible to claim industry status, subject to certain norms, which will enable them to obtain Term Loans and Bank Finance at industry rates.

- Interest subsidy scheme on the pattern available to other industries would be made applicable for both computer hardware and software sectors, through the IT department.

- IT Software and Services industry would be treated as industrial consumers and electricity tariff applicable to the industrial consumers would be levied on such industries. Industrial power tariff and all other admissible incentives and concessions applicable to industries in respect of power would be applicable to the IT industry. The State Power Development Department would ensure good quality uninterrupted power supply to the IT units which are located in clusters/estates set up for this purpose.

- IT Software units would be permitted to be set up in residential areas subject to load restrictions.

- The State Financial Institutions and the Banks would treat IT Hardware, Software and IT Services as priority sector.

- State Financial Institutions and the banks will be allowed to invest in this industry in the form of equity in line with the approved policy of Government of India.

- The Govt. would facilitate creation of a Venture Capital fund of Rs. 25 crores, to begin with, in association with the Financial Institutions to meet the equity requirements of the Small and Medium Enterprises/IT Startups.

- The State Government would encourage flow of investments including FDI and would provide full support wherever required. The State Government will offer a special package of incentives for projects where total investments are more than Rs. 10 Crore.

- General permission could be accorded to run a three-shift operation in the IT Software and Services industry subject to the industry making necessary arrangements for women working in night shifts such as hostels and dedicated transport etc.

- The State Government is in favor of zero sales tax on all IT products. However in keeping with the ruling of a uniform sales tax in all states, the state government shall fix the sales tax on all IT products including computers and its accessories, consumables, CD-ROMS, Optical Disc Media or Magnetic Media containing text, data or multimedia, and software as per the census evolved at the national level.

- IT Software and IT Services companies, being the constituents of the knowledge industry, would be exempted to the extent possible from routine inspection by the inspectors from different departments in line with the approved policy of Government of India. Moreover, the State Government agrees in principle to self-certification as far as possible for the IT Software Industry under various labour laws.

- As a special dispensation for IT units, the land allotment cases for setting up of such units would be decided on top most priority. For registered IT units within the declared Software Technology Park, relaxation of FAR to the extent of 50% of the prevailing norm will be available. In other areas (not including core/banned/restricted/ green areas), FAR relaxation upto the extent of 25% would be considered in individual cases subject to considerations relating to population densities, availability of infrastructure, local geology, etc.

- Exemption from land and building tax will be given to the land and building within the declared STP.

- A mechanism for single window clearance of all IT industries shall be set up.

Human Resource Development

- A number of institutions in the private sector have come up in the State. There is a need to create a regulatory mechanism for these institutions in order to ensure that they provide quality education at reasonable costs. These institutions need to be persuaded to have placement units in order to locate suitable jobs within the IT sector in the country. There could be coordination between these placement units and the employment department of the State Government.

- These institutions may not opt to be affiliated with the Jammu/Kashmir Universities. However, proper accreditation/certification by recognized National or International authority, body or Institution would be insisted upon so that the alumni passing out from this institution have possibilities of advancement in a competitive environment.

- Efforts would be made to introduce IT education in Government schools at all levels, with special emphasis at the senior secondary levels. The private schools in the State would also be encouraged to introduce IT education at all levels. Specific schemes to provide funds for setting up the required infrastructure in the private schools would be formulated in consultation with the financial institutions.

- The Universities and colleges in the State shall be encouraged to introduce specialized courses in IT. They would also be encouraged and provided incentives to take up specialized IT related projects for research and development.

Setting up of IT Infrastructure

- Software Technology Parks: A Software Technology Park (STP) and an Earth Station has been set up in Srinagar. There is a proposal to set up a similar STP in Jammu. This needs to be expedited. In case of Ladakh region, we need to set up a similar facility at a smaller scale. This would enable Hi Speed Internet broadband connectivity to these regions.

