

Government of Bihar  
Department of Information Technology  
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## INFORMATION TECHNOLOGY POLICY 2008

### I. IT VISION OF BIHAR

Our vision is that by the end of 2012, Bihar becomes one of the top five e-Governed, IT-enabled, e-Literate States in the Country and is regarded as a preferred destination for IT businesses and is a major supplier of skilled IT manpower.

### II. STRATEGY

The aforesaid goal would be realised by building core IT infrastructure in the State, ushering in e-Governance, providing extensive citizen-centric services, promoting and IT education, incentivising IT businesses to set up units in the state, regulating IT services and putting in place institutionalised arrangements for implementation and monitoring of IT activities in the state.

### III. OBJECTIVES

The State Government has set upon itself the following objectives to implement the strategy outlined above:

1. **IT Infrastructure:** To create world class IT infrastructure and connectivity for e-Governance in the state linking its offices from the State HQs down to districts and blocks; to ensure connectivity for panchayati raj institutions; to facilitate setting up of broadband digital networks and encourage National Long Distance Operators (NLDOs) to build robust fibre optic network in the State.
2. **e-Governance:** To use e-Governance to implement Government's agenda of Good Governance; to improve the internal processes of the government through deployment of Information Technology, administrative reforms, re-engineering and modernization with a view to providing an efficient, responsive, transparent and cost effective Government; to take all necessary steps to gain the maximum advantage under the National e-Governance Plan and the resources available therein for ushering in e-Governance in the State.
3. **Citizen Services:** To use IT to bring various services to the people at minimum cost on 'anywhere, anytime' basis; to bridge the digital divide between urban and rural areas by implementing the scheme of Common Services Centres (CSC) to provide G2C and B2C services to the citizens at their doorstep; to undertake computerisation of government offices to enable them to respond to citizen's electronic requests for services and information.
4. **e-Literacy and IT Education:** To promote measures for in government offices as well as among the masses; to ensure IT education in schools and colleges; to set up dedicated institutions for IT education in public and private sector;.
5. **IT Industry:** To create a favourable climate in the State for investments in the IT, ITES & knowledge-based industries with a view to generating employment, earning income through exports and encouraging e-Commerce, thereby significantly increasing the contribution of the IT sector to the State GDP.
6. **Regulatory Issues:** To devise appropriate legal and regulatory framework for efficient administration of IT and ITES; to prevent misuse of ICT and protect intellectual property rights, patents & trademarks.

7. **Implementation and Monitoring:** To build appropriate administrative framework for implementation and monitoring of IT activities in the State.