- The State Government would encourage private sector participants to become Internet Service Providers in the districts. The international gateways could be provided through these STPs, BSNL as well as other private players which may come up subsequently.

- The State government would request DOT, BSNL and VSNL to extend earth stations/ fiber links to all the districts on a priority basis. It would also request the central government to allow as well as promote private sector players to provide connectivity in the State.

- The State Government would encourage Internet Access through cable TV network in line with the approved policy of Government of India. The Power Development Department would consider for grant of permission to ISPs for putting the cables over transmission line structures on mutually agreed and negotiated terms and conditions. Similar right of way agreements would be negotiated with basic service providers for providing connectivity in the State.

- The department of industries may earmark specific areas in the industrial estates of the Districts for setting up IT related industries.

E Governance

- The State Government plans to prepare both short term as well as long-term plans for E Governance as well as development of IT in the State. These plans shall address the extent of computerization of its core activities, with special reference to Citizen Interface, need for hardware and software resources, manpower requirements and training of employees.

- The Government shall endeavor to computerize the process of governance, so that the citizens could file the documents required by the Government, electronically. Priority areas with maximum citizen interface will be taken up for E-Governance such as: -

    a) Rural Services such as land records, acquisition of land and registration of deeds
    b) Police services such as FIR registration
    c) Social services such as family pension, old age pension, etc
    d) Registration of licenses, ration cards, birth certificate, Death certificate, Caste/Tribe certificate, Driving license, etc.
    e) Public Information/Utility such as employment exchange registration, employment opportunities, examination results, hospitals / beds availability, road transport time tables, Government notifications, Government schemes, etc

f)   Agriculture/Horticulture sector- providing the information about market rates in respect of identified commodities in important markets

g)   Electronic Filing of tax returns, state excise duty, house tax, property tax, road tax, etc.

h)   E Governance relating to municipal functions and GIS applications for water supply, electricity, sewerage etc. in municipal areas.

The above list is only illustrative and not exhaustive.

- All departments shall be encouraged to establish websites. These will be linked under an overall umbrella of State Government website. Departments, where databases are already established shall be asked to upgrade the same to provide dynamic information and use their sites as platforms for Citizen:Government interface.

- Electronic Kiosks: The Government would encourage setting up of internet kiosks on the lines of public telephone booths not only to serve the information needs of the citizens but also to provide employment to a large number of educated youth.

- The government would encourage computerization of the local Industries as well as boost E-Commerce to facilitate local industries to compete in the global markets in items/goods in which the State has a comparative/distinct advantage e.g. horticulture produce, handicrafts, and handlooms etc.

- The Government would encourage the public sector banks in the State to start Internet based banking. Net-based banking would catalyze increase in use of Internet for e-commerce and also reduce high overhead costs for banks.

- The Tax Departments of the Government would be fully computerized during the next three years. The various offices of the tax departments would be interconnected to allow flow of information. The staff of the tax departments would be trained in the use of information technology to increase tax collections, reduce delays and improve productivity. All assesses would be allowed the facility of filing their returns

electronically. All assesses would be allowed the facility of paying their tax through electronic transfer of funds.

5. <u>Setting up of a High Powered Committee</u>

The State shall set up a high-powered coordination committee headed by the Chief Secretary. This committee shall have the following functions:

a) To monitor the implementation of this IT Policy within the State.

b) To set the priorities of sectors to be taken up for Computerization.

c) To review the progress of implementation IT Action Plan of various Government Departments, Boards and Corporations.

The committee shall consist of the following members:

1. Chief Secretary Chairman
2. Financial Commissioner, Finance,
3. Principal Secretary, Planning,
4. Principal Secretary to Chief Minister
5. Principal Secretary, Industries and Commerce
6. Principal Secretary, Higher Education,
7. Principal Secretary, Administrative Reforms,
8. Commissioner/ Secretary, (Labour & Employment)
9. Commissioner/ Secretary, IT
10. State Informatics Officer, NIC
11. Any other Secretary/HoD to whom the specific agenda applies.