#### IV. ROADMAP

##### 1. BUILDING CORE IT INFRASTRUCTURE IN THE STATE

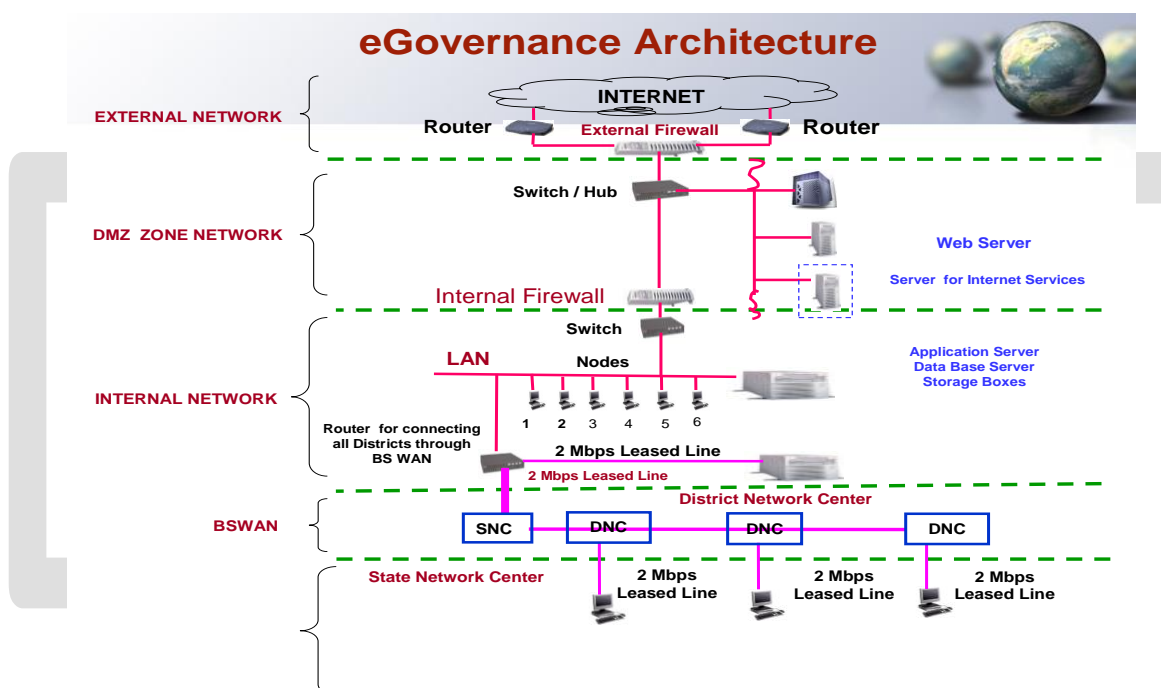
- a. **BSWAN:** Bihar State Wide Area Network (BSWAN) under NeGP core infrastructure initiative aims at providing 2 Mbps (initially) vertical connectivity across the State upto Block level right from the State Headquarter. The SHQ PoP would be located in Patna in conjunction with the State Data Center. At SHQ and all the DHQ PoPs STM1 facility would be provided so as to scale up and meet the future bandwidth requirements. The provision of leased line through fibre media right upto the PoP level would ensure better uptime and also provide for easy network management. The Department of IT (DIT), GoB has taken adequate steps to meet the additional bandwidth requirement of the State Departments.
- b. **Horizontal Connectivity:** DIT is also taking steps to connect all the departmental offices across Bihar to the nearest BSWAN PoP through Horizontal Connectivity. This would ensure that the network would facilitate a truly networked government with all administrative units linked with each other for information interchange as well as for providing the required information and services to the common man.
- c. **State Data Center (SDC):** The other core infrastructure project under NeGP is State Data Center (SDC.) The GoB has already taken initiatives regarding site availability and other pre-installation work such as availability of source power, legal clearance etc. as per the GoI guidelines and is in a position to immediately take up this task. The SDC would provide many functionalities like serving as the Central Repository of the State, Secure Data Storage, Online Delivery of Services, Citizen Information/Services Portal, State Intranet Portal, Disaster Recovery, Remote Management and Service Integration.
- d. **SecLAN:** DIT has initiated Secretariat Local Area Network (SecLAN) project to connect all Government offices in and around the State Secretariat through Gigabit fibre connectivity backbone. This would help in easy communication within the offices, information sharing, file movement and would result in better efficiency, effective co-ordination and reduced time cycle. Linkages between SecLAN, SDC and BSWAN would provide e-mail, voice, data and video communication facility to the Chief Minister, Other Ministers, Chief Secretary and officials.
- e. **CSC:** GoB has already taken action to create a network of Common Services Centres (CSCs), christened 'Vasudha', in all 8,463 panchayats of the State as outlets for various services. Vasudha Kendras would be designed as ICT-enabled Kiosks having a PC along with basic support equipment like Printer, Scanner, UPS, with Wireless Connectivity as the backbone and additional equipment for edutainment, telemedicine, entertainment etc.
- f. **Panchayat Level Connectivity:** The Department of IT, GoB has planned in its 11<sup>th</sup> Five Year Plan to provide Panchayat Level Connectivity across all Panchayats in the State. This would be a crucial element to facilitate panchayat level governance and delivery of services in remote corners of the State.
- g. **Broadband Internet Connectivity:** The State Government would pursue with BSNL, GoI and USOF an aggressive plan to connect rural areas under the National Broadband Plan which envisages in its Phase-I to connect those locations through ADSL where BSNL has its Exchange in and around the block. In Phase II, Wireless Towers would be used by BSNL to cover the rural areas. In Phase III, Pre-Wi-MAX/Wi-Max scenario would be leveraged to cover the rural areas. Department of IT, GoB will join the bandwagon to ensure that every citizen of the State gets Broadband connectivity at his door-step. The State is fully aware of the power of internet penetration in India and would ensure that the rural masses are benefited by the same.

- h. **Departmental Computerisation:** DIT is taking initiatives to computerize the state departments across the State. This would help the departments to join the mainstream of providing services to the citizens across the State and would also help in process improvement within the departments and its employees.

**2. e-GOVERNANCE**

**a. e-Governance Framework :**

The conceptual framework of the State e-Governance architecture is provided below. The State Government intends to provide connectivity, access and services from Secretariat to the village level. The Bihar State Wide Area Network would be commonly used by various departments and institutions while delivering services to the common citizens.



The State Data Center would be used as common, sharable, secured, centralised hosting infrastructure for all the State MMPs/other applications and CSCs will be used as web-based front end delivery centres for the citizens of the State.

**b. Use Of IT In Government Processes**

The National e-Governance Plan (NeGP) envisages funding of several State Mission Mode projects (MMPs) as well as Integrated MMPs. The State would take steps to make full use of these.

- i. **State MMPs:** NeGP provides for 11 State MMPs relating to Agriculture, Commercial Taxes, e-District, Employment Exchange, Land Records, Municipalities, Gram Panchayat, Police, Property Registration, Transport and Treasuries . In addition, the State can take up 5 more MMPs. The government would put implementation of these MMPs on a fast track. DIT shall assist the Departments involved in implementation of these MMPs for AS-IS study, requirement analysis, DPR preparation, bid process management and monitoring during implementation. The State is taking major steps in building applications so that the core infrastructure such as BSWAN, DATA CENTER etc. are effectively and optimally used and governmental services are

served to the citizens. In line with this, the State has already progressed in various MMPs such as Commercial Taxes, Land Records, Transport, eHealth, eDistricts, eCops, Property Registration etc.

- ii. **Integrated MMPs:** There are 7 Integrated MMPs – CSC; e-Biz; e-Courts; e-Procurement ; Electronic Data Interchange (EDI) For Trade (eTrade); , India Portal. The department of IT, GoB has already initiated action towards deployment of applications such as eProcurement, CSC, etc.
- iii. **Other Services :** A number of other initiatives have been taken by the State with its own funding. Some of these are --
  - 1) ICT@School
  - 2) Jail Computerisation
  - 3) e-Muster
  - 4) Co-operative Bank Computerisation
- iv. **Government Process Reengineering:** At present the e-Governance efforts are primarily based on computerising age-old processes. Simply digitizing the existing government processes merely adds an additional layer of expense, complexity, delay and confusion. DIT intends to provide support to the departments to reengineer and modernize/redesign the government processes keeping the citizen at the centre, providing hassle-free enablement of citizens, businesses, producers and consumers thereby replacing the old disjoint processes. This redesigning of government processes will drastically reduce the numbers and duration of successive steps required to obtain services. It will also provide traceable records; enable enforcement of individual performance, accountability, efficiency, productivity as well as transparency of policies and processes.
- v. **Common Standards:** Until now, different State Departments have been doing their own thing to selectively computerize their processes and provide e-Governance. Many of these programmes are vendor driven and not scalable. DIT would take steps to develop and implement standards uniformly across the State. It would be ensured that these standards are not hardware-centric and vendor dependent. These standards, templates and data formats would be designed carefully by teams of experts drawn from government, IT companies, academia, R & D institutions and users/stakeholders who understand latest trends, technology, software, user interfaces and interoperability requirements.
- vi. **Capacity Building & Change Management:** Considering the nature and scale of e-Governance initiatives planned, the role of the State Government in managing these initiatives would be critical. It is also well recognized that for State to play its role effectively, significant capacities need to be built. Hence, Capacity Building has been identified as the prominent precursor for the implementation of the e-Governance Plan. DIT will ensure that the outcome of the Capacity Building programme justifies the following:
  - Ensuring provision of necessary training across various levels to the identified stakeholders.
  - Improving the chances of success of eGovernment initiatives
  - Creation of institutional capacities across the State for implementing the e-Governance plan at the State level by constituting the State e-Governance Mission Teams.

### c. Budgetary And Other Support

In order to achieve the overall objectives, following policy initiatives would be taken:

- i. Each Department shall prepare a Three-Year IT Plan. This plan should address the extent of computerization of its core activities, need for hardware and software resources, manpower requirement and training of employees.

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- ii. 3% of the total Plan outlay will be earmarked for IT sector. Appropriate minor head for accounting investments in the IT Sector would be created for each department. The expenditure control under this head will be with the Administrative Secretary.
- iii. Every Government Department shall nominate a nodal officer responsible for implementation of e-Governance initiatives. Each Department shall prepare a road map for ensuring service delivery to citizens covering training, Process Reengineering and computerization. The nodal officer shall be responsible for implementation of the road map. Nodal officer's Annual Confidential Report (ACR) would specially indicate the achievements in the implementation of the e-Governance roadmap.
- iv. In the times to come, speed and accuracy of communication would be a strategic factor in determining the success and effectiveness of any organization. Therefore, the Government shall make it compulsory for all Departments and PSUs to use the State Wide Network (BSWAN) for inter and intra departmental data, voice and video communication.
- v. An integrated IT center shall be created at each of the 38 districts in the State by the year 2010. This center will provide multifarious facilities to district administration and citizens. Wherever possible, implementation and operation of the district based IT centers would be outsourced to private sector. A logical extension of this hub would be further downward linkages to Block and Panchayat levels.
- vi. The Government shall establish IT training centers, aimed at the existing Government employees, at each district headquarters by the year 2009-10. These training centers shall be the integral part of the district based IT centers.
- vii. At each district, data warehouses having local content shall be created. These centers shall provide government information to citizens through Vasudha Kendras on cost plus basis so that it is financially viable for the private entrepreneur. DIT would determine the end user costs and also carry out regular benchmarking of the facilities.
- viii. Government shall introduce IT at all points of contact between the Government and the citizen by the end of the year 2009-10. All forms requiring submission of information, while applying for any service or clearance from the Government, would be made available for electronic access and submission. Each public dealing department shall list out the contact points and the level of information interchange between it and citizens. The State Portal and the Vasudha Kendras would enable the citizens to carry out this kind of information interchange with the Government.
- ix. Computerization projects of Revenue earning departments and agencies having high level of public contact shall be fully operationalized latest by the year 2009-10.
- x. Computer proficiency of a specified level would be stipulated as essential qualification for all appointments in Government. In case of new entrants to the Government service, computer training of the level of at least 'O' level certification shall be made a mandatory component of the induction level training. In case of serving employees, confirmation of services shall be done only after having passed the basic computer test. This shall be applicable to all employees except group 'D' employees.
- xi. As recommended in the 'National IT Action Plan', the Government shall establish framework contracts with the leading and reputed IT services vendors so as to avail a wide range of IT consultancy, specialist services and IT products at lower cost and with a shortened procurement cycle. To minimize the technological obsolescence factor and to avoid the large upfront expenditure, procurement of computer hardware would largely be done through leasing.