6. <u>Definitions</u>

INFORMATION TECHNOLOGY INDUSTRY

IT Industry includes both the IT Hardware and Software Industries. The IT Software Industries include IT Software, IT Services and IT enabled services. IT infrastructure means the physical Infrastructure build by a firm or a builder and sold to an IT Industry for its own use or the Infrastructure build by an IT Industry for its own use. The list of Industries included in the scope/definition of Information Technology Industries and

eligible for incentives under this policy is as follows. The list is inclusive and not exhaustive.

1.Computing Devices:

1.1 Desk Top Computing Devices
1.2 Servers and Mainframes
1.3 Work Stations
1.4 Mobile Computing Devices including hand-held computing devices
1.5 Hand held computer devices

2. Computer Mother Boards and Cards including:

2.1 Computer Processor
2.2 Mother Boards
2.3 Computerised Time Recording Devices
2.4 Mother Board Cards/Chips
2.5 Device Interface and Controller Cards
2.6 SMPs

3. Other Computer peripherals (input/output device

3.1 Computer Monitors
3.2 Computer Input devices like Keyboards, Mouse, Digitizors, Pointing Devices etc.
3.3 Computer Printers & Plotters
3.4 Computers scanners of all kinds
3.5 Multi-media kits
3.6 Gaming devices
3.7 Smart-card Devices
3.8 Other computer output devices of all kinds

4. Computer Networking Products

4.1 Hubs
4.2 Routers
4.3 Networking Switches
4.4 Computer Networking Connectors
4.5 Fibre Optical Cables
4.6 CAT-3, CAT-5, CAT-6 Other networking specific cables and
    networking accessories like:

    4.6.1 Connectors, Terminals blocks

4.6.2 Jack pannels, patch cor
4.6.3 Mounting Cord, patch panels
4.6.4 Back Boards, wiring block
4.6.5 Surface mount boxes

5. Power Supplies for Computing Devices

5.1.1 Switch Board Power Supply
5.1.2 Uniterrupted Power Supply

6. Storage Devices Including

6.1 Magnetic Hard Disk Drives with Controllers
6.2 Floppy Disk Drives
6.3 CD ROM Drives/CD Read-Write Drives
6.4 Digital Versatile Drivers (DVDs)
6.5 Optical Disk Drivers
6.6 Floptical Devices
6.7 Back Up devices like Tape, DLT, ZIP, ZAZ, RAID drives etc.
6.8 Other Digital Storage Devices

7. Software including

7.1 Application Software
7.2 System Software including Operating Systems, RDBMS, Networking
   Software etc.
7.3 Middleware
7.4 Firmware like BIOS
7.5 Electronic Content Development including CDs/Multimedia etc.

8. Consumables :

8.1 Floppy Disks
8.2 Writable CDs
8.3 Backup Media like Magnetic Tapes, Optical devices, ZIP/ZAP disks
8.4 Toners/Ink Cartridges/Ink for computer output devices

9. Computer Communication Equipment :

9.1 Multiplexers/Muxes
9.2 Modems including cable modems
9.3 VSAT

9.4 Computer communication equipment

9.5 Wireless datacom equipment – including Set top boxes for both Video and Digital Signaling

9.6 Computer Interface Equipment with the hand-held devices like

9.6.1 Pagers

9.6.2 Mobile Cellular Phones etc.

10 Information Technology Services/Information Technology Enabled Services :

10.1 Communication Services through VSAT & ISDN

10.2 Internet Service Providers

10.3 E-Commerce/E-Business Services

10.4 Electronic Data Interchange

10.5 Video Conferencing

10.6 Medical Transcription

10.7 Call Centres

10.8 Back Office Operations like Revenue Accounting Data Entry, Data Conversion etc.

10.9 Revenue Maintenance and Support

10.10 Data Service Centres

10.11 Electronic Content Development etc.

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