- xii. Considering the value of the Internet as a communication medium, Government Departments shall create their web sites under the umbrella of the Bihar State Portal. All Government circulars, notifications, tenders, etc. shall be published on the web site on regular basis. All examinations & recruitment notifications, selection results shall be published on the web site.
- xiii. In order to monitor that IT resources are being used at the optimal levels, structured IT audit shall be carried out by team comprising officers of DIT, GoB and the concerned department.
- xiv. State level awards shall be given to Government Departments/ PSUs for outstanding usage of IT.

**d. Geographical Information System (GIS)**

In emerging technology paradigm, Geographical Information System (GIS) has emerged as powerful tool which has potential to organize complex spatial environment with tabular relationships. The emphasis is on developing digital spatial database, using the data sets derived from precise navigation and imaging satellites, aircrafts, digitization of maps and transactional databases.

The enormous demand for the storage, analysis and display of complex and voluminous data has led, in recent years, to the use of Geographic Information Systems for effective data handling and also for analyzing and geographically transferring the information around the world. DIT would encourage the use of software which is designed to provide a complete state-of-the-art desktop GIS solution for retrieval, projection, transformation and analysis of both spatial and non-spatial data, so that the user is able to manipulate and manage coordinate (locational) and attribute (thematic) data and produce thematic maps as well as tabular reports.

**3. CITIZEN SERVICES**

**a. Bihar Portal**

Bihar Portal will be implemented as a State Mission Mode Project under the National e-Governance Plan. The objective behind the Portal is to provide a single window access to the information and services being provided by Govt. of Bihar to the citizens and other stakeholders. It would be a comprehensive, accurate, reliable and one stop source of information about Bihar and its various facets. It would also have links to other State Government Portals/websites as well as to the National Portal. In addition to information services, the portal would also provide interactive and payment services to citizens. The content of the Portal would be regularly updated and made available to the citizens.

**b. Electronic Delivery of Services through leverage of IT**

Various citizen-centric services would be delivered electronically and would be made available to the people of Bihar in an efficient, transparent and reliable mode. These would be in the nature of 'web-enabled anywhere-anytime services'.

**c. eDistrict**

The eDistrict Scheme would focus on delivery of majority of citizen centric services that are administered by the District Administration. It would target certain high volume services at the district, sub-division and block levels and undertake backend computerization to enable the delivery of these services through Common Services Centres. The implementation strategy of eDistrict would suitably take into account the IT infrastructure currently being created such as BSWAN, SDC, CSCs and State Gateways.

eDistrict would be a set up at the district level, wherein data and information would be collected, stored, retrieved, used and exchanged in an efficient manner at all levels..

**d. CSCs**

Govt. of Bihar is setting up Common Services Centres in all 8,463 panchayats across the State. Christened 'Vasudha', the CSCs would provide easy access of G2C and G2B services for the rural masses at village levels. Citizen would have a local interface to interact with government departments through village level entrepreneurs well supported by Service Centre Agencies.

**e. RTI**

IT shall be used to fully implement the mandate of the RTI Act. Various kinds of information pertaining to the functioning and decisions of the Government would be made available in the public domain using the state portal and web-sites of various state authorities.

Bihar was the first state to set up a call centre for electronic filing of RTI applications seeking information from Govt Authorities.

**f. Telemedicine**

The use of communication and information technologies for the delivery of clinical care would be leveraged for the benefit of the citizens. GoB will encourage Telemedicine which is a rapidly developing application of clinical medicine where medical information is transferred via telephone, the Internet or other networks for the purpose of consulting, and sometimes remote medical procedures or examinations. GoB would also encourage real time telemedicine that could be as simple as a telephone call or as complex as robotic surgery. It requires the presence of both parties at the same time and a communications link between them that allows a real-time interaction to take place. Video-conferencing equipment is one of the most common forms of technologies used in synchronous telemedicine that would be leveraged to reach citizens at their doorsteps and far-flung areas. There are also peripheral devices which can be attached to computers or the video-conferencing equipment which can aid in an interactive examination. For instance, a tele-otoscope allows a remote physician to 'see' inside a patient's ear; a tele-stethoscope allows the consulting remote physician to hear the patient's heartbeat. Medical specialties conducive to this kind of consultation include psychiatry, family practice, internal medicine, rehabilitation, cardiology, pediatrics, obstetrics and gynecology and neurology.

**g. Distance Learning**

ICT would be used as a major tool to promote distance learning educations and training programmes across the State. Citizens would get their higher educations, vocational training courses, management courses and other job oriented training courses through ICT based approach. Under distance learning programme focus will be given on the pedagogy/andragogy, technology, and instructional systems design that aim to deliver education to students who are not physically "on site". Rather than attending courses in person, teachers and students may communicate at times of their own choosing by exchanging printed or electronic media, or through technology that allows them to communicate in real time. Distance education courses that require a physical on-site presence for any reason including the taking of examinations is considered to be a hybrid or blended course or program.

**h. Tourism**

Bihar has the remnants of the Capital Cities of mighty Magadh Empire, and several places of tourist interest such as Pataliputra and Rajgrih; monuments of ancient seats of

learning such as Vikramshila and Nalanda Universities; World's highest Buddhist Stupa at Kesaria; the World Heritage Mahabodhi temple of Bodh-Gaya; wild life of Valmikinagar and Bhimbandh; water-falls of Kakolat and Sasaram; Religious centers of Gaya, Rajgir, Rohtas, Saran, and Gopalganj; pre-historic cave-paintings and Rock-shelters of Kaimur and many more.

IT based applications will be developed for: hotel information, transport services, & guest management, financial services (e- banking), sales and catering, property management and maintenance. As the tourism business grows other areas such as HR and rocurement etc. will be covered by use of IT.

**i. Wi-fi City**

The city of Patna shall be transformed into a Wi-Fi City in PPP mode.

**4. e-LITERACY & IT EDUCATION**

**a. e-Literacy**

While providing IT services and IT enabled services would require highly skilled IT professionals, even the use such services by people at large presupposes certain level of IT knowledge on their part. In the emerging e-permeated society "eLiteracy" would become not only a key factor in enabling participation in education, employment and other aspects of social and economic life, but also a means of gaining understanding of the world. In time, several digital tools would become available to support the achievement of goals and performance of tasks, big and small, in an individual's life-situation which, however, only the eLiterate would be able to use.

To facilitate effective utilization of the investments made in IT and IT enabled services, the State Government would implement an IT Literacy Plan (ITLP) at the following levels.

- i. In Government** : Government shall target 100% IT literacy amongst its employees. IT literacy would entail a minimum level of defined proficiency which would include word processing, e-mail, data entry and internet access, etc. Suitable training programmes shall be organised for the employees and appropriate incentives/ disincentives shall be designed to achieve desired level of proficiency by a targeted date. In the Annual Confidential Reports of government employees, a column shall be introduced regarding contribution to 'IT utilization' in the department/organization.
- ii. In Schools & Colleges** : All students in schools and colleges shall be given a basic IT training. Computer labs shall be established under PPP model for this purpose. Finishing Schools shall be established in colleges to e-enable the graduating students with a view to enhancing their employability.
- iii. For Citizens**: Govt. of Bihar is keen to promote eLiteracy amongst masses. Citizen eLiteracy programmes shall be drawn up and implemented towards this end. Vasudha Kendras as well as other private agencies would be encouraged to take up computer literacy and computer aided education programmes for the masses.

**b. IT Education**

The spectacular growth of software industry in recent years has generated a huge demand for highly skilled Information Technology manpower resulting in projections of a long-term global demand-supply gap for such manpower. Human resource constitutes the single most important resource in the Information Technology industry. The State Government is quite aware that the goal of creating an IT driven and knowledge-based

society in the State cannot be achieved without building core competencies in human resource development with substantial inputs of information technology knowledge.

**i. IT in School and College Curriculum**

- 1) Courses on IT would be introduced in all branches of study starting from Higher Secondary Level. Specific courses would be launched to provide project management and software skills.
- 2) An IT course module shall be made compulsory for all degree courses. A uniform IT module syllabus shall be prepared by the Department of IT in consultation with the Human Resource Department, Universities and other agencies.
- 3) The State Government shall provide financial assistance to Universities and colleges to start degree and diploma courses in IT. Financial assistance shall also be extended to aided colleges towards creating necessary computing resources and to start IT related courses.
- 4) The State Government shall establish IT Centres in all ITIs/Polytechnics under the PPP model. These IT centres will run short-term (6 months) certificate courses.
- 5) The State Government shall promote the deployment of a State wide educational network to cover all colleges and institutions of higher learning, which will facilitate the creation of subject specific e-learning communities centering on designated institutions as resource Centres for various subjects. The State Government would collaborate with the Knowledge Commission in this endeavour.

**ii. Building Reputed Institutions**

- 1) An Indian Institute of Information Technology (IIIT) shall be set up in the State with the assistance of the private sector for producing highly skilled IT professionals. The State Government shall provide requisite resources, including land and other necessary infrastructure, for establishing the Institute in line with the scheme of GOI. With the rich pool of technology, research and faculty resources at IIIT, the institute can spearhead the process of networking universities, colleges and research centres within the State and the country. It can also serve as a resource centre for up gradation of curriculum and training of teachers of various colleges and institutions across the State.
- 2) IT Academies would be set up in the State to produce skilled IT work force in large numbers for the IT industry as well as for use in the e-Governance initiatives of the Government.
- 3) Private agencies would be encouraged to set up institutions of excellence on IT subjects within the State.
- 4) The State Government shall set up a Knowledge City in the State. IIIT, IT Academy, Private IT institutions as well as other institutions of higher learning would be located in the City. It would also accommodate IT (Hardware/ Software) Parks and IT and ITES service providers and provide space for office and residential accommodation.

**iii. IT Education for Teachers**

- 1) The State Government shall take up intensive computer training of at least 10% of teachers in Higher Secondary Schools and progressively train at least 2-5

teachers in all other schools. IT centres in ITIs/ Polytechnics shall be used to impart training to teachers.

- 2) To provide incentives to the teachers, the State Government intends to provide two advance increments to all teachers who qualify the proficiency tests in computer education.
- 3) State would like all teachers in all schools to have an e-mail address by year-end 2009.

## 5. IT BUSINESS AND INDUSTRY

India's success in the export of Information Technology (IT) Software and Related Services over the past decade is well known. India now accounts for 65 percent of the global market in offshore IT and 46 percent of the ITES market. A majority of the Fortune 500 and Global 2000 corporations are sourcing IT-ITES from India. The growth of the sector has led to tremendous pay-offs in terms of wealth creation and generation of high quality employment as well as by increased demand for commercial and residential real estate, catalysed urban development, and played a significant role in driving demand for other commercial services such as retail, hospitality and transportation, etc. However, this rapid growth and the associated developmental impacts have mostly been confined to a handful of IT-BPO hubs located in a few states. Bihar has largely been bypassed by these exciting developments.

It is the intention of the State Government to foster IT-enabled growth in Bihar, so that the people of Bihar are able to enjoy the benefits of economic prosperity that come with it and the State is able to play a more participatory role in India's economic development. With a view to making Bihar a preferred destination for IT business and industry, the State Government has decided to offer a special package of incentives to attract them to the State. The policy initiatives in this regard have been structured in the following manner:

- Approval and Facilitation Measures
- Fiscal Measures
- Subsidies and Incentives
- Procedural Reliefs & Concessions
- Promotional Measures
- Supporting Infrastructure

### a. Approval and Facilitation Measures

- i. The State Investment Promotion Board serves as the Single Window Agency for providing approvals and clearances for setting up new units in the State. Proposals for establishing new IT units shall be considered and approved by this Board.
- ii. To further strengthen the Single Window System, an escort service would be started to assist the entrepreneur in pre and post SIPB approval activities including help in preparing bankable project reports, sourcing technology, arranging land, electricity, water and facilitating the entrepreneurs to avail of IT incentives, etc. An On-line Clearance & Support Network (OCSN) linking all the related Departments/ organizations shall be created for facilitation of entrepreneurs.

### b. Fiscal Measures

- i. 100% exemption from Stamp Duty and Registration Fee shall be provided to all IT/ ITES units being established in public IT Parks, Knowledge Cities and industrial areas/ sheds. For units outside the public IT Parks, Knowledge Cities and industrial areas/ sheds, 50% exemption from Stamp Duty and Registration Fee shall be granted but units in private IT Parks would be eligible for such exemption @ 75%. This facility would be available only for the first time.

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- ii. All IT / ITES industries shall be exempted from payment of VAT for a period of seven years from the date of their first billing. Beyond this period, VAT on all IT/ ITES products shall be charged at the minimum floor rate of 4%.
- iii. IT/ITES units shall be exempted from the payment of electricity duty and luxury tax for a period of 7 years.
- iv. Commercial buildings of IT/ ITES units shall be charged land and building tax at residential rates.
- v. Capital goods and raw materials for IT/ ITES units shall be exempted from Entry Tax.

### c. Subsidies and Incentives

- i. IT/ITES units shall be allowed preferential allotment of land on an ongoing basis in all IT Parks/ Industrial Areas/Sheds/ Knowledge Cities developed by State agencies.
- ii. All efforts would be made to ensure continuous and uninterrupted power supply for IT industries and the sector would be exempted from scheduled power cuts.
- iii. IT/ITES units shall be supplied electricity at industrial rates. 25% of electricity charges paid by them during the first 3 years shall be reimbursed to them by the State Government on an annual basis.
- iv. IT/ ITES units shall be permitted to set up captive power plants / diesel generating sets and 50% of the cost of plant and machinery used for this purpose shall be reimbursed by the State Government after the unit comes into production/ operation. 100% exemption from Electricity duty shall be granted on generation and own consumption of electricity from such captive power plants/ DG Sets.
- v. IT/ITES units falling in small/ tiny category shall be reimbursed 50% of the cost of land allotted to them in IT Park, Industrial Area/Shed or Knowledge City while IT/ITES units in Medium/ Large/ Mega category shall be reimbursed 25% of the cost of land allotted to them in IT Park, Industrial Area/Shed or Knowledge City. The reimbursement shall be made after the unit has come into production/ operation.
- vi. 50% of the cost of preparation of project report subject to a maximum of Rs 75,000/= shall be reimbursed to an IT/ITES unit set up in the State. This reimbursement shall be made after commencement of production/ operations.
- vii. Units going for expansion, diversification or modernization by increasing investment by more than 25% and increasing the capacity by more than 25% will be allowed incentives at par with new units
- viii. In order to encourage , IT/ ITES companies to be competitive in the global market place, they would be reimbursed 50% of the expenditure incurred by them, subject to a ceiling of Rs 5 lakhs, to obtain ISO/ISO 9000 certification or SEI/CMM Level 5 or COPC – 2000 or eSCM Level 3.
- ix. Existing industry shall be allowed to convert to IT unit/ IT park.
- x. Awards of excellence: Awards of excellence shall be instituted for outstanding performance of IT/ITES units in exports/domestic segment/employment generation.
- xi. For buildings constructed for IT/ ITES companies, the FAR applicable shall be up to double of what is applicable for commercial buildings. For buildings in IT Park/ Industrial Area/Shed/ Knowledge City, FAR shall be allowed as per building bye laws applicable there.

- xii. Software units shall be allowed to be set up in residential areas.
- xiii. State Government will support TiE, NASSCOM, STPI, or any such organization in the creation of a Library for making available material on trends in technology, market intelligence, research reports and analysis etc. by contributing Rs.10 lakhs per annum.
- xiv. To encourage establishment of IT companies in Bihar, a subsidy up to Rs. 25 Lacs at the rate of Rs. 10,000 per employee would be given to the first five IT/ITES companies investing in the State and directly employing more than 50 employees in IT or 100 employees in ITES sector. Such employment shall be for a period of at least two years for persons domiciled in Bihar.
- xv. Projects creating direct employment of more than 500 people in the case of IT industry or 1000 people in ITES industry shall be entitled to a special package of cash incentive of Rs. 10,000 per employee per annum for first 3 years.
- xvi. All IT/ ITES companies including services and training institutions will be entitled to "Industry" status. Such units shall be eligible for all concessions and incentives applicable to industries. For the purpose of this clause, accredited IT Training/ IT Education Institutes will be treated on the same footing as IT/ ITES companies and allowed all incentives and concessions applicable to IT/ ITES companies.

**d. Procedural Reliefs & Concessions**

- i. IT/ITES units would be declared as Public Utility Services under the provision of the Industrial Disputes Act, 1947. They would be allowed to work in three shifts (24x7) as continuous processing units. These units would be exempted from the provision of granting a weekly holiday. Also, females employees would be allowed employment in shifts between 8pm and 7am.
- ii. IT/ITES units being constituents of the Knowledge industry would be exempted from a variety of clearances and routine inspections of the controlling and regulatory authorities of the State Government such as Labour Commissioner, Director of Employment, State Pollution Control Board, Inspectorate of Factories & Boilers, etc.
- iii. IT/ITES units shall be eligible for self certification to the Labour, ESI and EPF Authorities under the Provisions of the following Central and State Government Acts:
  - 1) The Factories Act, 1948,
  - 2) Contract Labour (Regulation & Abolition) Act, 1970,
  - 3) Employees' State Insurance Act, 1948,
  - 4) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959,
  - 5) Industrial Employment (Standing Orders) Act, 1946,
  - 6) Maternity Benefit Act, 1961,
  - 7) Minimum Wages Act, 1948 ,
  - 8) Payment of Wages Act, 1936 ,
  - 9) Equal Remunerations Act, 1976,
  - 10) Employees Provident Fund & Miscellaneous Provision Act, 1952
  - 11) Workmen Compensation Act
- iv. Permission to use agricultural land for non agricultural purpose will not be required in case the entire piece of land and building constructed thereon is used exclusively for setting up IT/ITES units subject to approval by the SIPB.
- v. IT/ITES units shall be exempted from the purview of the Pollution Control Act.
- vi. IT/ITES units shall be exempted from seeking clearance of the Electrical Inspector for approving Contract Demand of Load and appliances to be fitted in an IT unit.

### e. Promotional Measures

- i. The State will setup an International Convention Center at a picturesque location close to a Central Business District in the city of Patna.
- ii. The State will also host an annual international conclave of esteem to showcase the State's expertise in IT with focus on human capital
- iii. State would organize / promote regular conferences in the state, of various stakeholders in the IT sector, in collaboration with IT associations.
- iv. The State Government would disseminate information on the initiatives taken by the Government in e-Governance, e-Literacy and IT education as well as the steps aimed at improving the business environment for IT-ITES sector to the public through print and electronic media. This would help to build the image of Bihar as a State with a modern, progressive, citizen-centric and business friendly government.

### f. Improving Business and Social Infrastructure

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

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

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

- i. **Airline Connectivity:** State would encourage domestic airlines to enhance connectivity of Patna and Gaya with major national and selected international destinations. Investment would be made for upgrading the facilities at these airports. Air Taxi service between major towns of the state by private operators would be encouraged.
- ii. **Road Connectivity:** State Govt has undertaken a huge road development programme that would provide movement between the major towns of the state. Access roads will be built from Airports and other points of commute such as Railway Stations to the designated IT parks, which minimize travel time. Value added services and international standard amenities such as logistics, hotel and restaurant, petrol pumps, retail, emergency services, etc. to support and enhance road networks would be developed.

- iii. **Power Supply:** New power projects would be promoted both in public and private sector to meet additional demand forecasts of the IT industry. IT units who would like to set up captive power plants would be encouraged and incentivised.
- iv. **Reliable Communication Links:** The State Government would encourage presence of multiple telecom service providers offering high-speed telecommunication links with several levels of built in redundancy for all IT Parks. Permission to set up base stations and telecommunication network equipment in earmarked areas would also be given on priority. Single window interface would be established for securing Right of way for laying optic fibres and erecting towers.
- v. **Residential Real Estate:** Private developers would be encouraged and facilitated to build quality housing complexes with open spaces, playground and parking.
- vi. **Retail and Entertainment Hubs:** Setting up of large departmental stores and malls, 5 and 7 star hotels, cafes, multi-cuisine restaurants, modern cinema halls and multiplexes would be encouraged.

### 6. Regulatory Issues

- a. The State would examine and adopt the National Policy on Data Security, Privacy and Data Protection and other legal frameworks including cyber laws.
- b. The overall objective would be to provide a transparent, simple and enforceable set of laws, which shall facilitate e-business and all other IT enabled activities.
- c. The overall objective would be to provide a transparent, simple and enforceable set of laws, which shall facilitate e-business and all other IT enabled activities.
- d. The Government is keen on protecting Intellectual Property Rights and Copyrights of IT Products and would encourage use of only legal or authorised products. Awareness programs will be developed for general public. The Government shall provide orientation programmes to its law enforcement agencies to understand the intricacies of the laws under the relevant Acts to curb unauthorised copying of copyrighted works.
- e. Measures would be taken to increase awareness of anti-piracy in various departments and initiate move towards setting up of compliance infrastructure.
- f. Government shall setup a high-powered IT Security Task Force, with BSEDC as the nodal agency for establishing IT security framework within the State. BSEDC will be tasked to prepare the security requirement and roadmap for the entire State.

### 7. Implementation & Monitoring

- a. **Bihar Information Technology Authority (BITA):** BITA shall be constituted as the apex body to oversee the comprehensive development of IT sector in the State. The Authority will be chaired by the Chief Minister.
- b. **Department of Information Technology (DIT):** The State Government has created the Department of Information Technology with effect from 1.4.2007 to act as the nodal agency for implementation of the IT policy and computerization within the State. Other Departments of the Government shall consult DIT on all issues pertaining to IT. The DIT will render all necessary assistance to them for implementation of the e-Governance programme.

- c. **District e-Governance Society (DeGS):** DeGS shall be constituted in each District under the chairmanship of the District Magistrate with representation of various departments including NIC to formulate, monitor and implement IT schemes/ programmes at the district level.
- d. **Bihar State Electronics Development Corporation Ltd. (BSEDC):** BSEDC is a Govt. of Bihar Undertaking notified as the State Procurement Agency for IT goods and services. In addition to the procurement role, it would act as the agency for providing standardized frameworks, architecture and templates for all computerization activities and e-Governance implementation. It would form JVs with private agencies with a view to facilitating e-Governance implementation and rendering IT services. It would undertake IT need assessment of various Government Departments and organisations, prepare DPRs, assist Departments and organisations in identifying operators/ agencies for implementing e-Governance projects, monitor project implementation and undertake evaluation studies.
- e. **Monitoring & Evaluation:** A High Level Committee shall be constituted for implementation monitoring of IT projects. All departments shall be required to submit comprehensive report on the execution of IT projects to this Committee on regular basis. Bihar e-Governance Services and Technology Ltd. (BeST) would be the consultant supporting this Committee.

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